

**MINUTES**  
**OF THE**  
**WOODS HOLE, MARTHA'S VINEYARD**  
**AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**January 16, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 16th day of January, 2018, beginning at 10:00 a.m., in the Cultural Center of the Falmouth Historical Society's Museums on the Green, located at 55 Palmer Avenue, Falmouth, Massachusetts. All five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County (who participated remotely by telephone conference call); Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council member George J. Balco of Tisbury were also present, as were the following members of management: General Manager Robert B. Davis; Reservations and Customer Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; Operations Manager Mark K. Rozum; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV, and that Louisa Hufstader was also making an audio recording of today's meeting in public session.

Remote Participation by Dukes County Member Marc N. Hanover:

Mr. Ranney announced that he had been notified by Secretary Marc N. Hanover that he desired to participate remotely in today's meeting because his physical attendance today would be unreasonably difficult. Mr. Ranney stated that he agreed with Mr. Hanover and had determined that Mr. Hanover's physical

attendance today would be unreasonably difficult and that, therefore, he may participate remotely in this meeting, which includes voting on all matters as well. Mr. Ranney also stated that Mr. Hanover would be participating in the meeting by telephone conference call, that he would be clearly audible to the Members, and that the Members would be clearly audible to him. Mr. Ranney also noted that as a result of Mr. Hanover's remote participation in this meeting, all votes taken by the Members that day would be by roll call vote.

Minutes:

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- to approve the minutes of the Members' meeting in public session on December 19, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Davis then summarized the results of the Authority's operations for November 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Davis reported that the Authority had carried more passengers (up 2.0%), more automobiles (up 1.0%) and more trucks (up 4.6%) during the month than it had carried during the same month in 2016, but that the Authority had parked fewer cars that month (down 1.8%) than it had parked in November 2016. Mr. Davis further reported that, for the first eleven months of 2017, the Authority had carried fewer passengers (down 2.2%), fewer automobiles (down 0.3%) and more trucks (up 4.1%) than during the first eleven months of 2016.

Mr. Davis also reported that the Authority's net operating loss for the month of November had been around \$2,536,000, approximately \$897,000 higher than what had been projected, with operating revenues and other income

\$665,000 higher than projected, and operating expenses, fixed charges and other expenses \$1,562,000 higher than projected. But Mr. Davis noted that the increase in operating expenses was principally due to a \$1,600,000 increase in the Authority's maintenance expenses, as there had been increases in the dry-dock expenses for the *M/V Martha's Vineyard* (\$617,000), the *M/V Governor* (\$471,000), the *M/V Woods Hole* (\$219,000) and the *M/V Sankaty* (\$124,000) that month.

Mr. Davis further reported that, the Authority's total operating income for the first eleven months of 2017 had been around \$14,122,000, approximately \$3,029,000 higher than the amount projected in the 2017 Operating Budget. Mr. Davis noted that, although operating revenues and other income during this period had been \$515,000 lower than projected, that decrease was attributable to lower passenger revenue (\$2,076,000 lower than budgeted) and automobile revenue (\$685,000 lower than budgeted), while there had been more revenue than projected from trucks (\$1,440,000 higher than budgeted) and license fees (\$706,000 higher than budgeted). In addition, Mr. Davis said, the Authority's operating expenses and fixed charges had been \$3,544,000 lower than projected during this period, with vessel maintenance expenses \$2,770,000 lower than budgeted and terminal maintenance expenses \$848,000 lower than budgeted.

Mr. Davis also noted that the Authority's fund balances remained in decent shape, and that the transfers to the Replacement Fund were expected to be \$322,000 higher than projected.

#### Temporary Woods Hole Terminal Building:

Mr. Davis reported that the Authority has been addressing some open items with respect to the temporary Woods Hole terminal building since it opened for use on December 4, 2017, including installing indoor/outdoor carpeting on the decking in order to keep it from being slippery. Mr. Davis stated that, based upon how it works over the winter, the staff will determine next spring whether the carpeting is only going to be a temporary measure or a permanent solution.

Mr. Davis also reported that the contractor has finished installing the air curtains for both sets of doors to the lobby, although he recounted how, on Christmas Day, a storm had knocked a string of lights down so that they were hanging in front of the north lobby door, causing the door to open and close constantly. Mr. Davis reported that the open doors had allowed the wind to blow into the lobby, which then blew the south doors off of their tracks. But Mr. Davis assured the Members that the doors since have been fixed.

After Mr. Davis noted that the lobby in the old terminal building will continue to remain open as a waiting area for the Authority's customers until the end of the month, when the building will need to be vacated so that it can be demolished, he reported that, through the end of November 2017, the cost of the building had been \$2,713,000, which represented the \$2,591,000 original contract amount plus \$122,000 in change orders, and that the Authority had paid the contractor \$2,612,000 of that amount.

Construction of the Authority's New General Offices:

Mr. Davis reported that the construction of the Authority's new administrative office building was progressing, noting that:

- the contractor has continued working on the mechanical, electrical and plumbing systems on all floors of the building;
- the second and third floors have been carpeted and the finished painting has wrapped up;
- the contractor has installed the interior drywall and the glass partitions on the first floor;
- the exterior stone veneer on the lower part of the building has been installed, as well as the stone veneer on the elevator shaft, and the exterior siding has been installed;
- the stair towers are currently being finished with flooring and hand rails;
- furniture on the third floor has been installed and the furniture for the second floor has been delivered and is being installed; and
- the electricians continue to wire the server room, including the UPS system for the room, working ten hours per day, six days per week.

Mr. Davis also noted the contractor was still attempting to have the building ready for occupancy by January 26, 2018, but he cautioned that it was going to be tight and everything would have to proceed smoothly to meet that deadline. Mr. Davis further stated that the current plan was for the Authority's Accounting Department employees to move into the new administrative office building on January 29th and then to move the rest of the employees a week later, although he noted that each of those dates probably would be pushed out a week. In addition, Mr. Davis said, while some of the equipment from the Authority's current offices will be moved to the new building, other equipment will be repurposed to the Mashpee Reservations Office and various terminals and maintenance facilities.

Mr. Davis further reported that the cost of the building then stood at approximately \$13,303,000, which represented the \$12,687,000 original contract amount plus \$578,000 in change orders, and that the Authority had paid the contractor \$11,057,000 of that amount

Woods Hole Terminal Reconstruction Project:

Mr. Davis then reported that Jay Cashman, Inc., the contractor for the Woods Hole terminal reconstruction project's waterside work (Phases 2-4), was mobilizing that week by bringing in a construction trailer, which will be located behind the temporary terminal building. Mr. Davis also noted that Cashman was currently digging trenches at the site to reroute the power to Slip 3, which is now routed out of the existing administration/terminal building. In addition, Mr. Davis said, this spring Cashman will:

- move the passenger ramp and gangway system that is currently on the wharf to a location between existing Slips 1 and 2;
- install a temporary fender system on the north side of Slip 1 for support when the wharf is excavated; and
- start the excavation of the wharf after the terminal building is demolished.

Mr. Davis also reported that last week the Authority had sent its initial email update about the status of the terminal reconstruction project to the Woods Hole community, and that the staff planned to send future email updates to the Authority's neighbors on a regular basis to keep them informed about the Authority's construction plans.

M/V Martha's Vineyard Mid-Life Refurbishment Project:

Mr. Walker reported that, while that the schedule for the *M/V Martha's Vineyard* mid-life refurbishment project still called for the delivery of the vessel at the Authority's Fairhaven Vessel Maintenance Facility on February 16, 2018, last week the shipyard submitted two requests for further extensions of time totaling another four days, and he would be negotiating those requests later this week. Mr. Walker stated that one request was for a three-day extension of time due to the storm on January 4th and 5th, and that the other request was for a one-day extension for a delay due to a hull-related issue when the shipyard was attempting to dry-dock the vessel.

Mr. Walker also reported that, due to the already extended time for the vessel's delivery, the Authority had begun sending machinists and other employees to the shipyard to perform work on the vessel's main engines so that it will be ready to return to service on March 3, 2018. Mr. Walker noted that the schedule was going to be very tight and that, while the vessel's exterior is now in good shape, with the paint on and all of the windows in, there was still a lot of work to be done in its interior. Specifically, Mr. Walker stated that the crew spaces were between 60% and 70% completed; that the passenger cabins were around 40% completed; that the exterior painting was 95% completed; that the interior painting, including the freight deck and the voids, was around 75% completed; and that the generator and switchboard work was also around 75% completed.

Mr. Walker also recounted how, at the Authority's last meeting, he had reported that the project's change orders had amounted to around \$1,800,000, which was approximately \$200,000 higher than budgeted. But Mr. Walker stated that, since then, the change orders definitely had slowed down and that he hoped the Authority will now be able to control them for the rest of the project.

Mr. Walker then gave a PowerPoint presentation on the progress of the shipyard work, noting that:

- the exterior is taking shape; the paint is on; the bow door is in place and operational, and the new rescue boat is installed;
- the new pilot house and all-aluminum mast are up; all of the windows are in; and the vessel is floating;
- the vessel has all new railings that match the railings on the *M/V Woods Hole* and the *M/V Island Home*;
- the stern door, which is a stainless steel roller curtain door that is not hydraulic but will be operated by the crew, is installed;
- the 03 deck now has an extended exterior area that will have seats which will be installed after the deck is painted;
- the 03 deck also has a new stack to match the starboard stack (both of which will be painted buff);
- passenger access to the 03 deck will be via an after ladder instead of by the pilot house;
- all of the insulation in the freight deck had to be removed because of additional steel replacements, which was taking up a lot of time and deck space on the freight deck;

- the old stanchion on the freight deck had been moved by approximately six feet to allow cars to go in and out of the wing more easily;
- there will be seats and tables along windows on the 02 passenger deck where the food concession area was previously located;
- there will be a new food concession area, where the shipyard is still working on the wiring and ceiling;
- the crew spaces were coming along, with all new decking, furniture and bulkheads; and
- the equipment in the pilot house console was being installed and the wires terminated.

In response to a question from Ms. Gladfelter, Mr. Walker stated that the Authority was not seeking an increase in the vessel's passenger capacity even though there would be additional space on the 03 deck. Indeed, Mr. Walker stated that the vessel originally had a capacity of 1,398 passengers, but that the Authority asked that the vessel's capacity be reduced to only 1,200 passengers because that was the capacity of the lifesaving equipment installed on the vessel.

In response to a question from Mr. Jones, Mr. Davis stated that, as a result of this mid-life refurbishment, the vessel (which was now around 25 years old) should be able to provide another 25 years of service. Mr. Jones then observed that it was time for this work to be done, as the vessel is really the workhorse on the Martha's Vineyard route and has gone through a lot of abuse over the years. In response to another question from Mr. Jones, Mr. Walker stated that the vessel's EMD main engines were working well and the Authority should be able to maintain them without the need to repower the vessel.

#### Update on the Status of Service on the Nantucket Route:

Mr. Davis then updated the Members on what service the Authority has been able to provide for Nantucket with all of the ice that has been in the Hyannis and Nantucket channels this past month, reporting that:

- On Saturday, January 6th, the USCGC icebreaker *Bollard* made a path into the Hyannis channel, making it possible for the *M/V Nantucket* to be the first vessel to transit to Nantucket in three days, loaded with food deliveries as well as a truck with a needed part for Nantucket's sewer system. Only one round trip could be made that day.

- The following day, the *M/V Nantucket* and the *M/V Gay Head* were both able to make the trip, again after the *Bollard* cleared the Hyannis channel. The *Bollard* then had to go to Nantucket to clear ice from that channel, and the Authority hired a tug to continue breaking the ice in the Hyannis channel.
- Also on Sunday, January 7th, the *M/V Sankaty* was placed into service and carried fuel trucks from Woods Hole to Nantucket. Because the Authority was restricted to daylight hours when transiting the Hyannis channel, the *M/V Sankaty* continued to carry fuel and food shipments to Nantucket from Woods Hole this past week.

Mr. Davis finished his report by observing that, with the change in the weather, the Authority should be back to normal operations on the Nantucket route within the next day or so.

#### Online Reservations for the Authority's Summer Schedule:

Mr. Davis also reported that the Authority had experienced issues with respect to its internet reservation system when it opened reservations the previous Thursday, January 11th, for travel by the general public during the Authority's 2018 summer season, observing that the issues prevented many people from being able to access the system that day. But Mr. Davis recounted how the Authority's Information Technology programmers and employees, along with the system's hardware vendors, methodically checked everything to isolate the problem and finally resolved it by making a configuration change around 4:30 p.m. that day. Ultimately, Mr. Davis said, the Authority processed a similar number of reservations that day as it did last year. Nevertheless, Mr. Davis apologized to the Authority's customers for the inconvenience they experienced that day, and he also assured them that the Authority will be looking into what changes it can make to avoid a similar occurrence in the future.

#### Customer Television Programming Guidelines:

Mr. Davis then recounted how, over the years, the Authority has received complaints from its customers about what channels were being watched on the televisions in the ferries' passenger areas. Mr. Davis noted that, in response to those complaints, the Authority had issued guidelines in 2013 instructing the vessel crews generally to display regular news broadcasts on FOX, CNN, MSNBC or PBS channels, unless there was a general consensus among the passengers to watch a sports or weather event. But Mr. Davis stated that, since then, a



number of customers have still expressed concern over some of the Authority's choices.

Mr. Davis stated that, in response to those continuing complaints, the staff had decided to implement new customer television programming guidelines. Specifically, Mr. Davis said, whenever possible television programming on the vessels and in the ticket offices were to be displayed in the following order:

- NECN in the ticket offices during local news broadcasts; and local news on other channels (Channels 4, 5, 7 and 10) on the ferries. Local news is generally aired from 5:00 a.m. to 8:00 a.m., from 4:00 p.m. to 7:30 p.m., and from 9:00 p.m. to 11:30 p.m.);
- Local Sports, such as New England Patriots and Boston Red Sox games;
- National Sports, such as ESPN broadcasts or nationally televised NFL games;
- The Weather Channel, the Food Channel or the Discovery Channel.

After Mr. Davis noted that, at their meeting earlier this month, the Port Council had recommended the approval of these guidelines, Mr. Jones moved that the Members approve them; but after Mr. Ranney observed that the staff already was implementing the new guidelines and that the Members needed to take action only if they disagreed with them, Mr. Jones withdrew his motion. Mr. Ranney also noted that, while complaints from the Authority's customers had been about political broadcasting on the Authority's televisions, he knew that that sports can be a contentious subject as well.

Amendment to the Authority's By-Laws:

After noting that the Authority's By-Laws require that the Authority's principal office be located in Woods Hole, Mr. Sayers asked the Members to vote to amend the By-Laws to provide that the Authority's principal office can be located anywhere in the Town of Falmouth, given that the Authority was scheduled to occupy its new administrative office building within the next few weeks. In addition, Mr. Sayers asked the Members to vote to change the address of the Authority's principal office from the Foot of Railroad Avenue, Woods Hole, Massachusetts 02543 to 228 Palmer Avenue, Falmouth, Massachusetts 02540 effective upon the Authority's occupancy of the new office building.

**IT WAS VOTED -- upon Ms. Tierney's motion, seconded by Ms. Gladfelter -- to amend the Authority's By-Laws by deleting the words "in Woods Hole" in the first sentence of Article II thereof, entitled "Offices," and to change the address of the Authority's principal office from "the Foot of Railroad Avenue, Woods Hole, Massachusetts 02543" to "228 Palmer Avenue, Falmouth, Massachusetts 02540" effective upon the Authority's occupancy of its new administrative office building, as recommended by management in Staff Summary #L-475, dated January 10, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Preliminary Draft of the 2018 Capital Budget:

Mr. Davis then presented the preliminary version of the staff's proposed 2018 Capital Budget to the Members for their initial consideration, noting that the final version of the proposed 2018 Capital Budget would be presented for the Members' approval next month. In this regard, Mr. Davis noted that:

- as of November 30, 2017, the Authority had \$35,733,000 in funds available for its capital projects;
- no additional transfers were made to the Replacement Fund or Bond Redemption Account in December 2017;
- the staff was anticipating that an additional \$18,000,000 will be provided through the issuance of bonds or bond anticipation notes to fund the 2018 marine construction associated with Phases 2-2A of the Woods Hole terminal reconstruction project; and
- \$46,754,000 is needed to complete current projects which already have been approved, leaving \$6,980,000 currently available for new projects.

Mr. Davis further reported that the staff's proposed new capital projects for 2018 totaled \$2,241,000 (including a \$250,000 allowance for miscellaneous projects under \$50,000) and that, if all of those proposed new projects are approved next month, the Authority will therefore still have \$4,738,000 available for contingencies and/or future projects. Mr. Davis stated that the proposed new capital projects included:

- the purchase of three luggage trailers, two power pushers, one Kubota utility vehicle with plow, and two tow motors (\$153,000);
- the purchase of an automated passenger counting system for the Authority's shuttle buses (\$100,000);
- the replacement of four oil pollution response boats (\$90,000);
- the replacement of davits on the *M/V Eagle* and the *M/V Nantucket* (\$220,000);
- the installation of trench drains around the perimeter of the pier of the Fairhaven Vessel Maintenance Facility (\$275,000);
- HVAC systems for the Fairhaven Vessel Maintenance Facility's paint room and the Mashpee Reservations Office (\$50,000);
- the purchase of a machinist truck and trailer, a plumber service van, and a rack-body truck (\$162,250);
- web environment for the new administrative offices (\$535,00);
- upgrade of backup hardware and storage devices (\$236,000); and
- upgrade of passenger boarding/check-in hardware at terminal passenger loading areas (\$170,000).

Mr. Davis further noted that the staff's proposed 2018 Capital Budget also included the construction of a new maintenance shop building and related site work on the Authority's property at 50 Bernard St. Jean Drive, Falmouth, but that the project was contingent upon the Authority's ability to obtain additional funding for the project through state and/or federal grants.

Mr. Jones observed that the \$35,733,000 which the Authority then had on hand to complete its capital projects was certainly a lot of money, and he asked how that much money had been accumulated. In response, Mr. Davis stated that all but \$6,300,000 of that amount had been generated internally over a period of years through transfers to the Authority's special purpose funds, and that the staff expected that the Authority will transfer another \$10,000,000 next year to its Replacement Fund.

Mr. Jones stated that he was glad the Authority was continuing to transfer \$10,000,000 a year into its Replacement Fund and that it also will have \$17,000,000 left in its bond authorization to draw on if needed, because he hoped that the Authority was not living too close to the edge. Mr. Jones also complimented Mr. Davis on the staff's ten-year Capital Improvement Plan, which he stated was excellent and very smart planning, and noted that it assumed that the Authority will acquire only one additional vessel over the next ten years, which was why he had asked about the longevity of the *M/V Martha's Vineyard* after its mid-life refurbishment.

After Mr. Jones observed that it seemed that the Authority was on track with its capital planning, Mr. Davis noted that the principal and interest payment schedule for the new bond issue will also be structured in such a manner so that principal amounts of the new bonds will begin to be paid off as soon as there is a reduction in the amount of principal payments of the Authority's currently outstanding bonds. Mr. Davis observed that this aggressive approach to paying off the Authority's debt will provide the Authority with more bonding capacity when it needs to pay for a new vessel.

#### Accounting System Replacement:

Mr. Davis asked the Members for authorization to execute two contracts for a new accounting system and associated consulting services for the purpose of replacing the Authority's 40-year-old "legacy" accounting system. Mr. Davis stated that one contract would be for business technology and professional consulting services with CBIZ MHN, Inc. ("CBIZ") for a total contract price of \$672,150; and that the second contract would be for project consulting services with RSM US LLP ("RSM") for a total contract price not to exceed \$120,000.

Mr. Davis then recounted how, beginning in 2016, the staff with the RSM consulting group had developed a "Functional and Technical Requirements" matrix for the Authority's new account system which is now referred to as an Enterprise Resource Planning (ERP) software system, and had documented more than 350 requirements for the business applications, including:

- System and Technical;
- Systems Integrations;
- Finance, Budgeting and Reporting;
- Accounts Receivable;
- Accounts Payable;

- Payroll and Personnel;
- Supply Chain Management;
- Inventory and Warehouse Management; and
- Point-of-Sale System.

Mr. Davis stated that the staff then issued a request for information (RFI) to potential vendors and received several onsite demonstrations of software from two vendors that the staff felt had the most promise, both of which were proposing Microsoft product solutions that RSM had concluded would meet the Authority's needs. Mr. Davis also stated that the staff then issued a request for proposals (RFP) to 25 different firms, but that neither of those two vendors submitted a proposal in response to the RFP. Indeed, Mr. Davis said, the Authority had received only two proposals in response to the RFP and both of those proposals were nonresponsive to the RFP's requirements.

Mr. Davis further reported that, after the Members then authorized him to negotiate directly with one or more accounting system providers to obtain a new accounting system, the staff met with CBIZ, whose proposed software solution was a Microsoft Dynamics NAV (Navision) Enterprise Resource Planning (ERP) software product, with a time and attendance capability from Time Clock Plus and a payroll and human resource capability from Kenex Vision Payroll. After seeing CBIZ's demonstration of this product, Mr. Davis said, the staff became even more convinced that this was the system that the Authority needs to address its accounting software needs.

Mr. Davis noted that CBIZ had proposed two licensing options for the ERP software product:

- a "Subscription Licensing" option based upon the number of users, which provides a lower upfront cost but requires a monthly recurring charge; and
- a "Perpetual Licensing" option which requires the Authority to purchase the software and to pay an annual maintenance fee for updates.

Mr. Davis stated that the staff was recommending that the Authority select the "Perpetual Licensing" option, even though its initial software selection cost is \$343,070, as over five years it would result in a 49% reduction in cost compared to the "Subscription Licensing" option.

Mr. Davis noted that CBIZ would also serve as a consultant to guide the Authority in implementing the system and that this guidance, which will cost an additional \$223,200, includes a "Day in the Life" workshop phase where CBIZ will document the Authority's current requirements and methodologies, and

then demonstrate exactly how the system will work for the Authority in a normal day-to-day operation. In addition, Mr. Davis said, the hardware investment costs associated with the project will include \$105,880 for Time Clock Plus terminals that will be installed at vessel and landside locations, and \$182,000 for server and data storage requirements that the Authority will purchase directly.

Finally, Mr. Davis stated that, while the Authority's in-house staff will be responsible for the management of this project, he was recommending that the Authority also engage RSM to assist it with the system's administration and implementation at an estimated cost of \$120,000, observing that RSM will be able to provide project management tools and guidance, facilitate discussions between the parties, define and assign project activity, and monitor and report on the project's status.

In response to questions from Mr. Jones, Mr. Davis stated that the staff was proposing that the Authority enter into two separate contracts to replace its accounting system, as follows:

- One contract with CBIZ, which is both an accounting firm and a vendor of accounting software. Mr. Davis noted that the Authority would buy the product from CBIZ, which will then guide the Authority through its implementation by observing what processes the Authority goes through during a "Day in the Life" workshop phase, tailoring the system, rolling it out, testing it, and then going live with it.
- Another contract with RSM, who are also the Authority's independent auditors, to help coordinate the transition to the new accounting system. Mr. Davis noted that RSM would only serve the Authority in an advisory capacity in order to maintain their independence and that, in any event, because the accounting system will be the Authority's own system, the Authority's employees will need to take ownership of it.

However, Mr. Jones expressed his concern that it appeared that neither consulting firm will have any liabilities with respect to this project, and that their only role will be telling the Authority how they feel it should be implemented. Accordingly, Mr. Jones asked Mr. Davis whether he expects the project to be seamless or whether he anticipates any problems during the process, and he also asked how the transition will be made from the old system to the new one.

In response, Mr. Davis stated that CBIZ will be responsible for certain deliverables with respect to the project, including the software, some of the hardware, and the scoping out of some of the necessary programming changes. But Mr. Davis acknowledged that RSM would just be assisting the Authority through this process, which Mr. Davis said was appropriate because of RSM's

expertise and the fact that the Authority simply does not have the resources to implement the transition from its old accounting system to the new one on its own.

After Mr. Davis noted that the timeline for the project calls for the new accounting system to go live on January 1, 2019, the beginning of the Authority's next fiscal year, Ms. Gladfelter asked whether the Authority would operate both systems at some point next fall. In response, Mr. Davis stated that the new system will be operating during that time so that the Authority can test it and make certain it is performing as it should in all aspects of its operations, but that the staff did not envision having dual systems performing duplicative functions. Rather, Mr. Davis said, the old system will continue to be the system through the 2018 fiscal year, including whatever reports and documentation is needed for the audit of that year's activities, and the new system will be used for activities beginning with the 2019 fiscal year.

**IT WAS VOTED -- upon Mr. Jones's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to execute a contract with CBIZ MHM, LLC for business technology and professional consulting services for a total contract price of \$672,150, and a statement of work for project consulting services with RSM US LLP for a total contract price not to exceed \$120,000, as recommended by management in Staff Summary #GM-694, dated January 10, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Approval of Change Order for Contract No. 15-2016  
for the *M/V Martha's Vineyard* Mid-Life Refurbishment:

Mr. Davis then asked the Members for approval of a change order to the Authority's contract with Senesco Marine for the mid-life refurbishment of the *M/V Martha's Vineyard* in the amount of \$108,768 for steel plate replacement inserts in the vessel's port mezzanine deck, which Mr. Davis stated were required as a result of a United States Coast Guard inspection. Mr. Davis also recounted how, when the vessel was dry-docked during the initial phase of this project, extensive steel work was found to be required as Senesco performed the complete sandblasting and recoating of the vessel's exterior surfaces, the painting of the freight deck, and the water blasting and recoating of the vessel's void spaces. In total, Mr. Davis said, steel replacement change orders have amounted to around \$850,000, of which this change order for \$108,768 encompassed 32 individual steel inserts. Mr. Davis noted that because none of the other change orders for steel replacement exceeded \$100,000, they did not need to be approved by the Members.

**IT WAS VOTED -- upon Mr. Jones's motion, seconded by Ms. Tierney -- to approve Change Order #56 to Contract No. 15-2016 for the *M/V Martha's Vineyard* Mid-Life Refurbishment for steel hull replacement inserts, in the amount of \$108,768, as recommended by management in Staff Summary #E 2018-01, dated January 10, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

At this time, Ms. Gladfelter left the meeting.



Contract for Dredging the Woods Hole Terminal's Slip 2:

Mr. Davis asked the Members for authorization to award Contract No. 01-2018 for maintenance dredging of the Woods Hole terminal's Slip 2 to the lowest eligible and responsible bidder for the contract after bids are opened on January 25th. Mr. Davis noted that dredge quantities for the work were estimated at 306 cubic yards of base dredge and 136 cubic yards of over-dredge, and that the dredged materials will be removed with conventional dredging equipment, dewatered on a barge, and then transported by truck to an approved beach nourishment site within the Town of Falmouth.

Mr. Davis stated that before the Authority can commence any dredging, it still needs to receive an Order of Conditions from the Falmouth Conservation Commission and an exemption from the Division of Marine Fisheries' prohibition against dredging between January 15th and May 31st in order to protect spawning, larval and juvenile development of winter flounder. In this regard, Mr. Davis also noted that due to a recent setback in having the Commission issue its Order of Conditions and the seasonal restrictions when the work can be performed, the staff was asking for this authorization to be able to proceed with the work in the event the contract ends up being more than \$100,000, even though it was expected to cost less than that.

Ms. Gladfelter did not participate in this matter or vote on Ms. Tierney's motion.

**IT WAS VOTED -- upon Ms. Tierney's motion, seconded by Mr. Jones -- to authorize the General Manager to approve Contract No. 02-2018 for the dredging of the Woods Hole Terminal's Slip 2 to the lowest eligible and responsible bidder for the contract after the opening of bids therefor, as recommended by management in Staff Summary #E 2018-02, dated January 10, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Tierney	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

At this time, Ms. Gladfelter rejoined the meeting.

Port Council's Report:

Mr. Huss then reported that, at their meeting earlier this month, the Port Council had discussed all of the matters that the Members had considered that day, including:

- The staff's preliminary version of their proposed 2018 Capital Budget, with respect to which the Port Council had asked some of the same questions that had been discussed today;
- The staff's proposed customer television programming guidelines, which Mr. Huss stated were fine unless passengers traveling from the south want to watch the Yankees or the Giants instead of the Red Sox or the Patriots;
- The staff's proposed new accounting system, which Mr. Huss said had been recommended by the Port Council after an extended discussion and with one member abstaining because he was not certain about it; and
- A question from a Falmouth resident as to whether the plans for the new Woods Hole terminal building could be shown to the public. In this regard, Mr. Huss noted that the answer was that the building is still being designed and the design will be shown to the public for their comments after it is finalized and reviewed by the Port Council and the Authority Members.

Mr. Davis stated that he would be remiss if he did not mention that Falmouth Port Council member Robert S. C. Munier had abstained from voting to recommend the staff's proposed new accounting system in part because the staff had just received CBIZ's formal proposal the day before the Port Council's meeting and had not been able to provide it to the Port Council for their review in advance of their meeting.

Public Comment:

Mr. Ranney then asked if anyone from the public wished to make any comments, but no one responded.

Then, at approximately 11:07 a.m., Mr. Ranney entertained a motion to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters, because a public discussion of those matters may have a detrimental effect on the Authority's bargaining positions. After Mr. Ranney announced that these matters included a jurisdictional dispute with Teamsters Union Local No. 59 over janitorial and landscaping services for the Authority, he stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Mr. Ranney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**Documents and Exhibits Used at the  
January 16, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. January 16, 2018 Meeting Memorandum, dated January 10, 2018.
2. Video and Audio Recording Announcement.
3. Remote Participation Announcement.
4. Minutes of the December 19, 2017 Meeting in Public Session (draft).
5. Business Summary for the Month of November 2017.
6. PowerPoint Presentation – M/V Martha's Vineyard Mid-Life Project Update – Steamship Authority Board Meeting – January 16, 2018.
7. Staff Summary #L-474, dated January 9, 2018 – Customer Television Programming Guidelines.
8. Staff Summary #L-475, dated January 10, 2018 – Amendment to By-Laws.
9. Staff Summary #A-619, dated January 10, 2018 – Preliminary Draft of 2018 Capital Budget.
10. Staff Summary #GM-694, dated January 10, 2018 – Accounting System Replacement.
11. Staff Summary #E 2018-01, dated January 10, 2018 – Contract No. 15-2016, “*M/V Martha's Vineyard* Mid-Life Refurbishment.”
12. Staff Summary #E 2018-02, dated January 10, 2018 – Contract No. 01-2018, “Dredging – Woods Hole Terminal – Slip 2.”
13. Minutes of the Port Council's January 3, 2018 Meeting (draft).
14. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**February 20, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 20th day of February, 2018, beginning at 10:30 a.m., in the Falmouth Art Center, located at 137 Gifford Street, Falmouth, Massachusetts. Four Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth. Moira E. Tierney of New Bedford was absent.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council member George J. Balco of Tisbury were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Reservations and Customer Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; Operations Manager Mark K. Rozum; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV, and that Louisa Hufstader was also making an audio recording of today's meeting in public session.

Minutes:

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Jones -- to approve the minutes of the Members' meeting in public session on January 16, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>55 %</b>	<b>0 %</b>

Mr. Hanover abstained from voting on the motion.

Results of Operations:

Mr. Davis then summarized the results of the Authority's operations for December 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers (down 1.5%), more automobiles (up 0.3%) and more trucks (up 2.5%) during the month than it had carried during the same month in 2016, and that the Authority had parked essentially the same number of cars that month as it had parked in December 2016. Mr. Davis further reported that, for the 2017 calendar year, the Authority had carried fewer passengers (down 2.2%), fewer automobiles (down 0.3%) and more trucks (up 4.0%) than it had carried the year before.

Mr. Davis also reported that the Authority's net operating loss for the month of December had been around \$5,503,000, approximately \$2,696,000 higher than what had been projected, with operating revenues and other income \$104,000 higher than projected, and operating expenses, fixed charges and other expenses \$2,800,000 higher than projected. But Mr. Davis noted that the increase in operating expenses was due to a \$1,139,000 increase in the Authority's maintenance expenses, as there had been increases in the dry-dock expenses for the *M/V Martha's Vineyard* (\$626,000) and the *M/V Sankaty* (\$120,000) that month, and dock repair expenses at the Oak Bluffs terminal (\$176,000) and the Vineyard Haven terminal (\$73,000). In addition, Mr. Davis said, the Authority's administration expenses had been \$444,000 higher than projected principally due to its pension expenses (up \$501,000).

Mr. Davis further reported that, the Authority's total operating income for the 2017 calendar year had been around \$8,619,000, approximately \$333,000 higher than the amount projected in the 2017 Operating Budget. Mr. Davis noted that, although operating revenues and other income during this period had been \$412,000 lower than projected, that decrease was attributable to lower

passenger revenue (\$2,134,000 lower than budgeted) and automobile revenue (\$766,000 lower than budgeted), while there had been more revenue than projected from trucks (\$1,492,000 higher than budgeted) and license fees (\$950,000 higher than budgeted). In addition, Mr. Davis said, the Authority's operating expenses and fixed charges had been \$744,000 lower than projected during the year, with vessel maintenance expenses (excluding labor) \$2,182,000 lower than budgeted and terminal maintenance expenses (excluding labor) \$591,000 lower than budgeted. However, Mr. Davis observed that these results for the 2017 calendar year were still unaudited and that the Authority would not have its audited financial statements until the end of March 2018.

Mr. Davis also noted that the Authority's fund balances remained in decent shape, with the transfers to the Replacement Fund having been \$322,000 higher than projected, and that page 6 of the business summary, which shows the Authority's market share of passengers carried between the mainland and the islands compared with the market shares of its licensed private operators, now includes the 165 passengers carried by Hy-Line between Hyannis and Edgartown in December 2017 for the Christmas in Edgartown weekend.

Construction of the Authority's New General Offices:

Mr. Davis stated that he was pleased to report that, on February 2nd, the Authority's new administrative office building at 228 Palmer Avenue in Falmouth had sufficiently passed the requisite tests for the State Building Inspector to issue the building a temporary occupancy permit, although a few items still need to be addressed before a final occupancy permit can be issued. Mr. Davis noted that the most significant item will be the installation of a "BDA" (bi-directional amplifier) communications system within the building that has been required by the Falmouth Fire Department, which will need its own shaft and be fire rated for a minimum of two hours.

Mr. Davis further reported that, on February 5th, most of the Authority's Accounting Department employees moved into the third floor of the new building, that the Authority's Payroll Department employees then moved into the new building the following Wednesday, and that the rest of the employees in the old Woods Hole terminal building reported to work at the new building on Monday, February 12th. But Mr. Davis noted that there still remains some unfinished work at the building which the contractor, G & R Construction, will continue to address over the next month or so.

Mr. Davis thanked all of the employees in the Authority's MIS Department for working tirelessly over the last few weeks disconnecting all of the Authority's computer systems in Woods Hole, moving them to the new office building and reconnecting them there, and then reprogramming everything so that all of the equipment works seamlessly at its new location. Mr. Davis observed that those employees have been responsible for moving not only each employee's personal computer, but also all of the equipment needed to operate the Authority's reservation and ticketing systems, website, credit card processing, computer networks, and electronic and telecommunications. Mr. Davis also noted that their last move of the remaining equipment in Woods Hole, including the servers for the Authority's reservation system, will take place Wednesday night and that, as a result, that system (including customers' ability to make reservations over the internet), will be unavailable from 4:00 p.m. on Wednesday through 6:00 a.m. on Thursday.

Mr. Davis further reported that the cost of the building then stood at approximately \$13,348,000, which represented the original contract amount of \$12,687,000 plus \$661,000 in change orders, and that the Authority had paid the contractor \$11,841,000 of that amount. Finally, Mr. Davis stated that he anticipated that the Members will be able to have their first meeting in the new building next month.

Woods Hole Terminal Reconstruction Project:

Mr. Davis reported that Jay Cashman, Inc., the contractor for the Woods Hole terminal reconstruction project's waterside work (Phases 2-4), had begun some of the preliminary work for the project and had moved its construction trailer on site behind the temporary terminal building. Mr. Davis also reported that, in addition to having weekly planning meetings, Cashman has completed virtually all the work necessary to power the ferry slips from the freight shed, and that the only remaining work requires the power at the site to be shut off so that the electrical bus work in the freight shed and the final wiring connections to the switchgear in the freight shed can be accomplished, which is expected to take place on February 26th. Mr. Davis also noted that Cashman has completed the communication wiring between the temporary terminal building and Slip #1, and the conduit routing to connect the communications to Slip #2 and the freight shed.

Mr. Davis also reported that Cashman has been working with the project's design team on the plans for the temporary dolphins that will need to be installed



on the north side of Slip 1 and that, after the old terminal building is demolished, it will move the passenger loading platforms and gangways that are on the wharf beside Slip 1 to their new location between Slips 1 and 2. Meanwhile, Mr. Davis said, the demolition contract, J.R. Vinagro, Inc., will mobilize at the old terminal building later this week to perform abatement on the identified hazardous materials inside the building before demolishing the building at the beginning of March 2018.

Mr. Davis also reported that, last week, the maintenance dredging of Slip 2 had been completed to eliminate some of the shoaling that was problematic for the M/V Governor when it docked in that slip. In addition, Mr. Davis said, last week the Authority had a marine contractor remove one of the fenders on the north side of Slip 1 that had broken off and was in danger of falling into the slip. Mr. Davis noted that, since Cashman will be installing temporary dolphins at that location later this spring, until then the Authority will have its larger ferries dock in Slip 2 while its freight boats will operate out of Slip 1 as their dockings are not impacted by the missing fender.

Finally, Mr. Davis reported that the Authority had sent six weekly email updates about the status of the terminal reconstruction project to the Woods Hole community to keep them informed about what construction activities would be taking place over the following weeks.

M/V Martha's Vineyard Mid-Life Refurbishment Project:

Mr. Walker reported that the *M/V Martha's Vineyard* mid-life refurbishment project was progressing very rapidly and that everyone will be working on the vessel until the end of the day on March 2nd so that it can return to line service as scheduled on March 3rd. Mr. Walker stated that the vessel's dock and sea trials took place over the long holiday weekend, and that the vessel was now scheduled to leave the shipyard at noon the following day, although Senesco will continue completing punch list items on the vessel in Fairhaven after it arrives there. Mr. Walker also noted that, on Thursday, the Authority's vessel crews will deploy the Marine Evacuation Slide System in the presence of the United States Coast Guard, who will also ride the vessel on February 28th to test its equipment so that they can issue the vessel's Certificate of Inspection. Mr. Walker observed that the only other item the Authority will then need is a new stability letter from the Coast Guard's Marine Safety Center, which should arrive next week before the vessel is scheduled to return to service.

Mr. Walker then gave a PowerPoint presentation on the progress of the shipyard work, noting that:

- the vessel has new windows and doors; it has all been painted; and all of the handrails have been installed;
- the vessel has a new rescue boat and davit;
- the mezzanines are the last areas being finished up and, since these photographs have been taken, their ceilings have been installed and the lighting is now being installed;
- there is a new elevator on the port side of the vessel that will provide elevator service between the mezzanine deck and the 02 passenger deck;
- a center island was created for the food concession area, restrooms and the Purser's office, and that island opens up walkways on both sides of the vessel for a better layout;
- when the 03 deck was extended aft, it created more interior space on the 02 passenger deck as well, which has allowed for additional inside seats there and putting the stairwells inside as well so that passengers will not be out in the weather as they wait to disembark the vessel;
- the crew spaces were all gutted and replaced;
- the old switchboard, which was obsolete, has been replaced;
- a third generator has been installed, which will now provide the Authority with the required redundancy to continue to operate the vessel if there is a problem with one of the other generators;
- the pole on the freight deck that has been in the way of customers cars as they go into our out of the vessel's wing has been moved five feet to a much better location;
- the freight deck has all new insulation and sprinklers, and has been entirely repainted;
- the vessel has a new rolling bow door that is similar to the bow doors on the *M/V Island Home* and the *M/V Woods Hole*; and it can be operated by hand if there is a problem with the hydraulics
- the vessel has four new capstans for line handling; and
- the vessel has a new pilot house and console similar to those on the *M/V Island Home* and the *M/V Woods Hole* for commonality; as a result, the controls are of the same types and in the same locations in the console as they are on the other vessels.

Mr. Walker then thanked Authority Port Engineer Stephen Clifford, Senior Captain Paul Hennessy, and Senior Chief Engineer Allan Flack, as well as Marine Systems Corp.'s Edward Jackson, for the tremendous time and effort they have

spent on this project, saying that they all have done a terrific job and that the *M/V Martha's Vineyard* is going to be a great boat.

Mr. Davis further reported that, through December 2017, the cost of the construction contract stood at approximately \$17,975,000, which represented the \$16,006,000 original contract amount plus \$1,969,000 in change orders. But Mr. Davis also noted that the majority of those change orders were related to steel replacement and would have been incurred during a normal dry-dock. Therefore, Mr. Davis said, they will appropriately be categorized as operational instead of capital expenses.

In response to a question from Mr. Hanover, Mr. Walker stated that the new type of bow door will not result in a reduction of the number of vehicles that can be loaded onto the freight deck, as the bottom of the new door is only one or two feet farther away from the vessel's bow than the old door, which also was at an angle. However, Mr. Davis noted that the new locations for the four capstans may have an impact on the number of vehicles that can be loaded onto the freight deck, or the Authority may have to park smaller cars in the areas around the capstans.

In response to another question from Mr. Hanover, Mr. Davis stated that the total cost of the project will probably end up around \$18,600,000, including \$450,000 in design work and \$200,000 of labor costs. Mr. Hanover thanked Messrs. Davis and Walker, observing that it would cost more than \$40,000,000 to replace the *M/V Martha's Vineyard* and that the vessel itself looks good.

#### Accounting System Replacement:

Mr. Davis then reported that that the Authority has had several planning meetings and telephone conversations with CBIZ MHN, Inc. ("CBIZ"), which is providing the Authority with a Microsoft Dynamics NAV product to replace its accounting system. Mr. Davis also reported that CBIZ's team will be onsite at the Authority's offices during the week of March 5, 2018 to conduct their "Day In The Life" discovery sessions in order to learn and document the Authority's accounting requirements and methodologies so that they can be incorporated into the new system. Mr. Davis further noted that RSM USA LLP's enterprise resource team will also be assisting the Authority in the system's development and rollout, and that the overall completion date for the new accounting system is January 1, 2019.

Potential Barging of Municipal Solid Waste from Martha's Vineyard:

Mr. Davis also reported that Tetra Tech, the Authority's consulting firm which is analyzing the feasibility of barging municipal solid waste from Martha's Vineyard to New Bedford, has received the information it had requested from Bruno's Rolloff, Inc. regarding the volume of solid waste it transports off-island, and that Tetra Tech was now able to incorporate that data into its analysis to calculate how much it currently costs to transport solid waste off-island on a per-ton basis. However, Mr. Davis noted that Tetra Tech was still waiting to receive the information it had requested from Tisbury Towing and Transportation Co., Inc. regarding how much it would cost to barge solid waste off the island and, until it receives that information, it cannot provide a direct cost comparison between those current costs and how much it would cost to barge a similar amount of solid waste off-island.

Potential Freight Service between  
New Bedford and Martha's Vineyard:

Mr. Davis also reported that, on January 22, 2018, he had provided a brief update, together with Ms. Gladfelter, Falmouth Port Council member Robert S. C. Munier and Mr. Sayers, to the Falmouth Board of Selectmen regarding a potential freight ferry service between New Bedford and Martha's Vineyard, and that the presentation essentially repeated the same parameters that the staff had previously identified in their earlier study as the ones that would give the service the best chance to succeed. Mr. Davis noted that these parameters included having the service provided by a private operator at its own financial risk, as described in Craig Johnson's report, and using the New Bedford State Pier, which was now being managed by MassDevelopment. Mr. Davis also reported that, after the presentation, the Falmouth Board of Selectmen voted to send a letter to State Senator Vinny deMacedo asking him for his assistance in securing funding for the needed improvements to the New Bedford State Pier.

Mr. Davis further stated that the staff has an open mind for whatever ideas are offered with respect to how such a freight service would be operated, although the Authority's most obvious constraint is its need to use its terminal facilities for its own operations. In this regard, Mr. Davis said, the staff is more than willing to consider any suggestions that any private operator or anyone else might have with respect to the potential service.

Ms. Gladfelter than observed that, in the past, there had been an issue with getting permission to use the New Bedford State Pier, and she asked whether New Bedford still had control over how that pier is used. In response, Mr. Sayers stated that, in the past, the New Bedford State Pier had been under the control of the Massachusetts Department of Conservation and Recreation, which had entered into a management agreement with the New Bedford Harbor Development Commission for the management of the State Pier. But Mr. Sayers stated that he believed the Department terminated that agreement several years ago and that, as a result the New Bedford Harbor Development Commission no longer had a formal role in determining how the State Pier should be used. Nevertheless, Mr. Sayers said, the staff's goal was to have a freight ferry operation from the State Pier that was consistent with everyone's interests, which meant hopefully reaching an agreement not only with MassDevelopment, but also with the New Bedford Harbor Development Commission.

The Authority's Environmental Compliance Program:

Mr. Davis noted that the Members had been provided with a description of the ongoing programs the Authority has in place to ensure that it complies with all of the various environmental regulatory requirements that apply to its facilities, as well as an advance copy of the Authority's Facility Environmental Handbook which it will soon be issuing.

In response to a question from Ms. Gladfelter, Mr. Sayers stated that the Authority was required to have a Stormwater Pollution Prevention Program (SWPPP) in place only for its Fairhaven Vessel Maintenance Facility and that, in developing the Authority's environmental compliance programs, the staff had focused on the facilities that it felt were most critical, such as the Authority's ferry terminals and maintenance facilities. Mr. Sayers also noted that, once these programs were in place, the staff intended to expand the programs to include the Authority's other properties, such as the new administrative office building and the Authority's various parking lots.

In response to a question from Mr. Jones, Mr. Davis stated that all of these programs will require ongoing activities. For example, Mr. Sayers said, at the suggestion of the Authority's Facilities Maintenance Manager Greg Endicott, the programs include having the Authority's consultants, Tetra Tech, conduct quarterly site visits to all of the Authority's ferry terminals and maintenance facilities and providing the Authority with a report for each site that describes any issues they find and recommends how they should be resolved. Mr. Sayers further noted that, last week, he had been on a quarterly site visit for the

Fairhaven Vessel Maintenance Facility and had been extremely impressed by the vast improvement in how that facility has been managed over the past few years by Vessel Maintenance Manager Peter Schwebach.

Proposed Management Structure Reorganization:

Mr. Davis then reviewed with the Members his proposed changes to the Authority's management structure to respond, in part, to the fact that several staff members will be retiring this year. Mr. Davis further noted that he also needs to begin considering how other management positions in the organization will be filled from the ranks as additional staff members subsequently retire as well.

For example, Mr. Davis said, due to Mr. Sayers's anticipated retirement later this year, he was proposing that the Authority have a Communications Director who would be responsible for preparing minutes of Authority and Port Council meetings, responding to public records requests, and overseeing the Authority's marketing and advertising, thus ensuring that the Authority has an integrated communications program both internally and with respect to all of its communications to the media and the public. Mr. Davis noted that, as a result, the Authority's next General Counsel would be able to devote more time to other legal matters and take a more active role in ensuring that the Authority complies with all of its various environmental, procurement and safety obligations.

Mr. Davis further stated that he also feels the Authority's MIS Department needs more support, as its current employees are being taxed to the limit and the senior programmers similarly are nearing retirement. In addition, Mr. Davis said, although the Authority's Vessel Personnel Dispatch employees currently report to Director of Human Resources, he feels they more appropriately should be part of Vessel Operations. Mr. Davis observed that he will be discussing these changes, as well as other proposed changes, with the Members and the Port Council over the next month.

Mr. Hanover stated that he thought Mr. Davis's proposed reorganization was long overdue, observing that the Authority has had the same management for years even though its operations have grown considerably. Mr. Hanover also noted that there will be two senior staff members retiring this summer and that the Authority has to work as quickly as possible to replace them. Mr. Hanover further stated that he hoped those staff members would be available to assist the Authority in the future, as he would like to utilize their knowledge.

Pre-Season Promotion for High-Speed Passenger Ticket Books:

Mr. Davis then asked the Members to approve a marketing promotion for the *M/V Iyanough* this year when it returns to service on April 2nd by offering a 20% discount on the sale of the Authority's electronic high-speed passenger ticket books from Monday, March 19th, through Tuesday, April 3rd. Mr. Davis noted that, for the past six years, the Authority has offered a 20% discount on the sale of high-speed passenger ticket books for a short period of time prior to the *M/V Iyanough*'s resumption of service each year. Mr. Davis also noted that the promotion has become more popular every year and that, in 2017, more than 51% of all high-speed passenger ferry ticket books had been sold during this promotional period.

Mr. Davis also observed that this year's prices for the 10-ride high-speed passenger ticket books are the same as last year's prices and that, if the Members were to approve the promotion, the discounted prices for the ticket books would be:

	<u>Regular Price</u>	<u>With 20% Discount</u>
Adult	\$ 275.00	\$ 220.00
Seniors *	\$ 185.00	\$ 148.00
Children (ages 5-12)	\$ 170.00	\$ 136.00

\* Restrictions apply

Mr. Davis also reported that, as a result of replacing the paper 10-ride ticket books for travel on the Authority's traditional ferries with RFID cards, the staff was now able to collect data on how often only one coupon is used per trip from each RFID card, which was the Authority's ticket book policy when the Passenger Embarkation Fee Statute was enacted. But in 2007, Mr. Davis said, the Authority revised its policy to allow customers to use multiple coupons per trip from the same ticket book, but it never knew how many customers were using more than one coupon per trip from the same ticket book, and it now appears that a significant number of customers are doing so.

Accordingly, Mr. Davis stated that, after discussing this issue with the Massachusetts Department of Revenue, the staff also was recommending that the Authority change its policies with respect to its traditional ferry 10-ride ticket books to limit the use of coupons in each ticket book to one per trip in order for the customer to be exempt from paying a passenger embarkation fee. If the Authority were to do so, Mr. Davis said, it would not have to collect any passenger embarkation fees based upon the sale of those books.

But Mr. Davis further stated that, because of the significant changes which would need to be made to the reservation system to limit the use of high-speed ferry ticket book coupons to one per trip, as well as the additional burden that the Authority's customers would have to bear if they were required to maintain multiple books, the staff was recommending that the Authority begin to collect passenger embarkation fees on the sale of those high-speed ticket books. In addition, Mr. Davis said, because the Authority already has publicized that there will be no increase in the prices of those ticket books this year, the staff was further recommending that the amount of the passenger embarkation fees collected on the sale of those books be included in their current prices. Mr. Davis noted that, as a result, based upon last year's usage, there would be an additional \$45,000 of passenger embarkation fees collected by the Authority in 2018 that would then be distributed to the Towns of Nantucket and Barnstable.

Finally, Mr. Davis reported that, at their meeting earlier this month, the Port Council had voted to recommend that the Members vote to approve the promotion and the staff's proposed changes to the Authority's policies with respect to its traditional ferry 10-ride ticket books.

Mr. Jones stated that, as a representative of the Town of Barnstable, he certainly would not object to the Authority collecting \$45,000 more in passenger embarkation fees, especially since his town also has to share its fees with the Town of Yarmouth. But Mr. Jones questioned how the Authority could now collect passenger embarkation fees on the sale of ticket books after it already has established the prices for those books and has also stated that customers buying the books would be exempt from those fees. In response, Ms. Gladfelter observed that the prices for those books would remain the same this year, although the net amount received by the Authority would be less the amount of embarkation fees collected on the sale of those books. Mr. Davis further noted that the prices for those ticket books would not necessarily increase next year either to cover the cost of the passenger embarkation fees. Rather, Mr. Davis said, when the staff prepares next year's budget, the embarkation fees collected on the sale of those ticket books will be one factor that will be considered in determining whether the prices for those books should be increased.



Mark Snider then observed that the issue of whether to collect passenger embarkation fees on the sale of ticket books was complicated, as allowing passengers to use multiple tickets from the same book on the same trip reduced a lot of tension. After asking whether this proposed change would apply to the other ferry operators, Mr. Snider noted that customers do not know how many tickets they have left in their ticket books and it is always difficult to take something away from people. Mr. Snider also observed that the Massachusetts Department of Revenue always wants more revenue, and he cautioned the Members to carefully think about this matter.

In response, Mr. Davis stated that the staff was working on additional ways for customers to be able to check how many tickets are left on their ticket books, and he noted that the screens at the ferry terminals show how many tickets are left on each book when it is scanned. Mr. Jones further stated that, while he understood where Mr. Snider was coming from, he did not think the Authority had the ability to determine who is exempt from the passenger embarkation fee, observing that the Legislature made that determination in the statute. Mr. Jones also noted that the spirit of the exemption is “one ticket book, one exempt passenger,” not “one ticket book, ten exempt passengers.”

After Mr. Hanover observed that the Authority has a year to decide whether to increase the price of the 10-ride high-speed ferry ticket books to cover the cost of the embarkation fees, Mr. Davis stated that the bigger issue was changing the Authority’s policies regarding the 10-ride traditional ferry ticket books to allow only one ticket to be used from the same book per trip. Mr. Davis further noted that this change would also require customers to pay the same amount of money for a ticket book that previously could be used by multiple passengers, and he therefore suggested that the Authority could reduce the number of tickets in the new books from ten to five to lessen that financial impact on its customers.

**IT WAS VOTED -- upon Ms. Gladfelter’s motion, seconded by Mr. Hanover -- to approve a 20% discount on the price of all electronic passenger ticket books for the high-speed ferry during the period from March 19, 2018 through April 3, 2018, as recommended by management in Staff Summary #GM-695, dated February 15, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

Mr. Davis then requested that the Members also vote to approve the staff's proposed policy changes with respect to the Authority's 10-ride RFID cards for its traditional ferries so that multiple tickets on those cards cannot be used on the same trip and the Authority would not be required to collect any passenger embarkation fees on the sale of those cards. In this regard, Mr. Davis noted that a majority of the Authority's customers that have bought 10-ride RFID cards already use only one ticket from those cards per trip. In response to a question from Mr. Huss, Mr. Davis stated that in the future it would not be difficult for the Authority to offer 5-ride RFID cards instead of 10-ride cards, as it would only entail setting up a new product code for those cards and a lead time for receiving the new RFID cards. Mr. Rozum also noted that the 46-ride commuter cards for the Martha's Vineyard route already limit the use of those cards to one ticket per trip, so the programming for those cards will be able to be used for the new 5-ride RFID cards.

Mr. Ranney further observed that the staff's proposed 10-ride RFID card policy would reinstate what had been the Authority's previous ticket book policy at the time when the passenger embarkation fee originally had been enacted. In this regard and in response to a question from Mr. Jones, Mr. Sayers recounted how in 2003 the Legislature exempted everyone who bought their tickets by means of a multiple-ticket book from paying passenger embarkation fees, and it did not restrict the number of tickets that exempt passengers could use at one time because none of the ferry operators, including the Authority, were then allowing customers to use more than one ticket from a ticket book per trip.

But Mr. Sayers noted that the Authority and other ferry operators later changed their policies to allow multiple tickets from the same ticket book to be used on the same trip, which he observed was perfectly legitimate but could be considered by someone as a means of taking advantage of a loophole in the law. In addition, Mr. Sayers stated that the Authority now realizes that these policy changes have resulted in some people using these ticket books and being exempt from paying passenger embarkation fee even though the Legislature probably did not intend them to be exempt from paying those fees. Accordingly, Mr. Sayers said, the staff was recommending that the Authority change its policies to be

consistent with what was probably the Legislature's original intent when it enacted the statute. Further, Mr. Sayers observed not only that February was a good time of year to make these policy changes, but also that if the Authority decided not to make these changes at this time, the Massachusetts Department of Revenue might well issue regulations requiring the Authority to do so in the near future.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to change the Authority's policies with respect to its passenger ticket books (RFID cards) for travel on the Authority's traditional ferries so that the use of tickets in each ticket book is limited to one ticket per trip in order for the customer to be exempt from the passenger embarkation fee, as recommended by management in Staff Summary #GM-695, dated February 15, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

In response to questions from Ms. Gladfelter and Mr. Jones, Mr. Davis stated that customers will still be able to use multiple tickets for the same trip from the RFID cards that they already have purchased for as long as they have tickets remaining in those cards, but that once all of the tickets in those cards are used up, the customers will not be able to reload the cards and continue to use multiple tickets for the same trip. Mr. Davis stated that, at that point, customers will be required to purchase the new single-use cards and that the Authority will differentiate those new cards from the old cards.

Mr. Hanover then asked that the Members revisit this entire subject in November 2018 when the Authority will have more information about how these cards are being used, including not only all of the different 10-ride cards for travel on the traditional ferries, but the 10-ride ticket books for the high-speed ferry as well. Mr. Hanover and Ms. Gladfelter agreed that it was important for the Members to understand how all of these cards and ticket books are being used and that, depending upon how they are being used, the Authority may consider collecting passenger embarkation fees on the sale of all of them.

Mr. Hanover stated that this review should also include what expiration dates each of the cards and ticket books should have, observing that cards for the Martha's Vineyard route expire after one year while 10-ride ticket books for the high-speed ferry have no expiration date. Mr. Hanover observed that the Authority will need to be able to explain to the public the reasons for each of those different expiration dates if the Authority decides to maintain them.

In response to a question from Mr. Huss, Mr. Rozum confirmed that, when the Authority issues new 10-ride RFID cards that allow only one ticket to be used on the same trip, the scanning software used to board passengers will allow each card to be used only once per trip. Mr. Rozum also noted that it should be relatively easy to make these changes in the software for the new RFID cards, as the software for the Authority's 46-ride RFID cards already limits the use of tickets in those cards to only one per trip.

Medical Travel Policy:

Mr. Davis then recounted how the Authority has certain policies in place to assist customers who need to travel for medical treatments or appointments, such as discounted automobile excursion fares for island residents who need to travel to the mainland with their vehicles on a repeated basis for special medical treatments or appointments (at least ten medical appointments over a three-month period). In addition, Mr. Davis said, the Authority allows Nantucket residents who require frequent medical treatment on the mainland (at least ten medical appointments over a three-month period) to purchase high-speed ferry 10-ride ticket books at a 50% discount. Mr. Davis also noted that since the Authority implemented these policies in 2008, on average 21 Martha's Vineyard residents and three Nantucket residents have utilized these policies each year.

Mr. Hanover stated that he has received nothing but compliments about these policies since the Members adopted them, but that recently a few Martha's Vineyard residents who need to travel for medical appointments but don't qualify for those policies because they don't have ten medical appointments over three-month period have complained that they have not been able to get reservations to travel for those appointments. Mr. Hanover noted that, while those residents do not need a discounted fare to be able travel to and from their appointments, they do need access to reservations so that they can make it to and from those appointments.

In response, Ms. Barboza stated that whenever a customer calls the Reservation Office and asks for assistance in obtaining reservations to travel to or from a medical appointment, the Office does its best to assist them even though they may not need to travel ten times over a three-month period for their medical condition. Ms. Barboza also noted that this assistance is provided pursuant to other policies the Authority has in place to help customers travel for medical appointments, including the Authority's policy that allows preferred spaces to be reserved in advance by eligible customers who must travel with their vehicles for medical appointments or treatments. Ms. Barboza observed that customers usually have problems getting reservations for medical appointments only when they don't provide the Reservation Office with sufficient notice of their need to travel, but that if customers call the Office more than a day in advance of when they need to travel, the Office is usually able to take care of them.

Mr. Huss agreed with Ms. Barboza, and recounted how constituents who have complained to him about not being able to obtain reservations for medical appointments usually have only tried to make reservations on line. Mr. Huss stated that he always have told those constituents to contact the Reservations Office and, when they do, they usually have been able to obtain the reservations they need. In addition, Ms. Barboza said, when residents return to the island after an appointment and arrive at Woods Hole earlier or later than their reserved trip, the Authority has yet another policy that allows the preferential boarding of their vehicles on standby, provided that they have documentation explaining their need for the preferential boarding.

SeaStreak's Passenger Ferry Service  
Between New Bedford and Nantucket:

Mr. Davis then informed the Members that he has approved a request from SeaStreak to begin its New Bedford-Nantucket service one week earlier than the currently approved schedule. As a result, Mr. Davis said, SeaStreak will also be providing two trips per day between New Bedford and Nantucket during the week of the Nantucket Wine Festival, May 14th through May 20th.

Mr. Hanover announced that the Edgartown Board of Trade has asked whether the Authority would allow Hy-Line to provide service between Hyannis and Edgartown for this coming year's Christmas in Edgartown, in the same way it provided service for that event this past year, as well as during the Martha's Vineyard Food and Wine Festival. Edgartown Board of Trade's Executive Director, Erin Ready, also stated that she was present at the meeting today to answer any questions the Members might have.

In response, Mr. Sayers stated that, in 2006, the Members had voted to delegate to the General Manager the authority to act on all requests from private ferry operators for permission to provide a limited number of additional trips on a one-time basis and that, pursuant to that vote, Ms. Ready could discuss this request directly with Mr. Davis after the meeting. Mr. Sayers also noted that the Authority's license agreement with Hy-Line might already allow it to provide service between Hyannis and Edgartown annually during the Christmas in Edgartown event.

2018 Capital Budget:

Mr. Murphy then asked the Members to approve the staff's proposed 2018 Capital Budget, saying that while the proposed capital budget had been updated with respect to the funds that are currently available to complete the Authority's capital projects and the cost estimates for those projects, it contained the same proposed new capital projects as were contained in the preliminary version of the proposed budget that had been presented to the Members at their January 16, 2018 meeting. Mr. Murphy also noted that, at their meeting earlier this month, the Port Council had voted to recommend that the Members approve the staff's proposed Capital Budget.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to adopt the 2018 Capital Budget as proposed by management in Staff Summary #A-620, dated February 15, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<b>_____</b>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

Debt Issuance and Debt Management Policy:

Mr. Murphy then asked the Members to reauthorize the Authority's Debt Issuance and Debt Management Policy, which he observed formally establishes the framework regarding the Authority's debt administration and management. Mr. Murphy also noted that state regulations require that the Members formally adopt the policy every two years, and that his proposed policy was substantively the same as what previously had been approved by the Members in February 2016, with minor revisions to update the amount of the Authority's outstanding bonds.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to adopt the Authority's Debt Issuance and Debt Management Policy in the form attached to Staff Summary #A-621, dated February 15, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

Contract for Dredging the Woods Hole Terminal's Slip #2:

Mr. Davis informed the Members that, in accordance with the authorization they gave him last month, he had awarded Contract No. 01-2018 for maintenance dredging of the Woods Hole terminal's Slip #2 to Burnham Associates, Inc. of Salem, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$136,260. Mr. Davis stated that, following the award of the contract, Burnham mobilized in Slip #2 on February 6th, began dredging on February 8th, and completed the dredging by February 14th. Mr. Davis noted that the dredged materials were to be dewatered on a barge, and then transported by truck to an approved beach nourishment site within the Town of Falmouth. However, Mr. Davis said, after inspection by the Beach Superintendent, the material was deemed unsuitable, so it will be stored in the upper lot of the Authority's Palmer Avenue parking lot until such time as it can determine another suitable disposal site.

Mr. Jones questioned why the Town of Falmouth had not performed its due diligence in advance of the dredging to determine that the dredged materials were unsuitable for beach nourishment, and he asked whether the materials were now being dewatered in the Palmer Avenue parking lot and who is going to be responsible for moving them from the parking lot to a disposal site. In response, Mr. Davis stated that the materials already had been dewatered at the Woods Hole terminal, first on a barge and then in an dewatering area next to Slip 2. Mr. Walker also stated that Lawrence-Lynch Corp. has agreed to take the materials and dispose them at an estimated cost of \$7,700.

Port Council's Report:

Mr. Huss then reported that, at their meeting earlier this month, the Port Council had discussed all of the matters that the Members had considered that day, including:

- The status of the *M/V Martha's Vineyard* mid-life refurbishment project and the investigation of the feasibility of providing freight ferry service between New Bedford and Martha's Vineyard. Mr. Huss also noted that Falmouth Port Council member had asked the Authority to keep an open mind in helping to bring this service to fruition, and that the Port Council is hopeful that the service can succeed.
- The staff's proposed 2018 Capital Budget, which the Port Council had voted to recommend be approved by the Members.
- The staff's proposed changes in policies regarding the use of the 10-ride RFID cards for travel on the traditional ferries and the 10-ride ticket books for travel on the high-speed ferry.
- The Authority's draft Facility Environmental Handbook, which Mr. Balco had suggested be provided to local boards of health.
- Mr. Davis's proposed reorganization of the Authority's management structure, which the Port Council wanted more time to review.
- The possible development of a 15-year strategic plan for the Authority.

Mr. Huss reported that Nantucket Port Council member Nathaniel E. Lowell had also thanked everyone who helped provide ferry service for the island of Nantucket during the extreme ice conditions earlier this winter, saying that everyone on the island had been very happy and pleased about the Authority's efforts. In this regard, Mr. Davis noted that the Authority also had received a



very nice letter from the Nantucket Town Manager complimenting the Authority's staff and crews for taking care of the island so well.

Public Comment:

Mr. Ranney then asked if anyone from the public wished to make any comments, but no one responded.

Potential Freight Service between  
New Bedford and Martha's Vineyard:

Ms. Gladfelter noted that the staff's report on the feasibility of a potential freight ferry service between New Bedford and Martha's Vineyard, which was issued in April 2016, is just a starting point for discussion about this subject and that no one is locked into it. Ms. Gladfelter also observed that there is not yet a suitable freight terminal in New Bedford and that the Authority similarly has not yet identified the carrier who will provide the service. Ms. Gladfelter stated that when the Authority does get to the stage of talking with a carrier about providing the service, there will of course be negotiations over how that service should be provided.

Then, at approximately 12:08 p.m., Mr. Ranney entertained a motion to go into executive session to conduct contract negotiations with non-union employee Steven M. Sayers and to conduct a strategy session in preparation for negotiations with whomever is offered employment as the Authority's next General Counsel, but not to consider or interview any applicants for that position. Mr. Ranney also stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Mr. Ranney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to go into executive session to conduct contract negotiations with non-union employee Steven M. Sayers and to conduct a strategy session in preparation for negotiations with whomever is offered employment as the Authority's next General Counsel, but not to consider or interview any applicants for that position.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**Documents and Exhibits Used at the  
February 20, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. February 20, 2018 Meeting Memorandum, dated February 15, 2018.
2. Video and Audio Recording Announcement.
3. Minutes of the January 16, 2018 Meeting in Public Session (draft).
4. Business Summary for the Month of December 2017.
5. PowerPoint Presentation – M/V Martha's Vineyard Mid-Life Project Update – Steamship Authority Board Meeting – February 20, 2018.
6. Staff Summary #L-476, dated February 13, 2018 – SSA's Environmental Compliance Programs.
7. Proposed Chart of the Authority's management structure (February 6, 2018 draft).
8. Staff Summary #GM-695, dated February 15, 2018 – Approval of Pre-Season Promotion for High-Speed Passenger Ticket Books.
9. Portions of Part C (Non-Commercial Vehicle Fares) and Part B (Passenger Fares) of the Authority's Customer Handbook pertaining to Special Excursion Fares for Multiple Medical Treatments and High-Speed Ferry 10-Ride Ticket Books for Frequent Medical Travel.
10. Staff Summary #A-620, dated February 15, 2018 – Proposed 2018 Capital Budget.
11. Staff Summary #A-621, dated February 15, 2018 – Reauthorization of Debt Issuance and Debt Management Policy.
12. Staff Summary #E 2018-03, dated February 15, 2018 – Contract No. 01-2018, "Dredging – Woods Hole Terminal – Slip 2."
13. Minutes of the Port Council's February 7, 2018 Meeting (draft).
14. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**March 20, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 20th day of March, 2018, beginning at 10:03 a.m., in the meeting room (Room 103) of the Authority's administrative office building, located at 228 Palmer Avenue, Falmouth, Massachusetts. All five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford.

The Authority's Port Council also met jointly with the Authority Members at this time. Six Port Council members were present: Chairman Robert V. Huss of Oak Bluffs; Secretary Eric W. Shufelt of Barnstable; Frank J. Rezendes of Fairhaven; Robert S. C. Munier of Falmouth; Nathaniel E. Lowell of Nantucket; and George J. Balco of Tisbury. Vice Chairman Edward C. Anthes-Washburn of New Bedford was absent.

Also present were the following members of the Authority's management: General Manager Robert B. Davis; Treasurer/ Comptroller Gerard J. Murphy; Reservations and Customer Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; Operations Manager Mark K. Rozum; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV, and that Louisa Hufstader, George Brennan and Sean Driscoll were also making audio recordings of today's meeting in public session.

Recognition of Public Officials:

Messrs. Ranney and Davis recognized Falmouth Town Manager Julian M. Suso and retired Authority General Manager Wayne C. Lamson in the audience and thanked them for attending today's meeting.

The First Joint Meeting of the  
Members and Port Council Members:

Mr. Ranney then introduced himself and, as the Authority's Chairman, welcomed everyone to the meeting, noting that it was the first-ever joint meeting of the Members and the Authority's Port Council. Mr. Ranney informed the audience that, while the Authority's Board has five Members, the Port Council has seven members, one from each of the mainland and island communities that are affected by the Authority's operations. Mr. Ranney recounted how the Port Council was created by the Legislature to advise the Members about any activities underway or proposed in any port community in which the Authority operates. Mr. Ranney also noted that Mr. Huss is the Port Council's Chairman this year.

Mr. Ranney observed that the Port Council normally has their monthly meetings a few weeks in advance of the Members' monthly meetings, so that the Authority's management staff can present their proposals first to the Port Council. After hearing what the Port Council has to say, Mr. Ranney said, the staff then has the opportunity to revise their proposals before presenting them to the Members for their consideration. But Mr. Ranney noted that, due to several recent winter storms, the Port Council was unable to meet earlier this month, and that it had been decided to hold a joint meeting of both bodies here today instead of having the Members proceed with their meeting without the benefit of receiving the Port Council's advice.

Mr. Ranney further stated that he and Mr. Huss have discussed how this joint meeting should be handled, and that they have agreed that Mr. Ranney will preside over the meeting except when a particular item is being considered only by the Port Council, when Mr. Huss will preside over that part of the meeting. Mr. Ranney also noted that, after each item on the agenda is presented by the management staff, Mr. Ranney will ask Mr. Huss and the other Port Council members whether they have any questions, suggestions or recommendations about that subject, so that that the Members have the benefit of their advice before anything is acted upon. Mr. Ranney stated that he will then entertain discussion among the Members and, hopefully, a motion with respect to each subject, and that he will also accept comments from the public as appropriate.

Presentation of the Builder's Plaque for the Authority's New Administrative Office Building:

Mr. Davis recounted the history of the planning, design and construction of the Authority's new administrative office building and thanked many of the people who were instrumental in its completion, as more fully set forth in Appendix A to these minutes. Mr. Davis then accompanied the Members, the Port Council members and the audience to the building's lobby as Mr. Ranney and Ms. Gladfelter presented the Builder's Plaque for the building.

Minutes:

Upon Mr. Balco's motion, seconded by Mr. Lowell, the Port Council **voted** unanimously to approve the minutes of their meeting in public session on February 7, 2018.

**IT WAS THEN VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to approve the minutes of the Members' meeting in public session on February 20, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

Ms. Tierney abstained from voting on the motion.

Update on the M/V Woods Hole and the M/V Martha's Vineyard:

Mr. Davis then gave the Members an update on the status of the *M/V Woods Hole* and the *M/V Martha's Vineyard*. With respect to the *M/V Woods Hole*, Mr. Davis reported as follows:

- At approximately 9:00 a.m. this past Thursday the *M/V Woods Hole* ran aground in shallow water as it approached the slip in Vineyard Haven, but was able to back off the soft bottom and berth safely following the incident. There were 146 passengers on board, but no reported injuries at this time.

Because there was no damage to the vessel, the United States Coast Guard allowed it to return to Woods Hole (without passengers) for inspection. Later that day, the Coast Guard cleared the vessel to resume operations.

- Then on Friday before departing Woods Hole at 10:45 a.m., the Captain and Pilot of the *M/V Woods Hole* noticed a problem with the on-board operating system. No passengers or vehicles had boarded the vessel, and it was decided to cancel the trip.
- The Authority's maintenance staff along with Coast Guard inspectors concluded that the Authority needed to have the equipment vendor run diagnostic tests and, after those tests were concluded late Saturday afternoon, the vessel was once again cleared for service.
- However, on Sunday the vessel's Captain and Pilot noted an anomaly with the transfer of controls, and the Coast Guard decided that the vessel could continue to provide service if it were maintained in only one of the operating modes available to the crew until some of the equipment was replaced.
- The Authority then replaced the center controller head in the bridge console on Sunday night, and the equipment vendor has sent it for bench testing. Since then the anomaly has not reoccurred during any of the docking and sea trials the Authority has conducted without passengers on board, but the Authority is continuing to operate the vessel in one operating mode when it is in service until the results of the bench test are received.

Mr. Davis then reported on the status of the *M/V Martha's Vineyard* as follows:

- At approximately 8:45 p.m. on Saturday, the *M/V Martha's Vineyard* lost power to its main engines approximately 15 minutes into its 45-minute trip from Vineyard Haven to Woods Hole. An emergency generator maintained power to the vessel but was not able to generate propulsion or heat. The anchor was dropped to keep the vessel from drifting. There were 72 passengers, 11 crew members, and three food concession employees on board.
- The Coast Guard dispatched two vessels to the scene and the first of three tugboats arrived at approximately 10:00 a.m. to provide assistance if needed. During the intervening time, the *M/V Woods Hole* was on the scene as well.
- It was planned to have the three tugboats escort the vessel to Woods Hole. However, after concluding that the main engine could not be re-started, the vessel was towed back to Vineyard Haven, arriving there shortly before

2:00 a.m. All of the passengers disembarked without incident, and the Authority arranged for hotel accommodations for those who needed lodging until they were able to travel to Woods Hole on Sunday.

- On Sunday, it was determined that the vessel's main fuel oil transfer pump was not generating enough pressure to transfer fuel properly, which led to the vessel losing power. After undergoing sea trials late Sunday afternoon with the back-up fuel transfer pump, and further inspection by the Coast Guard, the vessel was cleared to return to service on Monday beginning with its 7:00 a.m. scheduled trip from Woods Hole.
- The issue with the fuel transfer pump began earlier in the day on Saturday when a wire on one of the newly installed ship service generators came loose and began to arc. The pump was connected to the generator and would have been required to be reset once the backup generator was brought on line. Unfortunately, the alarm for the pump to the control panel was not activated and the pressure gauge on the pump did not provide sufficient detail to warn the engineer on board of a problem. That situation has now been rectified by adding an alarm setting and installing a new pressure gauge for the pump.

Mr. Davis further reported that, the vessel crews had responded extremely well in both situations and that a number of passengers had told him how the crews provided information as soon as it was available and focused on making sure that they were as comfortable as possible. But Mr. Davis stated that it was understandable that, due to the time it took before the vessel was towed to Vineyard Haven, frustrations would arise. Accordingly, Mr. Davis apologized to the passengers who were on board that night.

Mr. Davis also reported that the Authority's employees at the Vineyard Haven terminal did a terrific job securing transportation and accommodation for those passengers who needed them when the vessel was escorted back there in the early morning hours. Mr. Davis expressed his heartfelt thanks to those employees, the vessel's crew, and the other members of the Authority's staff who responded to the situation, as well as to the United States Coast Guard, Tucker Roy Marine and Tisbury Towing for their assistance.

Mr. Hanover agreed, saying that as far as he was concerned the situation had been handled flawlessly. Mr. Hanover further stated that he had talked with several passengers who had been on board that night and that the entire crew had provided them with blankets and towels, and also had kept children busy by giving playing cards to them. In addition, Mr. Hanover said, the crew kept all of the passengers well informed of what was going on.



Mr. Hanover also complimented all of the employees at the Vineyard Haven terminal, saying that he had no idea how they arranged taxis for all of the returning passengers and noting that everyone received housing who needed it. Therefore, Mr. Hanover declared that everything that the Authority's employees did that night was exemplary of how the Authority should treat its customers.

Results of Operations:

Mr. Davis then summarized the results of the Authority's operations for January 2018, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers (down 3.8%), fewer automobiles (down 5.1%) and fewer trucks (down 1.9%) during the month than it had carried during the same month in 2017, and that the Authority also had parked fewer cars (down 6.5%) that month than it had parked in January 2017.

Mr. Davis also reported that the Authority's net operating loss for the month of January had been around \$3,095,000, approximately \$361,000 lower than what had been projected, with operating revenues and other income \$181,000 lower than projected, and operating expenses, fixed charges and other expenses \$542,000 lower than projected. But Mr. Davis noted that the decrease in operating expenses was mostly attributable to timing issues, including the delay in the dry-dock of the *M/V Island Home*, which resulted in those expenses being \$685,000 lower than what had been budgeted for the month. Mr. Davis also noted that, while the Authority's vessel fuel oil cost had been \$28,000 lower than budgeted during January, that decrease was attributable to the number of trips the Authority had cancelled that month due to weather. Mr. Davis further reported that the Authority's administration expenses had been \$190,000 higher than projected principally due to its pension expenses (up \$98,000), health care expenses (up \$57,000) and training expenses (up \$15,000) being higher than projected.

Mr. Davis also noted that the Authority's fund balances were slightly higher than budgeted, and that page 6 of the business summary, which shows the Authority's market share of passengers carried between the mainland and the islands compared with the market shares of its licensed private operators, showed that the number of passengers carried between Hyannis and Nantucket during January was down 18.3% compared to the same month in 2017, and that the number of passengers carried by Hy-Line that month had decreased by 30.2% due to the ice conditions in Hyannis Harbor.

Construction of the Authority's New General Offices:

Mr. Davis then reported that the Authority's entire administration staff, including Accounting, Operations, Human Resources, Engineering and Maintenance, and Information Technologies, have moved into the new office building at 228 Palmer Avenue in Falmouth even though there are still a few items which need to be addressed before the final occupancy permit can be issued. Mr. Davis noted that the most significant of these items is the certification of a "BDA" (Bi-Directional amplifiers) system for communications within the building for the fire department in the event of a fire, and stated that the BDA system, which requires its own shaft and has to be fire rated for a minimum of two hours, had been recently installed, although it still needs to be certified. Mr. Davis also stated that there remains some unfinished work that the contractor, G & R Construction, will continue to address, and that the landscaping will be done in the spring.

Mr. Davis further reported that the cost of the building then stood at approximately \$13,573,000, which represented the original contract amount of \$12,687,000 plus \$847,000 in change orders (6.7% of the original contract amount), and that the Authority had paid the contractor \$13,021,000 of that amount.

Woods Hole Terminal Reconstruction Project:

Mr. Davis also reported that the Authority has been making significant progress with respect to its Woods Hole terminal reconstruction project. During this past week, Mr. Davis said, the demolition contractor for the old terminal building had worked on removing the debris pile from the site, and it pretty much completed its work by that day. Mr. Davis also stated that the electrical contractor had spent the last week cleaning up details related to all the electrical changes required for the Authority to be able to continue operating in the slips during construction, such as making final connections to all the lights and strobes on the wharf, and that they will be demobilizing this week as well.

Mr. Davis reported that, last week, Jay Cashman had also mobilized its equipment and materials by barge from Quincy to start their work excavating the wharf, and that the barge arrived at the terminal on Friday morning loaded with three excavators and one large crane. Mr. Davis stated that this week they will begin the demolition of the foundation slab for the demolished terminal building, while Lawrence Lynch will begin excavating and removing soils from the wharf area, including the contaminated soils that have been previously identified in earlier site surveys, which work will be done under the supervision

of a Licensed Site Professional (LSP). Also this week, Mr. Davis said, Cashman will disassemble the existing passenger ramps and platform on the wharf, and prepare the new area for their relocation between Slips 1 & 2, including pouring a new slab foundation for them at that new location. Mr. Davis noted that the work necessary to relocate the ramps and platform is expected to continue for the next two weeks, with a targeted completion date of Friday, March 30th.

Finally, Mr. Davis reported that the Authority had sent ten weekly email updates about the status of the terminal reconstruction project to the Woods Hole community to keep them informed about what construction activities would be taking place over the following weeks.

M/V Martha's Vineyard Mid-Life Refurbishment Project:

Mr. Walker reported that the *M/V Martha's Vineyard* was back on the run and operating well, except for last weekend's issue with the main fuel oil transfer pump. But Mr. Walker also reported that the vessel still has more than 200 punch list items that need to be addressed, and that he would be meeting with the contractor next week to start working on them. In this regard, Mr. Walker noted that, while some of the items were significant, most of them were small matters that are more aesthetic issues than anything. Nevertheless, Mr. Walker said, they all need to be taken care of.

Mr. Walker further reported that there were also change orders that need to be reviewed and negotiated, but that the Authority had not been able to meet with Senesco about them because Senesco has been short staffed in its project management the past couple of weeks and everyone has been busy with getting the vessel back on the run. Mr. Walker stated that overall the vessel came out well, especially in the passenger areas, but he would not say that it was excellent. Mr. Walker also observed that there were some things that have to be cleared up and that, while some of them are very minor and can be resolved while the vessel is on the run, some of the more significant items will not be able to be addressed until the vessel is in the Authority's Fairhaven Vessel Maintenance Facility for its spruce up this coming May or during its routine repair period this September. Regardless, Mr. Walker said, all of the items will be completed within the one-year warranty period.

In response to a question from Mr. Munier, Mr. Walker stated that there was a connection between the vessel's mid-life refurbishment project and what happened over the weekend in that the initial problem had been a wire on the starter on the generator that was improperly crimped by the electrical vendor. Mr. Walker stated that the shipyard and the Authority's Port Engineer are now

reviewing the failure and getting the manufacturer of the generator to rectify everything under a warranty claim. Mr. Walker also recounted how the crimped wire grounded on the block of the engine when it pulled out of the lug and, in doing so, made the engine fail. Then, Mr. Walker said, because the pump was on undervoltage protection, when the generator went off line it also went off line and was not later restarted. Mr. Walker stated that the vessel's loss of power on Saturday night thus started from a small problem that cascaded to a bigger problem as a result of that issue.

In response to another question from Mr. Munier, Mr. Walker stated that, prior to the mid-life refurbishment project, the vessel's day tank had not been monitored except by a sounding tube, and that there had not been an alarm on the tank. However, Mr. Walker said, the vendor did install a level sensor on the tank that is new, providing the ability to check different levels in the tank and to have the alarms active. But Mr. Walker stated that none of the alarms had been activated and that the Authority probably should have done that even though the vessel had not had any alarms on that tank before. Mr. Walker reported that the Authority now monitors the tank and that there is an alarm that the vessel's chief engineer will see in the booth if the fuel level drops below 80% of the tank's capacity.

In response to a question from Ms. Tierney, Mr. Walker stated that the shipyard had been notified of Saturday's incident right after it happened, and that representatives of the shipyard and R.A. Mitchell, the local vendor, were on the vessel today to take care of the issues with the generator. Mr. Walker also stated that the shipyard responded immediately on Saturday, saying that they would do whatever it takes and to let them know when the Authority wants them on the vessel, and acknowledging that this was a warranty claim. Mr. Walker stated that he did not ask them to come to the vessel at that time because the Authority first had to investigate the incident and get the vessel back on the run. In this regard, Mr. Walker noted that the vessel does not need the third generator to operate, as it has two other generators. Accordingly, Mr. Walker said, it was a mutual decision that the shipyard would wait until the vessel was cleared by the Coast Guard to return to service.

Mr. Jones then stated that this incident with the *M/V Martha's Vineyard's* generator has brought back bad memories of two incidents he previously had with generators when the crimping of the wires to them had caused them to short out against the engine block, in one case creating a fire. Mr. Jones observed that, while he doesn't know how all of the details can be taken care of, the Authority just has to check, check, and re-check in order to prevent something like this where the crimping of the wire wasn't done correctly.

Mr. Walker noted that, of the *M/V Martha's Vineyard* three generators, this generator is the only electric start generator and that, because the vessel's other two generators are air start generators, the same issue cannot happen with those other two generators. In response to a question from Mr. Hanover, Mr. Walker stated that he will want to see what the shipyard's reaction is to the Authority's warranty claim before deciding whether to recommend that the Authority use the shipyard again. But Mr. Walker also noted that the Authority uses the shipyard all the time for normal dry-docking of its various vessels, that up to now the shipyard's work has been good and of high quality, and that his anticipation is that the shipyard will step up and take care of all of the issues. Mr. Hanover then stated that he thought the *M/V Martha's Vineyard* came out terrific, saying that the only complaint he had received was that the lights on the freight deck are too bright and that people can no longer sleep in their cars.

Finally, Mr. Davis reported that, through February 2018, the cost of the construction contract stood at approximately \$17,033,000, not including around \$900,000 of the vessel's dry-dock expenses that will be charged to the Authority's Operating Budget. Mr. Davis also noted that this amount represented the \$16,006,000 original contract amount plus \$1,027,000 in change orders, and that the Authority had paid Senesco \$14,996,000 of that amount.

Policy Prohibiting Discrimination on the Basis  
of Pregnancy or a Pregnancy-Related Condition:

Mr. Sayers then asked for the Members' approval of the staff's proposed Policy Prohibiting Discrimination on the Basis of Pregnancy or a Pregnancy-Related Condition, which would allow the Authority to be in formal compliance with the Massachusetts Pregnant Workers Fairness Act when that Act goes into effect on April 1, 2018. Mr. Sayers observed that the Authority already prohibits discrimination on the basis of pregnancy or a pregnancy-related condition, because it is a form of discrimination on the basis of gender, but he stated that the Act, as well as the staff's proposed policy, is much more specific about what protections pregnant employees have, and also what obligations employers have to accommodate employees' pregnancy-related conditions, such as lactation or the need to express breast milk for a nursing child.

Upon Mr. Balco's motion, seconded by Mr. Lowell, the Port Council **voted** unanimously to recommend that the Members approve management staff's proposed Policy Prohibiting Discrimination on the Basis of Pregnancy or a Pregnancy-Related Condition.

**IT WAS THEN VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to approve management staff's proposed Policy Prohibiting Discrimination on the Basis of Pregnancy or a Pregnancy-Related Condition, as set forth in Staff Summary #L-477, dated March 12, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Preliminary Draft of the Proposed  
2019 Winter and Spring Operating Schedules:

Mr. Davis then presented the preliminary version of the staff's proposed 2019 Winter and Spring Operating Schedules, noting that they were being presented today for discussion purposes only. Mr. Davis stated that the proposed 2019 Winter Operating Schedules would run from January 3, 2019 through March 15, 2019, starting two days earlier and ending one day later than this year; the 2019 Early Spring Operating Schedules would then run from March 16, 2019 through April 2, 2019, ending one day later than this year; and the 2019 Spring Operating Schedules would then run from April 3, 2019 through May 14, 2019, ending four days later than this year. Mr. Davis further stated that the other proposed changes from this year's Winter and Spring Operating Schedules are as follows:

Proposed Martha's Vineyard Route 2019 Winter Operating Schedule:

- The 6:30 AM trip from Woods Hole to Vineyard Haven and the 7:30 AM trip from Vineyard Haven to Woods Hole would be scheduled to operate on Saturdays instead of being optional trips. In 2018, the optional 6:30 AM trip operated every Saturday in January and February except on January 6th, when it did not operate due to weather.
- The vessels assigned to this route would be similar to 2018, with the exception that the *M/V Martha's Vineyard* would be back from its mid-

life refurbishment and operate the entire schedule and the *M/V Woods Hole* would not operate during this schedule.

- The *M/V Martha's Vineyard* would berth overnight in Vineyard Haven, with its first departure scheduled for 6:00 AM. In 2018, this schedule had the *M/V Woods Hole* berthing in Vineyard Haven from January 5, 2018 to January 10, 2018 departing at 6:00 AM, the *M/V Nantucket* berthing in Vineyard Haven from January 11, 2018 to March 6, 2018 departing at 6:00 AM and the *M/V Martha's Vineyard* berthing in Vineyard Haven from March 7, 2018 to March 14, 2018 departing at 6:00 AM.
- The *M/V Island Home* would operate from January 3, 2019 to January 8, 2019 and from February 23, 2019 to March 15, 2019. The *M/V Nantucket* would operate this schedule from January 9, 2019 to February 22, 2019. In 2018, the *M/V Island Home* operated from January 5, 2018 to January 10, 2018 and the *M/V Woods Hole* operated from January 11, 2018 to March 14, 2018.

Proposed Martha's Vineyard Route 2019 Early Spring Operating Schedule:

- The only proposed change to this schedule as compared to 2018 is that the freight vessel *M/V Woods Hole* would operate in place of the *M/V Katama*. It would continue to be berthed overnight in Vineyard Haven with the first departure at 5:30 AM.

Proposed Nantucket Route 2019 Winter Operating Schedule:

- The *M/V Gay Head* would be scheduled to operate two (2) round trips Monday through Saturday with optional service of two (2) round trips on Sunday. The *M/V Gay Head* would also have the option of operating three (3) round trips, 7 days a week if needed, although this would require the *M/V Gay Head* to be tripled crewed in 2019 compared to being double crewed in 2018.

Proposed Nantucket Route 2019 Spring Operating Schedule:

- The *M/V Sankaty* would have the ability to operate a third round trip Monday through Friday, if needed, which would require the *M/V Sankaty* to have two single crews in 2019 compared to one single crew in 2018.

In response to a question from Mr. Huss, Mr. Lowell stated that he had no issue with the staff's proposed schedules, and the other Port Council members indicated that they similarly had no issues with the proposed schedules.

Mr. Davis reported that the proposed schedules will now be posted to the Authority's website and advertised in local newspapers for public comment over the next month and that, after reviewing whatever public comments are received, the staff will present their final version of the proposed operating schedules for consideration and a vote by the Members at their May 15, 2018 meeting.

New 5-Ride Lifeline RFID Cards:

Mr. Davis recounted how, in order to ensure the Authority's compliance with the Passenger Embarkation Fee Statute, at their meeting last month the Members had approved the staff's proposed revisions to the Authority's policy that currently allows customers to use multiple coupons per trip from the same ticket book for travel on the SSA's traditional ferries. As a result, Mr. Davis said, when the Authority starts selling its new "Lifeline Cards" within in the next few months, the usage of the coupons from each book will be limited to one individual per trip on the Authority's traditional ferries so that the Authority will not have to collect any passenger embarkation fees based upon the sale of those books. Mr. Davis stated that today the staff was recommending the following additional changes:

- To have a minimum number of five tickets on the new Lifeline Cards instead of ten; and also to allow them to be reloaded in 5-ticket increments. Mr. Davis stated that this would be to minimize any financial hardship to customers who need to purchase multiple Lifeline Cards when traveling together.
- To have the expiration of the new Lifeline Cards be the same for both routes. If approved, Mr. Davis said, the tickets in those cards would be valid for passage only within one year from the end of the month in which the Lifeline Card is sold. However, if a customer recharges a LifeLine Card, the expiration date for **all** of the tickets in the card would be extended to one year from the end of the month in which the card was recharged.

In response to a question from Mr. Lowell, Mr. Davis stated that the staff was proposing to grandfather all holders of existing FerryPass Cards in their use, and that the Authority continue to honor those cards based upon the rules that were in place when those cards were originally purchased. But Mr. Davis stated



that the staff planned to halt customers' ability to reload those FerryPass Cards when the Authority stops selling them and instead starts selling the new Lifeline Cards. Mr. Davis also stated that, because the minimum number of tickets in the new Lifeline Cars will be five instead of ten, the staff believes that customers will use most of those tickets before the one-year expiration date. In this regard, Mr. Davis noted that 75% of the Authority's customers on both routes have used all ten tickets in their FerryPass Cards within six months of purchasing them.

After Mr. Davis recounted how the new Lifeline Cards would only be for the traditional ferries and that the cards for the high-speed ferry will continue to have a minimum of ten tickets, as well as being transferable and valid forever, Mr. Lowell stated that the staff's proposal was great and exactly what was needed for the Nantucket route. In response to a question from Mr. Huss, Mr. Davis also confirmed that a different Lifeline Card will need to be used by each person traveling on the same trip.

Then, upon Mr. Lowell's motion, seconded by Mr. Balco, the Port Council **voted** unanimously to recommend that the Members approve management staff's recommendation.

In response to a question from Mr. Hanover, Mr. Davis stated that the Authority's customers would be able to purchase the new Lifeline Cards loaded with tickets in any increments of five, but that the SkiData equipment would be programmed to not allow a card to be used more than once on any one trip. In this regard, Mr. Davis noted that this restriction on the use of the cards would be the same as the Authority's current restriction on the use of its 46-ride monthly commuter cards, which always have been able to be used only once per trip. Mr. Davis also stated that the staff would launch an advertising campaign so that the Authority's customers will know about the new cards and that they will be able to reload them at the Authority's ticket offices or on the Authority's website in five-ticket increments.

In response to a question from Ms. Gladfelter, Mr. Davis also stated that, in addition to having customers being able to reload the cards at the Authority's ticket offices and on its website, the staff was working to install kiosks at the terminals so that customers can scan their cards and see how many tickets they have left on them. At the moment, Mr. Davis said, customers can ask the Authority's ticket sellers to see how many tickets are left on their cards, and they also see that information on the screens of the machines that scan their cards as they board the ferries. Although he agreed with Ms. Gladfelter that it would also be nice if people could use those kiosks to reload their cards, Mr. Davis noted that the Authority would first have to resolve some credit card compliance issues in order to do so.

In response to a question from Mr. Jones, Mr. Davis stated that the staff was recommending these policies for the new Lifeline Cards in order to ensure the Authority's compliance with the Passenger Embarkation Fee Statute. At the time that the Statute was enacted, Mr. Davis said, the Authority's policy limited the use of its ticket books so that only one ticket from each book could be used per trip. However, Mr. Davis noted that afterwards the Authority changed its policy so that there was no limit on the number of tickets from any book that could be used on the same trip, effectively allowing those ticket books to be transferable among an unlimited number of people. Mr. Davis observed that, while the Statute exempted all passengers who buy their tickets in multiple ticket books from paying any passenger embarkation fees, the staff felt that the Authority's current policy of allowing multiple passengers to use tickets from the same ticket book on one trip was not within the spirit of the Statute. Therefore, Mr. Davis said, the staff was proposing that the Authority's customers be allowed to use only one ticket from each of the new 5-ride Lifeline Cards per trip in order to be exempt from paying a passenger embarkation fee, and that the Authority begin collecting passenger embarkation fees from customers buying high-speed 10-ride ticket books, as there will still be no limit on the number of tickets from those books that can be used on the same trip.

Mr. Jones then questioned why anyone who is not an island resident but who uses a ticket from a Lifeline Card should be exempt from paying passenger embarkation fees, but he conceded that he could not change the terms of the Statute. However, Mr. Davis observed that the Authority carries hundreds of people each day who are traveling back and forth to go to work, and that it was the Legislature's intent to exempt them from paying passenger embarkation fees. Then, in response to a question from Ms. Gladfelter, Mr. Davis confirmed that, while only one ticket from each Lifeline Card will be able to be used on each trip, customers will still be able to give their Lifeline Cards to their friends and family members who can then use them on different trips. In that sense, Mr. Davis said, the Lifeline Cards will still be transferable, but not transferable on the same trip.

Mr. Ranney then observed that a customer who buys a 5-ride Lifeline Card would only be able to make 2-½ round trips on that card and, as a result, would have to reload the card to avoid ending up being stuck on the other side of the water. Mr. Ranney therefore asked whether the Authority could issue the cards with an even number of tickets, such as a 6-ride or 8-ride card. In response, Mr. Davis stated that, by being able to buy two 5-ride Lifeline Cards, couples who travel together would not have to spend any more money to make the same number of trips that they did when they previously bought one 10-ride card, and the staff wanted to avoid having customers being required to pay more than what they previously have paid to make the same number of trips. Mr. Davis also

noted that it will be a very simple process for them to reload their cards and, when the cards are reloaded, the expiration date for all of the tickets on the cards will be extended another year.

**IT WAS THEN VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- as follows:**

- 1. to reduce the minimum number of tickets sold in RFID cards for travel on the Authority's traditional ferries to five (5);**
- 2. to standardize the expiration of these multi-ride RFID cards for both routes so that they are all valid for passage only within one year from the end of the month in which each *Lifeline Card* is sold; and**
- 3. to grandfather existing *FerryPass Cards* by having the Authority continue to honor those cards based upon the rules that were then in place when those cards were originally sold;**

**all as recommended by management in Staff Summary #GM-696, dated March 15, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

License Agreement with the Town of Nantucket:

Mr. Sayers then asked for the Members' approval of the staff's proposed License Agreement with the Town of Nantucket pursuant to which the Authority would allow the Town to make roadway, sidewalk and crosswalk improvements on its property at the intersection of South Beach and Broad Streets on Nantucket, and would then also allow the public the right to continued passage over those improvements. Mr. Sayers reported that the Town is currently reconstructing South Beach Street on Nantucket following the sewer force main break that occurred in January 2018, and that it is using this opportunity to

also improve pedestrian and vehicular traffic in the area with new sidewalks and crosswalks. In this regard, Mr. Sayers said, the Town’s proposed improvements on the Authority’s property will not adversely impact or otherwise intrude upon the Authority’s Nantucket terminal operations, and will significantly improve both the appearance of that intersection and the safety of pedestrians who pass by there.

Upon Mr. Shufelt’s motion, seconded by Mr. Lowell, the Port Council **voted** unanimously to recommend that the Members approve management staff’s proposed License Agreement with the Town of Nantucket and to authorize the General Manager to execute the License Agreement on behalf of the Authority.

**IT WAS THEN VOTED -- upon Ms. Tierney’s motion, seconded by Ms. Gladfelter -- to approve a License Agreement with the Town of Nantucket in substantially the form attached to Staff Summary #L-478, dated March 14, 2018, and also to authorize the General Manager to execute the License Agreement on behalf of the Authority, as recommended by management in that Staff Summary.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

New Communications Director Position  
and Management Structure Reorganization:

Mr. Davis then stated that, as discussed at the Port Council and Authority meetings last month, he was proposing certain changes to the Authority’s management structure to respond, in part, to the fact that several staff members will be retiring this year. Mr. Davis noted that the only new position he was proposing to create at this time was that of a “Communications Director,” and that his other proposed changes would result in a realignment of certain responsibilities within the Authority’s current management structure or would simply acknowledge that certain positions and department already are perform-

ing particular functions that are not reflected on the Authority's current management organization chart.

Mr. Davis stated that he was proposing that the new Communications Director be responsible for preparing minutes of Authority and Port Council meetings, as well as overseeing the Authority's marketing and advertising programs, responding to requests from the media and the public, preparing the Authority's external communications, and overseeing the memorialization of Authority's policies to make certain that they are appropriately, effectively and accurately communicated, as well as updated as needed. In addition, Mr. Davis said, he was proposing that the new Communications Director position be established at a Job Grade Level 15, which he noted is the same level as the level for the Port Captain, Port Engineer and Director of Human Resources positions, and one level below the level for the Director of Information Technologies Systems, Director of Engineering and Maintenance and Operations Manager positions.

Although Mr. Davis observed that the Members' formal approval is needed only for the creation of the Communications Director position, he stated that it would be helpful to have the Members' feedback on his other proposed changes to the Authority's management structure. Mr. Davis observed that those other proposed changes included:

- having the Authority's Vessel Personnel Dispatch employees be part of Vessel Operations instead of Human Resources;
- having the Director of Security also be responsible for the security of the Authority's terminals and parking lots instead of having the security of those facilities be solely the responsibility of the Authority's Terminal Managers and Parking Lot Manager;
- having the Authority's Group Sales employees be part of Reservations instead of Marketing;
- having the new Communications Director be responsible for monitoring and coordinating our customer relations as well as community relations, instead of having Reservations being primarily responsible for customer relations; and
- having Human Resources be responsible for personal injury and property claims only during their pre-litigation stages, and having the General Counsel be responsible for those claims once they go to litigation.

Mr. Munier stated that he thought that having a Communications Director was a good idea, but he asked Mr. Davis whether the position had been included in the Authority's 2018 Operating Budget or, if not, whether there were sufficient funds in the budget for the position. In response, Mr. Davis stated that position was not included in the budget, but that there was enough latitude in the budget to be able to absorb the cost of the new position.

Upon Mr. Balco's motion, seconded by Mr. Munier, the Port Council **voted** unanimously to recommend that the Members approve the creation of a Communications Director position at a Job Grade Level 15, as proposed by management.

After Mr. Hanover stated that he thought having a new Communications Director was a great idea, Mr. Jones asked Mr. Davis whether he expected that the Communications Director would personally prepare the minutes of the Authority's and Port Council's meetings or would hire someone else to do that. In response, Mr. Davis stated that the expectation was that the Communications Director would personally prepare the minutes of all of the meetings. Mr. Jones then noted that not everyone has the talent to perform those duties as well as all of the other duties of the position, but that it will be Mr. Davis's problem to find such a person.

**IT WAS THEN VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- to approve the creation of a Communications Director position at a Job Grade Level 15, as recommended by management in Staff Summary #GM-697, dated March 15, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Employment Agreement with Terence Kenneally:

Mr. Davis then announced that Terence Kenneally had accepted the offer that Mr. Davis had extended to him to become the Authority's next General Counsel after Mr. Sayers retires at the end of July 2018, subject to the Members' approval of the staff's proposed employment agreement with him. Mr. Davis noted that Mr. Kenneally is an accomplished civil litigator with experience in maritime defense, insurance defense and commercial transactions, and has been practicing with the firm of Clinton & Muzyka, P.C., in Boston since 2004, where he has represented the Authority in dozens of civil matters involving contract disputes and tort actions in both state and federal courts. Mr. Davis observed that, as a result, Mr. Kenneally has gained and repeatedly applied a strong working knowledge of the applicable legal and regulatory frameworks in which the Authority operates. Mr. Davis also noted that, in addition to being a litigator, Mr. Kenneally has conducted marine casualty investigations and negotiated leases, licenses, agreement and other commercial transaction documents for shipping clients and vessel owners and that, before joining Clinton & Muzyka, he was in-house counsel and operations manager for an international shipping company in Gloucester, Massachusetts.

Mr. Davis reported that the staff's proposed employment agreement with Mr. Kenneally contained essentially the same terms and conditions as the other employment agreements the Authority has with himself and Mr. Murphy, and that the proposed agreement does not provide Mr. Kenneally with any special fringe benefits, although it does provide for Mr. Kenneally to accrue vacation at the same rate as other employees who have been with the Authority four or more years.

Upon Mr. Lowell's motion, seconded by Mr. Shufelt, the Port Council **voted** unanimously to recommend that the Members approve an employment agreement with Terence Kenneally in substantially the form proposed by management, and also to authorize Mr. Davis to execute the agreement on behalf of the Authority.

Then, in response to questions from Mr. Jones, Mr. Sayers confirmed that, consistent with the Authority's other employment agreements with Messrs. Davis and Murphy, the initial term of Mr. Kenneally's proposed employment agreement was for five years, and that the term would then continue on a rolling one-year basis unless it is terminated for cause or Mr. Kenneally resigns with six months' notice. Mr. Sayers also confirmed that, after Mr. Kenneally is hired, his salary will be reviewed annually in accordance with the Authority's wage and salary program for non-union personnel in the same manner as the salaries of all of

the Authority's other non-union employees are reviewed, except for Mr. Davis's salary, which is reviewed annually by the Members.

**IT WAS THEN VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve an employment agreement with Terence Kenneally in substantially the form attached to Staff Summary #GM-698, dated March 14, 2018, and also to authorize the General Manager to execute the agreement on behalf of the Authority, as recommended by management in that staff summary.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

2018 Series A Bond Resolution:

Mr. Murphy asked the Members to adopt a Bond Resolution authorizing him to issue and sell on behalf of the Authority up to \$18,000,000 of Steamship Bonds on a competitive basis no later than December 31, 2018 pursuant to an Official Notice of Sale, at a price not less than par and accrued interest, noting that the proceeds of the bonds, along with any bond premium received, will be used towards the reconstruction of the waterside facilities at the Woods Hole ferry terminal and to pay for the costs of issuing the bonds. Mr. Murphy also noted that, while the resolution would allow for the bonds to be sold as late as December 31, 2018, the staff intended to issue the bonds this spring in order to fund payments that will need to be made around that time to the Woods Hole terminal reconstruction project's marine contractor.

Mr. Murphy also reported that the Authority's fiscal advisor, Unibank Fiscal Advisory Services, has identified three options on how the new debt offering can be structured, and that after analyzing those options the staff was recommending Option 1 or a slight variation thereof, which provides for the shortest payback period that will allow the Authority to fund additional capital projects sooner while remaining within its current bonding limit. Mr. Murphy



also stated that the staff also felt that the recommended level of debt service is absorbable within the Authority's current resources.

In response to a question from Mr. Munier, Mr. Davis stated that the additional interest payments which will be due on the bonds had not been included in the Authority's 2018 Operating Budget, but that if necessary the bond issue can be structured so that the first interest payment will not be due until March 2019.

Upon Mr. Balco's motion, seconded by Mr. Shufelt, the Port Council **voted** unanimously to recommend that the Members adopt the Bond Resolution in substantially the form proposed by management.

**IT WAS THEN VOTED -- upon Mr. Jones's motion, seconded by Ms. Gladfelter -- to adopt the Bond Resolution in substantially the form attached to Staff Summary #A-622, dated March 15, 2018, and to structure the bond offering in the manner described as Option 1 in that staff summary, or a slight variation thereof, as recommended by management in that staff summary.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Contract for Dry-dock and Overhaul Services for the M/V Katama:

Mr. Davis then asked the Members to award Contract No. 02-2018 for dry-dock and overhaul services for the *M/V Katama* to Thames Shipyard and Repair Company of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for a total contract price of \$869,430. Mr. Davis stated that the *M/V Katama* is scheduled to be at the shipyard from late May through mid-July 2018 to undergo a required United States Coast Guard hull examination; propulsion shaft, propeller and rudder inspections; hull plating replacement; painting above the rub rail; reduction gear grid cooler installations; generator

exhaust repairs; HVAC modifications in the passenger and crew spaces; and relocation of its rescue boat.

In response to a question from Ms. Gladfelter as to why Senesco Marine's bid of \$1,514,646 bid was almost twice as high as Thames Shipyard's \$869,430 bid, Mr. Walker stated that Senesco Marine was currently very light in its project management staff and that the people who prepared their bid used a number of conservative estimates when arriving at the amount of their bid. But Mr. Walker stated that, more importantly, Thames Shipyard's bid was appropriate and fairly close to the cost estimate for the work that was included in the 2018 Operating Budget, and that Thames included all of the proposed work in its bid and understands the scope of the project. In response to a question from Ms. Tierney, Mr. Walker noted that the Authority has been working with Thames for decades, that the Authority's experience with Thames has been good, and that Thames currently is performing a contract for the Authority to dry-dock the *M/V Governor* and change out its generators and switchboard.

**IT WAS THEN VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- to award Contract No. 02-2018 for dry-dock and overhaul services for the *M/V Katama* to Thames Shipyard and Repair Company of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for a total contract price of \$869,430, as recommended by management in Staff Summary #E 2018-04, dated March 16, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Contract for the Emergency Replacement of a Failed Dolphin in Slip # 2 of the Woods Hole Terminal:

Mr. Davis then asked the Members for authorization to award Contract No. 03-2018 for the emergency replacement of a failed dolphin in Slip #2 at the Woods Hole terminal to the lowest eligible and responsible bidder for the contract after the opening of bids for that contract. Mr. Davis stated that, due to seriously strong winds during the first weekend in March, a dolphin in Slip #2 of the Woods Hole terminal failed, and that the contract will require the contractor to replace the failed dolphin as an emergency repair to be accomplished as soon as possible. Mr. Davis also noted that the contractor will be allowed to use the materials on hand to expedite the replacement, and that the scope of work requires driving steel piles and framing a heavy timber facing in the piles to fend the ferries away from the concrete and steel bulkhead when docking.

Mr. Davis also reported that, due to the emergency nature of the work, the Division of Capital Asset Management and Maintenance has given the Authority a waiver from the statutory advertising requirements that the Authority normally would have to follow. Nonetheless, Mr. Davis said, the Authority has provided bid packages to nine different marine contractors and that after the award of the contract, the work (which is estimated to cost around \$200,000) is expected to take two weeks to complete. Mr. Davis noted that failure of this dolphin has been affecting some of the service that the Authority provides from Woods Hole because one of the fender systems in Slip #1 also recently failed and had to be taken out as well. Mr. Davis stated that the situation in Slip #1 will be addressed when the temporary fender system that is part of the Woods Hole terminal reconstruction project's marine contract is installed over the next month.

In response to a question from Mr. Shufelt, Mr. Davis stated that the contract will require the work to be completed within a certain time period, as time was of the essence. Mr. Davis stated that another reason the work has to be done quickly is because Slip #3 is also unavailable due to the Woods Hole terminal reconstruction project.

**IT WAS THEN VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to award Contract No. 03-2018 for the emergency replacement of a failed dolphin in Slip #2 at the Woods Hole terminal to the lowest eligible and responsible bidder for the contract after the opening of bids therefor, as recommended by management in Staff Summary #L-479, dated March 19, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Trip Cancellations and Delays:

Mr. Hanover stated that he wanted to remind everyone that the Authority is in the customer service business and that, while everything was done so well by both the Authority's management and its vessel and terminal employees this past Saturday and Sunday, when the *M/V Martha's Vineyard* was out of service on Monday morning, the *M/V Katama* left Vineyard Haven on its 5:30 a.m. trip, leaving all of the island's commuters behind. Mr. Hanover declared that the Authority is the islands' lifeline and that people have to travel to doctor appointments that they made months in advance, commute to jobs, and catch planes and buses, and that a decision to cancel a trip cannot be taken lightly. While Mr. Hanover stated that he realized this past month had been highly unusual with respect to cancellations due to both weather and mechanical issues, the Authority has to do its best to be as efficient and responsible as it possibly can, and it needs to be receptive to its customers' needs.

Mr. Davis stated that the *M/V Katama's* failure to wait Monday morning for the island's commuters was his responsibility because he should have made certain that the staff's decision to delay that trip until 6:00 a.m. had been communicated to the employees at Vineyard Haven. Mr. Hanover then observed that a lot of the Authority's ferries are also leaving late, and he declared that they also have to leave on time, as it makes a difference to people who need to get to their appointments.

Public Comment:

Mr. Ranney then asked if anyone from the public wished to make any comments, but no one responded.

Then, at approximately 11:52 a.m., Mr. Ranney entertained a motion to adjourn the meeting in public session.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to adjourn the meeting in public session.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary  
Woods Hole, Martha's Vineyard and  
Nantucket Steamship Authority

A TRUE RECORD

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ERIC W. SHUFELT, Secretary  
Port Council of the Woods Hole,  
Martha's Vineyard and Nantucket  
Steamship Authority

**APPENDIX A**  
**TO THE**  
**MINUTES**  
**OF THE**  
**WOODS HOLE, MARTHA'S VINEYARD**  
**AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**March 20, 2018**

**Presentation of the Builder's Plaque for the**  
**Authority's New Administrative Office Building**  
**by General Manager Robert B. Davis**

Five years ago, when our design team for the Woods Hole Reconstruction Project confirmed that we would have to demolish the old Woods Hole terminal building and excavate a portion of the terminal's wharf in order to rebuild the three ferry slips there, I dare say that no one ever thought that, five years later, we would be here at our Palmer Avenue parking lot and sitting in the meeting room of a building which evokes many of the nostalgic elements of the old Grossman Lumber Yard barn and, indeed, is built on the same footprint as that barn.

On behalf of all of the employees who are now working in the other part of this building, I can also say that, while we of course miss our old water views and the sounds of boat whistles and seagulls, we had no idea what a triumph our new offices would be. They create a wonderful working environment for all of us, particularly the work spaces and the light throughout the second and third floors, so much so that we enjoy working here more and more every day. The architectural details are also impressive, but not in a fussy or extravagant way that would be inappropriate for a public building. Overall, everything about the building is spot-on and makes sense, and it is a work of art as well.

But as you can tell by looking around you, like any great project, it is not yet complete. A number of things remain to be fixed or adjusted and, of course, the landscaping cannot be done until the spring. But those unfinished items do not detract from the building's huge success and we wanted to take this occasion

to present the builder's plaque for the building and to thank everyone who was involved in its planning, design and construction – and that includes virtually everyone in this room even though many of you will not be specifically named.

If the staff had had its way, we would not have ended up anywhere close to here. All of the locations we were considering for our new offices were far away from our ferry terminals, and many would have required us to buy additional property and renovate existing buildings to try to make them suitable for our needs, all at great expense. It was the Board – specifically, Martha's Vineyard Board Member Marc Hanover – who asked us to consider relocating our offices here, observing that the property is close to our Woods Hole terminal, that customers and employees could take our shuttle buses on their regular routes to visit the offices, and that we also could take those shuttle buses to Woods Hole and to get on our own ferries to Martha's Vineyard. The site also allows relatively convenient access to our other facilities that are situated at multiple locations from Falmouth to Hyannis (and, in turn to Nantucket) and in Fairhaven as well. When Falmouth Board Member Catherine Norton agreed and we began to think about it, we knew it was the right place for us to go.

But even after we decided to relocate to our Palmer Avenue parking lot, the staff still could not decide where the office building should be placed on the property. That was when we asked our architects to review our options and, when they focused on the old Grossman barn and we told them that it was in such bad condition that we were going to have to demolish it, they seized upon the opportunity and immediately came up with the basic concept for our new offices.

- A new “public barn,” in which we are sitting today, that would be in the same footprint as the old barn and would be designed to pay homage to the old barn;
- and extending back from the rear of the public barn would be a “working barn” that would house our administrative departments on three floors in an unobtrusive manner to the surrounding community.

Then the hard work started – designing the building itself, because not only does this relatively small two-and-a-half story building house our new administrative offices and public meeting spaces, it also contains, supports and protects all of the equipment and employee work spaces for all of our information technology systems, which now include:

- our primary data center;
- our website, [www.SteamshipAuthority.com](http://www.SteamshipAuthority.com);
- our reservations and ticketing systems;

- our credit card processing systems;
- our computer networks;
- and our electronic and telecommunications systems.

Our architects took great pains to find out exactly what we needed in this new building, and then to develop a design that would accomplish all of our objectives. As you can imagine, it was a complicated process. When all of the design work was completed, they ended up with more than 1,500 pages of specifications and 239 pages of contract drawings. The result? A beautiful and intriguing building that empowers our employees to work enjoyably and efficiently together. It is a tribute to the great work of our design team, which was led by Chris Iwerks and Sela Bailey of Bertuax + Iwerks Architects. Chris and Sela, thank you.

We were also fortunate to have a great general contractor for this project. For the first time in our history, we went through a pre-qualification process for both general contractors and sub-contractors who wanted to submit bids, and, of the three general contractors who submitted bids for this contract, we had given the highest rating of all of them to G & R Construction, Inc. even before we knew that they were going to submit the lowest general bid for this project. It is easy to understand why: The persons at G& R who were going to be principally responsible for this project had worked together at G & R for decades, and had completed numerous successful public building projects over the years. We benefited greatly from their vast experience and, based upon our own experience with them over the last 1- ½ years, we can attest to why G & R deserves its excellent reputation. They were especially responsive in expediting the construction schedule after we had encountered delays last summer. While everyone at G & R was terrific, and this structure is a testament to all of them as well, I would like to recognize three persons in particular:

- Robert Morel, President of G & R Construction;
- Dan Aylward, Senior Project Manager;
- and Dennis Morel, Superintendent.

Bob, Dan and Dennis, thank you.

But even a good general contractor always needs to have an experienced representative of the property owner on site who can make prompt decisions about scheduling, the quality of the work being done and the materials being delivered, and what should be done when issues arise in the field. Again, we were fortunate to have Steve LeBaron available to serve in this role as our Clerk of the Works for this project. Even for those of you who have not met Steve



before, you have seen his handiwork if you have attended any of our meetings over the last year. Every week Steve has taken dozens of photographs to document the progress of the work, including aerial photographs from his personal drone, and we have shown many of those photographs during our presentations on the status of the building's construction. Steve, thank you for all of your hard and diligent work.

Finally, I would like to thank long-suffering Bill Cloutier, who has the thankless task of being our Project Manager for this project as part of our larger Woods Hole Terminal Reconstruction Project. He is the person each of us has called whenever there has been a problem, and he has always addressed each problem with practical and effective solutions, telling us directly what can't be done and why, and more importantly, what can be done and how.

I cannot imagine anyone else who could be more qualified for this role than Bill. Before joining us in 2004, he was Principal Engineer for Yankee Atomic Electric Company, which provided engineering services for all the nuclear power plants in New England, and he had been the Lead Engineer for the plant mechanical systems group during the construction, completion, and licensing phase of the Seabrook Nuclear Power Plant. Then as our Facilities Engineer, Bill has led multidiscipline task teams on all of our large-scale land-based capital projects in all phases of development, including conceptualization, cost analysis, planning, design, contractor and vendor selection, and implementation, as well as for the ongoing maintenance of all of our buildings and other land-based facilities.

If I can paraphrase something Steve Sayers has said, throughout this entire project, Bill has been like the conductor of a great symphony orchestra, cueing individual players so that they come in on time, maintaining a strict downbeat to make sure that everyone moves forward together as they play through the music's rough passages, and finally completing the performance of the work with a grand crescendo. Bill, on behalf of all of us, thank you. You deserve an ovation.

**Documents and Exhibits Used at the  
March 20, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. March 20, 2018 Meeting Memorandum, dated March 15, 2018.
2. Video and Audio Recording Announcement.
3. Joint Meeting Announcement by the SSA's Chairman Robert F. Ranney.
4. Minutes of the Port Council's February 7, 2018 Meeting (draft).
5. Minutes of the Authority's February 20, 2018 Meeting in Public Session (draft).
6. Business Summary for the Month of January 2018.
7. Staff Summary #L-477, dated March 12, 2018 – Proposed Policy Prohibiting Discrimination on the Basis of Pregnancy or a Pregnancy-Related Condition.
8. Staff Summary #OPER-2018-01, dated March 14, 2018 – Preliminary Version of Proposed 2019 Winter and Spring Operating Schedules.
9. Staff Summary #GM-696, dated March 15, 2018 – Proposed New “*Lifeline RFID Cards.*”
10. Staff Summary #L-478, dated March 14, 2018 – Proposed License Agreement with the Town of Nantucket.
11. Staff Summary #GM-697, dated March 15, 2018 – Proposed New Communications Director Position and Management Structure Reorganization.
12. Staff Summary #GM-698, dated March 15, 2018 – Approval of Employment Agreement with Terence Kenneally.
13. Staff Summary #A-622, dated March 15, 2018 – Proposed Resolution Authorizing the Sale of Steamship Bonds.
14. Staff Summary #E 2018-04, dated March 16, 2018 – Contract 02-2018, “Dry-dock and Overhaul Services for the *M/V Katama.*”
15. Staff Summary #L-479, dated March 19, 2018 – Contract No. 03-2018 “Woods Hole Emergency Dolphin Repairs Slip #2.”

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**April 23, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 23rd day of April, 2018, beginning at 10:00 a.m., in the Katharine Cornell Theatre of the Tisbury Town Hall, located at 51 Spring Street, Vineyard Haven, Massachusetts. All five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford.

Port Council member George J. Balco of Tisbury was also present, as were the following members of management: General Manager Robert B. Davis; Reservations and Customer Relations Manager Gina L. Barboza; Port Captain Charles G. Gifford; Director of Information Technologies Mary T.H. Claffey; Director of Engineering and Maintenance Carl R. Walker; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Assistant Treasurer Courtney M. Oliveira; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV, and that Louisa Hufstader, George Brennan and Sean Driscoll were also making an audio recording of today's meeting in public session.

Recognition of Public Officials:

Mr. Ranney recognized Dukes County Commissioner Leon Brathwaithe, Tisbury Fire Chief John Shilling, Martha's Vineyard Commissioner Josh Goldstein, Tisbury Town Administrator John (Jay) Grande, Tisbury Harbor Master John Crocker, Dukes County Commissioner and Tisbury Selectman Tristan R. Israel, and Tisbury Selectman Malinda F. Loberg in the audience and thanked them for attending today's meeting.

Minutes:

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to approve the minutes of the Members' meeting in public session on March 20, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Update on the Status of the M/V Woods Hole, the M/V Island Home and the M/V Martha's Vineyard:

Mr. Davis updated the Members on all of the mechanical problems the Authority has had with the *M/V Woods Hole*, the *M/V Martha's Vineyard* and the *M/V Island Home* since their last meeting on March 20, 2018, as well as all of the actions the Authority has taken to resolve them. Specifically, Mr. Davis advised the Members that:

- (a) On March 22nd, the ***M/V Woods Hole*** was taken out of service after experiencing issues with its propeller pitch controls. The Authority's engineering staff and the vendor's technician determined that the check valves had broken in the vessel's port propeller shaft and, after obtaining replacement valves, installed the new valves in both the port and starboard shafts and reassembled the units. The United States Coast Guard then cleared the vessel to return to service on March 25th.

However, on March 27th, an alarm code went off in the vessel's control panel. Even though the Captain had experienced no loss of control or power, the Coast Guard was appropriately notified and the vessel was taken out of service to Fairhaven until the issue could be investigated. Following the arrival of the technical representatives from both Hundested Propeller and Prime Mover Controls, the vessel filters were changed on both reduction gears (*i.e.*, the suction filter, the filter for clutch, and the filter for pitch on each reduction gear) even though nothing abnormal was

found. The Authority then took the vessel on light ship sea trials with both technical representatives on board to monitor the system while the Authority engaged in repeated maneuvers in an attempt to have the alarm activate again and the system switch to the secondary (backup) Actuator driver signals. These light ship sea trials lasted nearly three hours while the crew tried again and again to create a condition that would cause the alarm to activate. Throughout the entire sea trials, the system and all of the vessel's equipment were fully responsive and operational. After the light ship sea trials, the vessel's gear was examined, including the hydraulic check valves that had recently been replaced. All of the valves were found to be in good order.

On March 31st, the Authority conducted additional sea trials with a simulated cargo load similar to what had been on board when the alarm activated on March 27th. As with the previous light ship sea trials, both technical representatives were on board to monitor the system while the Authority engaged in repeated maneuvers in an attempt to have the alarm activate again and the system switch to the secondary (backup) Actuator driver signals. These additional sea trials lasted nearly another four hours while Authority Captains engaged in maneuvers to simulate dockings at and departures from the Authority's slips at both Vineyard Haven and Woods Hole. Throughout the entire additional sea trials, the system and all of the vessel's equipment were fully responsive and operational.

Following more sea trials on April 2nd, the Coast Guard cleared the vessel and approved the Authority's plan to place the *M/V Woods Hole* on the Hyannis to Nantucket route April 3rd and 4th for further monitoring by the technicians. The plan then called for the vessel to return on April 5th to Vineyard Haven to resume its published schedule on the Martha's Vineyard route, but due to weather conditions the vessel remained on the Hyannis to Nantucket route for an additional day. At the end of the operating day on April 5th, the vessel sailed to Vineyard Haven to resume its scheduled service on Friday, April 6th.

- (b) At the end of its operating day on March 20th, the ***M/V Martha's Vineyard*** had another generator issue, and the Coast Guard issued a "no sail" order. The following day, the vessel was taken out of service for additional work and testing, and was transported to the Authority's Fairhaven vessel maintenance facility. The Authority's engineering department and the technician for the vendor of the generator identified the parts of the switchboard which required replacement and, after those parts were replaced, the Coast Guard cleared the vessel to return to service on March 27th. But then, during the vessel's engine start-up on March 28th, the

breaker for the vessel's steering pump malfunctioned. The Chief Engineer on board the vessel recycled the breaker and was able to get the pump back on line, but the Authority cancelled the vessel's trips in order to assess the situation. The Authority's engineering and maintenance department personnel and the manufacturer's technician determined that a breaker in the vessel's electrical panel needed to be replaced. The new breaker was expedited, installed and tested in time for the vessel to be inspected and undergo sea trials with the Coast Guard early the next morning. As a result, on March 29th, the vessel was cleared to resume service starting with its 7:00 a.m. scheduled trip, although later the same day the crew had an issue with the bow doors which resulted in a delay of up to an hour for trips after 6:00 p.m.

On March 31st, what originated as a breaker tripping on the bow thruster was ultimately diagnosed as a control gear failure to release. The 5:00 p.m. trip to the island and corresponding 6:15 p.m. trip off island were cancelled as the maintenance staff addressed the situation. Then during the evening of April 19th the vessel had an issue with the bow doors again. This time, however, the weld on one of the rollers failed, causing the housing and roller to separate from the door and fall to the vehicle deck. The following morning a spare roller unit was installed in place of the failed unit. While visual inspections of the other roller units found no signs of weld failure, the crew has extended the safety zone around the door as an additional safety measure.

Also during this past month, the Authority's maintenance and engineering crews along with workers from Senseco have been onboard to address the punch list items left over from the mid-life refurbishment. Due to the number of items remaining open, the Authority's staff concluded that the Authority would not be able to address them all during the vessel's next scheduled repair period that was scheduled for May 17th through 22nd. Therefore, this morning, the *M/V Martha's Vineyard* was taken off the run and replaced by the *M/V Woods Hole*, which was in turn replaced by the *M/V Katama*. The *M/V Martha's Vineyard* is now at the Authority's Fairhaven facility where the remaining punch list items are expected to be completed by May 3rd so that the vessel can be back on the run for the Martha's Vineyard's Chili-fest Weekend.

- (c) Meanwhile, the ***M/V Island Home***, which was originally expected to be back in service on March 24th, remained in Fairhaven. Part of the delay in the vessel's return to service was attributable to delays in the shipyard. The vessel's return to service was then expected to be delayed by six days, but nevertheless it was still expected to be in service for the Easter holiday

weekend. Then on March 29th, while undergoing a Coast Guard inspection, it was determined that there was an issue with one of the bow thrusters. The issue required the system technician to return from out of the country to re-install the software program. He arrived late in the evening on April 2nd and, after the repairs were completed, the Coast Guard cleared the vessel to return to service on April 5th.

Mr. Davis noted that, while these issues were mostly isolated to vessels providing service on the Martha's Vineyard route, they impacted service on the Nantucket route as well. For example, Mr. Davis said, on March 25th, the *M/V Gay Head* was diverted from its schedule on the Nantucket route in order to provide two round trips on the Martha's Vineyard route before returning to service later in the day on the Nantucket route. Mr. Davis stated that, in addition, as of April 2nd, the operating schedule called for the *M/V Sankaty* to be providing service on the Nantucket route in addition to the *M/V Eagle* and *M/V Gay Head*; but that no additional service with that third vessel was provided on April 2nd, although the *M/V Woods Hole* provided it beginning April 3rd until it was finally replaced by the *M/V Sankaty* on April 6th.

Mr. Davis then thanked the Authority's Woods Hole neighbors for being so understanding this past month, observing that there have been a number of occasions in which the Authority needed to run some late night or early morning trips in order to minimize some of the service disruptions these vessel cancellations caused. Again, Mr. Davis apologized for the noise that may have been generated during the late night and early morning hours, although he observed that the Authority attempted to make every effort to minimize any noise generated by its operations.

Mr. Davis also apologized to the residents of Martha's Vineyard and the commuters who rely on the Authority's to provide safe and reliable service and who had to endure a seemingly endless barrage of service disruptions. Mr. Davis noted that the Authority has long taken pride in being able to provide a dependable service and that the staff is embarrassed by their failure to do so this past month.

#### Improvements to Operations:

Finally, Mr. Davis reported that with the increased demand for service and the complexities of the Authority's newer vessels, the staff also needs to be looking at the Authority's vessel operations. For example, Mr. Davis said, the staff needs to look at additional training opportunities the Authority can provide

which will provide the necessary tools to properly use advanced technologies to their fullest. Mr. Davis further noted that members of the traveling public also have raised concerns about the Authority's vessels leaving late or cancelling too often, and he stated that the staff will look into this as well, although they realize that sometimes a delay is attributable to a tight turnaround schedule and at other times it can be a function of customer service.

Mr. Davis then observed that, in light of all of the vessel mechanical failures the Authority had experienced this past month, it clearly needs to look at ways to improve its maintenance of its vessels, and he stated that the issues which need to be considered include the following:

- Whether the Authority provides enough time in repair for each vessel.
- Whether the Authority's practice of scheduling its vessels for dry-docks every other year in lieu of the United States Coast Guard's minimum requirement of twice within a five-year period helps the Authority to better maintain its vessels.
- Whether the Authority's practice of having a Senior Chief Engineer and a Senior Captain assigned to each vessel is effective, and whether those assignments can be made more effective.
- How the Authority's project management and oversight of its maintenance and repair process can be improved.
- How the Authority can improve communications from the Maintenance Department so that it can plan and respond better to problems that are encountered during repair.
- How the Authority can develop better plans for scheduling its vessel dry-docks and repairs to ensure that its resources are allocated appropriately.

Mr. Davis further stated that, of course, the Authority needs to take measures to ensure that it avoids a repeat of the situations it encountered this past month when, in each instance, there was only one person who could fix the mechanical problem that resulted in one of its vessels being out of service, especially when that one person may be in a foreign country and unavailable for days or even weeks.

Mr. Davis also noted that the Authority had to improve its communications and information technologies and that, ironically, the staff had discussed this need with the Port Council and the Authority Members before this past month's events. In this regard, Mr. Davis recounted how, in February 2018, he had proposed the creation of a Communications Director position and how the Authority Members had approved the creation of that new position at their March



20, 2018 meeting. Since then, Mr. Davis said, the staff advertised the position in local and regional newspapers as well as on the Authority's website, and the advertisements have generated a significant number of applicants, and that more were expected before the deadline for submitting applications passes at the end of this week. Mr. Davis stated that the staff will then schedule interviews over the coming weeks to keep this process moving forward.

Meanwhile, Mr. Davis said, the staff will be looking at additional ways to communicate with the Authority's customers. In this regard, Mr. Davis noted that the Authority already has changed the service for its email messages so that they can be distributed without delay, as the staff had discovered during one of the Nor'easters earlier this year that the Authority's emails were not being delivered until five or six days after they were sent. In addition, Mr. Davis stated that the staff would like to sit down and work with the area's Chambers of Commerce to discuss other improvements the Authority can make, and that he appreciated the offer from the Martha's Vineyard Chamber of Commerce to get together and discuss how the Authority's communications can be improved.

Mr. Davis also observed that the Authority needs to look at its information technologies to ensure that it is staying ahead of any potential problems. For example, Mr. Davis said, he wants to make certain that the Authority does not have a repeat of the issues it had with the summer reservations opening for the general public that occurred this past January, when the website essentially crashed because of a configuration issue. Although Mr. Davis stated that next year the Authority could open summer reservations separately for each island by a week to lessen the demand on the system, the Authority still needed to ensure that the system has the capability of handling such a big push.

Mr. Davis noted that the Authority's website is another area where some improvements can be made. In this regard, Mr. Davis stated that the staff already is looking at what items on the website generate the most comments and how they can be revised to provide clearer information or better customer service solutions. For example, Mr. Davis said, customers frequently ask how to remove cars that they no longer own from their profiles, and the Authority needs to allow them to do that. Mr. Davis stated that the Authority also needs to make certain that it is using currently available technologies to improve its customers' experience, including the use of RFID cards, scanners, and the development of a mobile app that can be used by customers to make reservations and receive notices.

Mr. Davis stated that the Authority also needs to look at its vessel operations, particularly given the increased demand for its services and the complexities of its new vessels. In this regard, Mr. Davis observed that the

Authority, like many industries, is looking at an aging workforce and that it needs to look at additional training opportunities for its employees that will provide them with the necessary tools to properly use advanced technologies to their fullest. Mr. Davis noted that not only will this improve the Authority's operations, but it will help to have the Authority viewed as a premier choice for those individuals seeking job opportunities in the maritime field.

Mr. Davis acknowledged that Mr. Hanover also has raised concerns about the Authority's vessels leaving late or cancelling too often, and he stated that the staff can look into that; but he noted that a delay sometimes is attributable to a tight turnaround schedule. For example, Mr. Davis said, the operating schedule for the Martha's Vineyard route has the *M/V Martha's Vineyard's* first trip leaving Vineyard Haven at 6:00 a.m., arriving at Woods Hole at 6:45 a.m., and then scheduled to leave Woods Hole at 7:00 a.m. leaving only a 15-minute turnaround time to off-load passengers and vehicles traveling off-island and then load its new passengers and vehicles going to the island. Mr. Davis noted that, while there are times that the vessel is capable of leaving on time at 7:00 a.m., that trip generally leaves late and the vessel makes up some of the time during the trip to the island. Further, Mr. Davis said, if the Authority were to increase the vessel's scheduled turnaround time for that trip to the more standard 30 minutes, it would have a domino effect in the vessel's scheduled sailing times throughout the day. Nevertheless, Mr. Davis stated that, as the staff develops their proposed 2019 Operating Schedules, they can more fully investigate how a change in this turnaround time would impact the rest of the Authority's sailing schedules, and one solution may be to adjust the vessels' anticipated arrival times so they more accurately reflect their expected arrivals and then discussing shuttle bus connections with the Martha's Vineyard Regional Transit Authority.

Mr. Davis also noted that a delay sometimes is a result of providing good customer service. For example, Mr. Davis said, the Authority holds the last trips of its vessels for school sports teams that are returning late from games even if those delays impact the vessels' start times the following mornings. But he observed that the more difficult customer service calls include instances when the terminal agents see someone being dropped off and heading for the boat, which then requires them to decide whether the netting stays up or comes down, knowing that their decisions impact other customers who are already on the boat and need to get to their destinations on time.

Mr. Davis stated that the Authority could have a policy of closing the boarding process at a specific time prior to the vessel's departure time, similar to what most airlines do, which would require the remaining customers to wait for the next trip. But Mr. Davis stated that this policy could also impact the vehicle loading process where the Authority currently provides a short grace

period for vehicles that fail to arrive 30 minutes in advance of a scheduled trip. Mr. Davis noted that this grace period generally ends when the boarding process begins and, while in some cases the Authority could begin loading vehicles sooner onto the vessels, this would result in those late arrivals potentially ending up as standby vehicles.

Mr. Davis stated that, instead of taking these approaches, he would like the opportunity to review in more detail the reasons for each vessel's arrival and departure times, as that review may show particular patterns that will illustrate systemic problems with the Authority's vessel operations or the schedules themselves that can then be addressed on a case-by-case basis. Mr. Davis also observed that the Authority will need to factor in some of the scheduling problems that are being caused by the Woods Hole terminal construction activities, although he noted that those problems will go away when the construction is completed.

Mr. Davis then stated that he placed this item on the agenda so that he could provide the Members with some of his thoughts and hear some of theirs, and he further stated that he was aware that what has transpired these past few weeks needs to be looked at so that the Authority does not repeat its past failures. In addition, Mr. Davis said, if the Members wanted to have a consultant review the Authority's operations, he would propose that these items be reviewed separately. In this regard, Mr. Davis noted that the Authority was already working on hiring a Communications Director and making certain improvements to its information technology systems. Therefore, Mr. Davis suggested that the Authority could hold off having a consultant work on those areas, and that the same could be said with respect to the Authority's vessel operations, as the staff is looking into what training levels are appropriate and what modifications can be made to the operating schedules to ensure on-time arrivals.

Mr. Davis then stated that the one area where he was suggesting that a consultant look at is the Authority's maintenance program to determine what industry standards exist with respect to vessel maintenance, how long other ferry operators schedule their vessels for maintenance, and whether the Authority has the appropriate level of project oversight and project management. Mr. Davis noted that, if the Members were to proceed in that direction, he has identified a potential consultant who had worked directly in the industry for more than thirty years before becoming a consultant and that, while he was currently working on some other projects, he could begin working on analyzing the Authority's vessel maintenance operations soon.

Mr. Davis then noted that Mr. Hanover similarly has been looking at other consultants to review the Authority's operations, and that Mr. Hanover has a slightly different take on what subjects should be reviewed. Mr. Davis stated that, for example, Mr. Hanover would like a consultant to review the Authority's information technologies systems and why its boats are leaving and arriving late, but he stated that Mr. Hanover should probably describe the proposal he has received for a review of the Authority's operations, which he then distributed to all of the Members.

Mr. Hanover then stated that he and Mr. Davis both want the same thing, but that he was not sure that it could be done in-house. Rather, Mr. Hanover, said, he felt that the Authority needs to have professionals come in and look at the entire operation, including information technologies and communications, which he said was a huge issue. Mr. Hanover further stated that he already has received this one proposal and that he did not feel the Authority has another month to wait to get these things in order. Accordingly, Mr. Hanover suggested that the staff take two weeks to come up with their proposal and that the Members then have another meeting to consider this subject again, but he emphasized that he did not believe the Authority could wait another month to start addressing these issues.

Ms. Gladfelter observed that everyone in the room today depends on the Authority's ferries, as she did when she lived on an island for a long time, and that while the Authority may have had a crisis period this past month, in general the island residents are used to a very good service from the Authority and that is part of the reason why this situation was so frustrating for everyone. While Ms. Gladfelter stated that she agreed that everything in the organization should be looked at and that any opportunity to improve the Authority's operations should be pursued, she cautioned that the Authority has operated very well and she expressed concern about diverting a lot of time and resources to something that could and should be done in-house. Nevertheless, Ms. Gladfelter stated that she understood Mr. Hanover's concern and that it might be a good idea to have someone review the Authority's vessel maintenance program, particularly since acquiring another vessel to use as a spare when needed would be very expensive. But Ms. Gladfelter stated that, while she agreed there could be improvements, she did not necessarily agree that there has to be a major review of all of the Authority's operations.

Mr. Jones stated that, because he has been in the boat business, he can most appreciate all of the vessels' breakdowns and maintenance issues, knowing all of the components that these vessel have. As a dealer, Mr. Jones said, he constantly cringed whenever he received a call from one of his customers whose engine had broken down, whatever the cause may have been. Mr. Jones stated

that, while the Authority constantly has to try to do better and service its customers, what happened this past month was absolutely unbelievable with all of these systems problems that were not related at all, and that it was also a mystery to him how the Authority could have detected the problems with these component parts, some of which (such as the check valves) are extremely small. Mr. Jones also observed that even though the Authority's vessels have been very reliable work horses over the years, he can understand why anyone who had scheduled a trip off-island was upset, but that everything that could go wrong did go wrong this past month.

Mr. Jones then stated that the main thing was that Mr. Davis has a handle on the situation and that he appreciated his proposed course of actions. Therefore, while Mr. Jones stated that he appreciated Mr. Hanover's suggestions, right now he thought the Authority needs to continue to upgrade its systems, which it continually is doing, and to recognize that things happen sometimes, although how they all happened at once was beyond him. Mr. Jones also noted that the Authority did not have any acceptable excuses for these events, and that the only thing it can do is to do better.

Ms. Tierney reminded Ms. Gladfelter and Mr. Jones that none of them lives on an island, and that the Authority's primary purpose is to serve the residents of Nantucket and Martha's Vineyard. Ms. Tierney also noted that the Authority had not done a very good job in the last couple of months, that everyone in management has acknowledged that, and that the Members needed to as well. In addition, Ms. Tierney stated that she was not so sure that management can review its own operations at this point in time, so she did not think that was the precise way to go. On the other hand, Ms. Tierney said, she was not sure that the Authority should incur the significant costs of bringing in an outside consultant at this particular stage. Accordingly, Ms. Tierney suggested that management should present a proposal to review what has happened, why it has happened and what the Authority is doing to make sure it doesn't happen again, and the Members should put in place whatever checks and balances are necessary to address any of those issues in the future.

Ms. Tierney also suggested that the Authority should obtain proposals from other firms who have experience with how a quasi-utility like the Authority operates; that the proposals should describe how the firms would identify how the Authority's problems arose (for example, whether the problems were systemic or the result of a perfect storm) and how they would address the Authority's weaknesses; and that the Members should then review all of the proposals and make a decision. But Ms. Tierney emphasized that the Members could not afford to kick the can down the road, observing that the problems are real and are here

now, and that the Members can never forget their first obligation, which is to the residents of Martha's Vineyard and Nantucket.

Mr. Hanover stated that he appreciated his fellow Members' comments, and recounted how the Authority's previous Nantucket Member, H. Flint Ranney, had joked with him about how Mr. Hanover's constituents thought they had a bridge to the mainland. Mr. Hanover stated that, yes, Martha's Vineyard does have a bridge, as the Authority has been very reliable; but he stated that those three weeks in March had been pure hell and that we was still feeling their resounding effects. Mr. Hanover also declared that the Authority has to rebuild the confidence of its customers and that, while he can understand how the Authority might have one issue with one vessel, having three vessels out of service at the same time, which was unprecedented in the Authority's history, can never happen again.

Mr. Hanover also observed that his concerns were not just about the vessel breakdowns, recounting how the Authority's computer system had gone down three times so far this year, including when it crashed on the busiest reservation day of the year. Mr. Hanover stated that obviously the Authority's information technology needs to be looked at, as do its communications with its customers, and while systems may be in place, many of the Authority's customers are not aware of them and the systems themselves have to be better.

While Mr. Hanover stated that the Authority's management had been marvelous over those three weeks in March and that their traffic management had been incredible, he personally felt that the Authority needs to have someone from the outside come in and take an overall look at all of the Authority's operations before the summer season so that the Authority does not experience any more complications, and that he also did not think that the Authority can wait another month to do so.

Mr. Ranney then stated that he and Nantucket residents strongly backed Mr. Davis, observing that when there are trip cancellations on the Nantucket route which are nobody's fault and sometimes continue for days, the Authority's management staff scrambles to develop back-up plans to provide service. In addition, Mr. Ranney said, while he understands Mr. Hanover's concerns, he has a problem spending a lot of money on an outside consultant because every dime that the Authority spends comes out of the fares that each of them pays as customers and, if the Authority spends more money, everyone is going to have pay more money. In this regard, Mr. Ranney noted that he was not just an Authority Member, but also a customer just like everyone else in the room that day.

Mr. Ranney stated that it means a lot to him to keep the Authority running during the summer as it was now running again and that, if a consultant were to return in a month, the staff already will be concentrating on operating the boats and it would be a mistake to distract them during the high season. As a result, Mr. Ranney said, nothing will be able to be fixed during the middle of the season. Accordingly, while Mr. Ranney stated that he understood Mr. Hanover's pressing need for a review of the Authority's operations, he felt that it was something that could be done in-house piece by piece, and he observed that some of it already was in place and ongoing.

Mr. Jones also observed that the Members would already know if there was a huge problem internally; that he thought the Authority's issues were more a matter of fine tuning what it has; and that he has a lot of faith in the staff and the Authority's engineers and captains, as well as all of the other good people who work for the Authority. Mr. Jones also noted that both outlines presented by Mr. Davis and Mr. Hanover were pretty full and that it might make sense for someone to undertake an overview. But Mr. Jones stated that he felt all of the problems that were outlined can be addressed in-house, and that he just did not see how a consultant could come in and have everything fixed for the summer.

Mr. Hanover then declared that he had never suggested that he does not have confidence in Mr. Davis or his management team, but that in the same respect Mr. Davis should not be required to ride the Authority's ferries for three weeks talking to customers to appease them. Mr. Hanover also declared that the Authority should never have three vessels break down at the same time ever again. Accordingly, Mr. Hanover stated that he disagreed with the other Members and that he thinks these issues need to be addressed before the summer, as no one knows when the computer system will go down again or when there will be another problem with one of the boats. Indeed, Mr. Hanover said, the Authority does not yet have the *M/V Martha's Vineyard* back in service and there are more than 200 items on that boat which need to be fixed.

Ms. Gladfelter observed that there was not a single person in the room that day who wants these events to happen again, but that no one can provide the Authority with a guarantee that three vessels won't ever have mechanical problems at the same time. Ms. Gladfelter then apologized to everyone who was inconvenienced by the events, but she also thanked everyone who works for the Authority whom she saw working 24 hours a day, seven days a week, to alleviate the problems as best as could be done. In addition, Ms. Gladfelter said, she thought Mr. Davis had been very innovative in moving around the schedules and getting other boats.

Ms. Gladfelter also apologized to everyone who uses the Authority to commute from the mainland to the island, as well as the Woods Hole residents who had to experience boats making extra trips late in the evening and early in the morning. Ms. Gladfelter observed that many people were inconvenienced by these events and that nobody wants this to happen again, but that she knew that Mr. Davis was using this as a “lessons learned” experience to determine what the Authority can do better the next time.

Ms. Tierney cautioned that the Members had to be careful not to interpret Mr. Hanover’s suggestion as a criticism of management, as it was clearly not a criticism. In this regard, Ms. Tierney noted that all of the Members have known Mr. Davis for a long time, that Mr. Davis has been with the Authority for a long time, and that all of the Members have the utmost respect for the Authority’s current management. But Ms. Tierney stated that she thought the Authority still needed to see independently why the past couple of substantial mistakes happened and what the Authority can do to make certain that they don’t happen again, and that this review deserves some neutral oversight.

**IT WAS VOTED -- upon Mr. Hanover’s motion, seconded by Mr. Jones -- to have the management staff within the next two weeks present the Members with an alternative to the proposal that had been given to the Members that day.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Davis then summarized the results of the Authority’s operations for February 2018, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Davis reported that the Authority had carried more passengers (up 4.6%), more automobiles (up 4.4%) and more trucks (up 8.5%) during the month than it had carried during the same month in 2017, and that the Authority also had parked more cars (up 7.7%) that



month than it had parked in February 2017. Mr. Davis noted that the increased number of passengers, automobiles and trucks carried by the Authority in February 2018 compared to February 2017 was probably attributable to the fact that the Authority had a number of weather-related trip cancellations in February 2017. Mr. Davis further reported that, for the first two months of 2018, the Authority had carried more passengers (up 0.2%), fewer automobiles (down 0.6%) and more trucks (up 3.1%) than it had carried during the first two months of 2017.

Mr. Davis also reported that the Authority's net operating loss for the month of February had been around \$4,182,000, approximately \$1,085,000 higher than what had been projected, with operating revenues and other income \$173,000 higher than projected, and operating expenses, fixed charges and other expenses \$1,258,000 higher than projected. In this regard, Mr. Davis noted that the increase in operating expenses was primarily due to a \$1,160,000 increase in the Authority's maintenance expenses for both its vessels (the *M/V Island Home*, the *M/V Martha's Vineyard* and the *M/V Woods Hole*) and its terminals (the Woods Hole, Vineyard Haven and Oak Bluffs terminals).

Mr. Davis further reported that, the Authority's total operating loss for the first two months of 2018 had been around \$7,277,000, approximately \$724,000 higher than the amount projected in the 2018 Operating Budget. Mr. Davis noted that operating revenues and other income during this period had been \$7,500 lower than projected, and that the Authority's operating expenses and fixed charges had been \$716,000 higher than projected during the year.

#### Construction of the Authority's New General Offices:

Mr. Davis reported that the contractor for the Authority's new administrative office building continues to address some of the remaining punch list items, including the following:

- The testing and certification of the "BDA" (Bi-Directional amplifiers) system which is for communications within the building for the fire department was completed two weeks ago.
- The HVAC contractor continues to work on the system but part of the problems appear to be related to air leaks in the ducts. In order to seal the ducts the vendor needed to shut the system down for one or two days. They did so this past weekend and the Authority is awaiting a report of their progress. The HVAC contractor also plans to start up the chiller system for the air conditioning mode this week.

- Finally, the landscaping crew was onsite last week starting the landscaping around the building.

Woods Hole Terminal Reconstruction Project:

Mr. Davis reported that the Woods Hole terminal reconstruction project is moving forward as follows:

- During this past month, Jay Cashman, Inc. assisted the Authority in attaching temporary fenders to the bulkhead of Slip 2 that will be used until the dolphin that failed in that slip last month can be replaced. Cashman also assisted the SSA with its crane so that the SSA could make some repairs to Slip 2's transfer bridge.
- Earlier this month, Cashman moved its barge into Slip 1 and got to work on the pile driving for the temporary dolphins required to keep Slip 1 operational while the wharf that currently forms the north side of that slip is excavated.
- Meanwhile, the site contractor excavated the area between Slips 1 and 2 where the foundation for the passenger platforms will be relocated, and then compacted the soils in that area. Cashman then set the rebar in place, built the formwork for the concrete slab, and poured the concrete for the main platform.
- Testing of the contaminated soils from the wharf area has been completed, and the site contractor will dispose of the soils this week.
- Meanwhile, Cashman began the demolition of the old terminal building's foundation last Saturday.

Mr. Davis further reported that a property owner on Water Street has informed the Authority that she has experienced tremors and vibrations during the Authority's pile driving operations. Mr. Davis noted that, as part of the contract specifications for the waterside work, the Authority's engineers had established a vibration monitoring program that calls for monitoring properties within a 200-foot radius of pile driving activities and that, beyond that distance, the engineers feel that ground vibrations are attenuated by the soil. Mr. Davis observed that currently there are no properties within this radius but that, nevertheless, after receiving this property owner's email, the staff has decided to establish vibration monitoring near the property line at Luscombe and Railroad Avenues. Mr. Davis stated that the staff wants to verify that the pile driving operations are not currently exceeding any generally accepted thresholds, which are 0.25 inches/second to 2.0 inches/second, and that if the threshold values

are reached, the contractor will be required to alter operations, such as reducing the energy on the pile hammer to reduce construction vibrations below the threshold levels.

In response to a question from Mr. Hanover as to when the Woods Hole terminal's Slip 2 will be available, Mr. Davis stated that Slip 2's fender system needs to be replaced, but that because of the delays that have occurred in driving piles, the staff will be installing Yokohama fenders in the slip for the summer and then replacing the fender system during the fall. Mr. Davis also noted that the Yokohama fenders cannot be installed until the pile driving is completed, which should be around May 5th, so that Slip 2 should be available shortly after that.

M/V Martha's Vineyard Mid-Life Refurbishment Project:

Mr. Davis then reported that, as he had mentioned earlier, there remains a number of open items on a punch list to be addressed on the *M/V Martha's Vineyard*. Mr. Davis noted that originally the list had grown to 257 items, but it has since been paired down to 126 open items. Mr. Davis also noted that, while some of these items are relatively minor, such as mounting a paper towel dispenser in the crew area, some high priority items still remain on the list, such as fixing the vents on the sinks, urinals and toilet drains. Mr. Davis stated that the vessel had left this morning to go to the Authority's Fairhaven Vessel Maintenance Facility and that all of the work was expected to be completed by May 3rd.

Potential Barging of Municipal Solid Waste from Martha's Vineyard:

Mr. Sayers then reported that Tetra Tech, the Authority's consulting firm which is analyzing the feasibility of barging municipal solid waste from Martha's Vineyard to New Bedford, should be submitting its report this week so that it can be reviewed and discussed by the Port Council and the Members at their meetings next month although he noted that those discussions may be delayed by a month while the staff develops their recommendation on how the Authority's operations should be reviewed. Mr. Sayers stated that the subject matter of the report has been expanded to include the feasibility of barging not only municipal solid waste, but also construction and demolition matter (C&D), and that it appears that municipal solid waste constitutes approximately 50% of the solid waste stream from Martha's Vineyard, and that C&D and recyclables constitute approximately 40% and 10%, respectively. Mr. Sayers also reported that last

month Ralph Packer had given him and the Authority's consultant a tour of Goodale Construction Company's property on Martha's Vineyard where a grinding machine could be used to grind up C&D into chips so that it can be transported like gravel.

Potential Freight Service between  
New Bedford and Martha's Vineyard:

Mr. Sayers also reported that the staff would be having a meeting with MassDevelopment representatives later this week to discuss potential uses of the New Bedford State Pier, which might include a freight ferry service between New Bedford and Martha's Vineyard. Mr. Sayers stated that, while MassDevelopment is now in a better position to understand the operations at the State Pier and what may be possible there, it may not want to explore any possible uses of the State Pier that are not supported by everyone who has an interest in that facility.

Mr. Sayers also noted that the New Bedford Harbor Development Commission, which is now called the "New Bedford Port Authority" (NBPA), had just issued a draft Strategic Plan for the years 2018 through 2023 and that, in its draft Strategic Plan, the NBPA indicates that:

- The NBPA supports the expansion of passenger ferry service for the purpose of drawing visitors to the New Bedford waterfront, but that support does not necessarily extend to the operation of freight ferry service from the State Pier.
- The State Pier has been neglected by the Commonwealth of Massachusetts for so long that it requires significant renovations, but those renovations cannot be undertaken until there is an understanding about future uses of the Pier among the NBPA, the City of New Bedford, and the Commonwealth.
- It appears that the NBPA would like any freight ferry terminal to be located at the North Terminal, which is not yet constructed to accommodate a freight ferry service, although the NBPA continues to seek federal and state funding for its construction. One drawback of the North Terminal is that the MassDOT has classified the New Bedford-Fairhaven Bridge as "functionally obsolete," and its repair costs are projected to be around \$45,000,000.

Mr. Sayers also recounted how, at this past month's Port Council meeting, New Bedford Port Council member Edward C. Anthes-Washburn stated that the NBPA was not categorically against using the State Pier for freight ferry service,

but that any such service has to be compatible with the passenger ferry service and other activities that are already taking place at the State Pier. Mr. Sayers also noted that Mr. Anthes-Washburn had said that before New Bedford Mayor Jonathan F. Mitchell will support any proposal for any particular use of the State Pier, a comprehensive plan for the State Pier needs to be articulated and that, in this regard, Mr. Anthes-Washburn had noted that the NBPA does not control the State Pier.

Ms. Tierney noted that there are other options in New Bedford than the State Pier, and Mr. Sayers agreed. In response to questions from Ms. Gladfelter, Mr. Sayers stated that the NBPA is a separate commission from the City of New Bedford, Ms. Tierney stated that the NBPA's commissioners are appointed by the City, and both Mr. Sayers and Ms. Tierney noted that the Mayor of New Bedford is also a commissioner of the NBPA as well as its Chairman.

#### The Authority's New "Lifeline" Cards:

Mr. Davis recounted how, at their March 20, 2018 meeting, the Members had approved the staff's proposed issuance of new RFID "Lifeline Cards" for travel on the Authority's traditional ferries and he noted that, in order for the Authority to remain compliant with the Passenger Embarkation Fee Statute, the use of the new Lifeline Cards will be limited to one individual per trip. Mr. Davis then reported that:

- the new Lifeline cards had been ordered and were expected to arrive this week;
- the programming changes for the new Lifeline Cards will be made by the end of the month, after which the card data will be downloaded into the Point of Sale system;
- the staff expects to distribute informational posters explaining the new cards as well as include a feature about the cards in the May 1, 2018 e-News;
- customers will continue to be able to reload the existing 10-ride "FerryPass" cards through May 14, 2018; and
- the SSA will begin selling the new Lifeline Cards on May 15, 2018, although it will continue to honor all of the coupons remaining in customers' FerryPass cards.

Pre-Season Promotion for High-Speed Passenger Ticket Books:

Mr. Davis also reported that the Authority had sold 4,215 10-ride high-speed passenger ferry ticket books during its two-week pre-season sale of those books this year, which represented a 5.1% decrease from the 4,443 books the Authority had sold during last year's pre-season sale of those books. Mr. Davis stated that it appears that individuals and businesses that typically purchase these books during the Authority's pre-season sale did not need to buy as many as they needed to buy last year, as the number of unused coupons on existing ticket books increased by nearly 21% from February 28, 2017 to February 28, 2018.

Contract for the Emergency Replacement of a Failed Dolphin in Slip # 2 of the Woods Hole Terminal:

Mr. Davis informed the Members that, in accordance with the authorization they had given him last month, he had awarded Contract No. 03-2018 for emergency dolphin repairs for the Woods Hole terminal's Slip 2 to Burnham Associates, Inc. of Salem, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$129,000. Mr. Davis recounted how, following the recent dredging in the Slip in conjunction with the strong winds and tides during the first week of March, a dolphin in Slip 2 had failed. Mr. Davis then informed the Members that, until the repair work can be completed, the slip has been fitted with a temporary fendering system utilizing removable Yokohama fenders and that, while the staff had planned on getting this work completed before the early summer operating schedule, work in the slip cannot begin until the Authority is able to use Slip 1 again. Mr. Davis noted that, because Cashman will be working in Slip 1 constructing the temporary dolphins there until early May, the Slip 2 dolphin repairs may be delayed until after the summer.

Approval of Charter Agreement with SeaStreak LLC:

Mr. Davis then asked the Members to approve the charter agreement the Authority had reached with SeaStreak LLC for the high-speed passenger service it provided with the *M/V Whaling City Express* between Woods Hole and Vineyard Haven from March 28, 2018 through April 5, 2018 when the *M/V Woods Hole*, the *M/V Martha's Vineyard* and the *M/V Island Home* were out of service. In this regard, Mr. Davis noted that, during this time, when none of the other Authority vessels were available to provide service, the staff contacted SeaStreak

to determine whether they had a vessel which could supplement the Authority's service, and that SeaStreak quickly dispatched the *M/V Whaling City Express* from their facilities in Atlantic Highlands, New Jersey, to assist. Mr. Davis also noted that, initially, the term of the charter was going to be for seven days, but when repairs to the *M/V Island Home's* bow thruster caused a further delay in providing full scheduled service, the charter was extended by two additional days, bringing the charter's total cost to \$126,500.

After Ms. Gladfelter moved to approve the charter agreement, Mr. Jones asked that the motion also express the Members' appreciation to SeaStreak for their willingness to help the Authority out, and Ms. Gladfelter so amended her motion. Ms. Tierney also observed that SeaStreak has been a fabulous partner with the Authority, recounting how they are willing to loan the Authority their equipment and increase their routes, and she stated that SeaStreak values their relationship with the Authority.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the charter agreement reached with SeaStreak LLC for services provided from March 28 through April 5, 2018 at a total cost of \$126,500, as recommended by management in Staff Summary #GM-700, dated April 18, 2018, and to express the Members' appreciation to SeaStreak for their willingness to help the Authority out.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Port Council's Report:

Mr. Balco then reported that, at their meeting earlier this month, the Port Council had received updates from Mr. Davis regarding the Authority's spare vessels and their availability, the completion of the Authority's administrative office building, the Woods Hole terminal reconstruction project, and the *M/V Martha's Vineyard* mid-life refurbishment project, with respect to which the staff

is investigating what Senesco's responsibility may be for the costs incurred by the Authority over the past few months. Mr. Balco also reported that the Port Council discussed the potential bargaining of municipal solid waste from Martha's Vineyard and the New Bedford Port Authority's five-year Strategic Plan, as well as the possibility of receiving some money from the settlement between the Commonwealth of Massachusetts and Volkswagen for new diesel engines and electric buses.

Mr. Balco noted that a Falmouth Selectman had attended the Port Council meeting and had thanked the Authority for including Falmouth residents in the group of people to whom the Authority had sent its email updates.

Release to the Public of Portions of Executive Session Minutes:

After recounting how the Members had delegated to him, as the Authority's General Manager, their responsibility to approve appropriate portions of the minutes of the Members' meetings in executive session for release to the public when the publication of such portions will no longer defeat the lawful purposes of the executive session, Mr. Davis stated that he had determined that all portions of the minutes of the Authority's meetings in executive session through December 31, 2017 should be released to the public except for those portions of the minutes reflecting the Board's discussions and actions regarding ongoing matters that are still appropriately the subject of executive session. As a result, Mr. Davis said, the additional portions of the minutes of the Authority's meetings in executive session through December 31, 2017 that were being released to the public, subject to the above limitations, included those pertaining to:

- (a) The Authority's negotiations for new collective bargaining agreements and amendments to its current collective bargaining agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's licensed deck officers, security employees, unlicensed vessel employees, parking lot attendants and bus drivers, and the Authority's negotiations for an amendment of its current collective bargaining agreement with SEIU Local 888 for the Authority's Customer Service Department employees;
- (b) The administrative appeal by 13 Falmouth residents of the Authority's draft Chapter 91 license for the Woods Hole terminal reconstruction project;
- (c) The Authority's potential litigation with Shoestring Properties, LLC;



- (d) The Authority's renewal of a lease with Gary Wing, as Trustee of the Woodland Trust and G&B Realty Trust for property located at 1251 Route 28A, Cataumet, Massachusetts;
- (e) The Authority's potential acquisition of property owned by Gary E. Tratt, M.D., located at 66 School Street, Hyannis, Massachusetts;
- (f) The Authority's strategy sessions in preparation for negotiations with nonunion personnel;
- (g) The Authority's potential acquisition of property owned by Joseph Arno located at 31 Easy Street, Nantucket, Massachusetts; and
- (h) The Authority's renewal of a lease with the Town of Oak Bluffs for the waterside portion of Seaview Avenue, Oak Bluffs, Massachusetts.

Public Comment:

After thanking the Members for relocating their meeting today so that the island residents could participate, Tisbury Selectman Malinda F. Loberg stated that the Authority should review not only the maintenance and operation of its vessels, but also its selection of vessels as part of its assessment of "lessons learned" from this past month's prolonged period of boat maintenance problems. Ms. Loberg suggested that the Authority should not have the kind of vessels which require parts to be procured from places so far away, or at least the Authority should train local people to take care of its vessels.

Ms. Loberg then stated that one lesson island residents learned is that they really like the fast ferry and the idea of passengers being able to make a 20-minute journey. Although Ms. Loberg noted that her representative said that a fast ferry was too expensive, she suggested that the Authority consider acquiring its own small fast ferry like the one chartered from SeaStreak to use in the winter months when the Authority is sending its larger vessels out for repair.

After questioning whether it was really normal for the Authority to have \$2,000,000 of change orders during the regular maintenance of one of its vessels, Ms. Loberg observed that Vineyard Haven harbor suffers from the effects of the dockings of the Authority's vessels and their prop dredging of sand underneath them that then spreads to the harbor's adjacent mooring fields. Ms. Loberg stated that the Town has asked that this be addressed by the Authority because it impairs the harbor from its full utilization due to it being too shallow. In this

regard, Ms. Loberg noted that the Authority had indicated it would have a survey done, but she stated that the situation was becoming an emergency.

After welcoming the Members to the Martha's Vineyard's premier port, Dukes County Commissioner and Tisbury Selectman Tristan R. Israel stated that he wanted to echo Ms. Loberg's comments about the need for dredging in Vineyard Haven harbor, and noted that the Town was spending a substantial amount of its embarkation fees toward dredging as well as for police services to direct traffic from the ferries. But Mr. Israel emphasized that the Town needs help from the Authority to do this, and he stated that he hoped the Authority's help will go beyond the study. Mr. Israel also noted that this past month's series of events showed how critical it is that there be communications between the Authority and the island's emergency service people, who are really the front line when passengers are stranded.

Mr. Israel then observed that Tisbury transforms into a small city during the summer time, and that it takes year-round resources to make that happen. Further, Mr. Israel said, the Authority is the lifeline for the Town's seasonal population and it is really important not to make short shrift of that because everyone is depending on the Authority's management to improve its operations. In this regard, Mr. Israel observed that, while he understand that stuff happens, this past month's events caused more than inconveniences; they caused economic problems and people not getting to medical appointments, and he noted that the Authority also will see their effects on its bottom line.

Tisbury resident Mike Carroll stated that the Authority did a great job with what it had to work with last month and that, while people are complaining, no one starved, no one ran out of heat or gasoline, and that says it all.

Martha's Vineyard resident Tina Davies then stated that she used to commute on the Authority's ferries for 32 years and had never seen any kind of the problems like those that occurred this past winter, and she thanked the Authority for generally doing such a great job. However, Ms. Davies questioned the Authority's communications, observing that she just found out about the Authority's new Lifeline cards by reading about them at the end of a long article, and she noted that people were upset about no longer being able to share cards and having to have a separate card for each member of their family. Although Ms. Davies acknowledged that it might be too late, she asked if the Authority could reconsider those policies and suggested that the Authority find a better way to communicate when it is contemplating other changes such as this one. In this regard, Ms. Davies noted that the Authority's communications was a big issue and that she had communicated with the Authority about this and had never received a response.

Tisbury resident Jaime Hamlin similarly stated that there was a lack of communication from the Authority, noting that while she called and has now started receiving the Authority's alerts, she had been told that she could not have Mr. Hanover's email address or telephone number and would have to write a letter to him. Ms. Hamlin then recounted how one night at the Woods Hole terminal no one ever came out of the office to tell any of the customers who were waiting in their cars that the boats would not be running that night, and she noted that the Authority's website frequently says that all of the trips are on time when alerts already have gone out telling people that they have been cancelled.

Ms. Hamlin also recounted how her niece had waited on a bus in the Palmer Avenue parking lot while the bus driver just sat there because he had the old schedule and, when the bus finally arrived at the Woods Hole terminal, the ferry already had left. In addition, Ms. Hamlin stated that, on March 3rd when hundreds of people were stranded at the Woods Hole terminal, AT&T was down and the Authority's website had crashed, no one came out to tell anyone that the boats were not running and that they needed to get themselves hotel rooms. Ms. Hamlin stated that the Authority should have a list of hotels and a loudspeaker communications system at the terminals, and the communication that night was horrible. Ms. Hamlin also asked why the end of the *M/V Woods Hole's* freight deck wasn't enclosed, and she questioned whether it is suited to these waters and accessible for individuals with disabilities.

Tisbury resident Josh Goldstein stated that the Authority has a reputation problem that has damaged the island for the foreseeable future, and that the Authority issues with both its reputation and technology need to be resolved and communicated. In addition, Mr. Goldstein said, the Authority needs to resolve its boat style issues over the long term as its vessels are taken out of service and replaced. Mr. Goldstein stated that, being in the hotel business, he sees when the Authority's trips are cancelled, and that the frequency of those cancellations has increased dramatically. In this regard, Mr. Goldstein acknowledged that the Authority's Captains are looking out for everyone's safety and that he trusts them, and that the Authority cannot control the weather, but that the Authority's prior ferries were able to run in worse conditions and had parts that were interchangeable. Accordingly, Mr. Goldstein suggested that the Authority buy vessels that are all the same so that their replacement parts are interchangeable among all of the boats.

Martha's Vineyard resident Stephen Araujo stated that he had a tough time agreeing with the Authority's facts and figures, observing that he had lost twelve trips during those three weeks in March. Mr. Araujo also stated that there is no communication between the Authority's offices and its employees, or the

public, or the trucking companies and, as a result, people sit there for hours on end who are on the clock, costing everyone money. Mr. Araujo declared that there has to be a way for the Authority to communicate with its employees and customers, and that it has plenty of good workers both on the boats and at its terminals. After observing that he talks with the Authority's employees every day and that the morale was dead, Mr. Araujo thanked Mr. Davis for stepping up and putting his face out there during those three weeks talking directly with the Authority's customers.

Mr. Araujo also stated that it was not right to have trips delayed by even 15 minutes, as those delays result in people driving faster on Woods Hole Road because they don't know when the boat is going to leave. Mr. Araujo observed that there were so many issues with the Authority that management did not have a clue about, and he encouraged them to talk to the Authority's employees on the boats and at the terminals, as those employees want to see a face. In this regard, Mr. Araujo stated that management can sit behind their desks all day long, but they won't know what the employees are feeling unless they talk with them. Finally, Mr. Araujo stated that he knows and respects management, but everyone has to do better and get this ball rolling again.

Another Martha's Vineyard resident recounted an incident that happened years ago when her daughter was at the Woods Hole terminal with her son who needed to have oxygen, saying that despite the fact that they only had a limited supply of oxygen with them, the terminal employees left them in line and didn't get them on the next two ferries even though they had a reservation for the second one. She stated that island residents have put up with problems that happen to the Authority for years because they understand that it is a human system, but sometimes those problems are a matter of life and death. She also recounted an incident when she sat on the bus at the Palmer Avenue parking lot for 45 minutes, even though they are supposed to leave every 15 minutes, and as a result missed a freight boat trip and the following trip of a larger ferry as well, which she said was totally unreasonable.

The island resident further noted that she has been trying to sign up for the Authority's email and text alerts, but that she has yet to receive one, and that the Authority's cancellations have cost people medical appointments, hotel bills, and the cost of parking in the Palmer Avenue parking lot when it is the Authority's fault that they can't travel. Observing that the Authority was in the customer service business, she noted that if the Authority were an airline, it would be paying for people's hotel bills and giving them their meals. But she observed that the Authority doesn't do any of those things, and that it does not take care of island people the way that island people are required to take care of the Authority.

The island resident then recounted another incident where her daughter showed up for the boat in Woods Hole, only to wait for 45 minutes while her trip was delayed. She stated that her daughter could have done something else during that time if only someone had communicated with her to let her know that the boats were running late.

The island resident also recounted when she showed up at the Vineyard Haven terminal with two busloads of sports teams traveling off-island literally as the net was being pulled up at the transfer bridge even though she had called the Vineyard Haven terminal and had been assured that the boat would wait for them. She stated that the Authority is not customer friendly, does not think about the island residents as their lifeline, and does not give the island residents what it demands from them. For example, she said, although the Authority requires customers to arrive 30 minutes in advance, they may not always be on time if the Bourne Bridge is being worked on. She also recounted another occasion when she had not been allowed on the boat because she had not made the boat the previous day, which she stated was outrageous. She declared that she could not imagine treating anyone like she is frequently treated by the Authority.

The island resident also complained that the redesign of the *M/V Martha's Vineyard* does not honor the island way of living as a community, but instead has row after row of seats which prevent people from meeting each other. She stated that the Authority is not thinking about island people when it is making these major choices, and that she didn't understand that. She stated that instead of making all of these decisions for the summer people, the Authority needs to consider the year-round residents.

Martha's Vineyard resident Clarence (Trip) Barnes then stated that he had come to praise the Authority, not to bury it. Mr. Barnes also observed that morale at the Authority was down and stated that he hoped the Authority would be able to handle whatever union problems arise as a result.

Ms. Davies then asked why the Authority always has its meetings during the day, which results in those people who work during the day not being able to attend the meetings.

Martha's Vineyard resident Nelson Sigelman observed that there has been a lot of talk about fast ferry service between Woods Hole and Martha's Vineyard, and he asked whether the Authority plans to take a look at providing that service in any examination of its future service model. In response, Mr. Davis stated that the possibility of providing fast ferry service was on the list of things that he

will be investigating, particularly in light of the popularity of the service when it was provided last month.

Oak Bluffs resident Joseph Carter then suggested that the Authority ask its own employees – including those responsible for the Authority’s maintenance and facilities – to provide their analysis of all of the extraordinary issues recently faced by the Authority and their proposed action plans and policies before jumping to an outside consultant. Mr. Carter also noted that the Authority had installed equipment on its vessels that is not needed, and he questioned why the Authority was spending precious funds on things that aren’t needed. Mr. Carter stated that unless the Authority’s management holds the Authority’s employees accountable in the same manner as the Members are holding management accountable, it will not get the in-house management assessment it needs to run the Authority.

Mr. Carter also stated that, with respect to hiring a consultant to provide another level of expertise and an outside review, he did not know the procedures that the Authority will be following to engage that consultant, and that the public should know what procedures are being followed. In response, Mr. Hanover stated that the Authority’s General Manager has the authority to engage the services of a consultant without a competitive bidding process, but he also noted that the Members’ discussion that day was all preliminary, although something definitely needs to be done. Mr. Hanover also observed that the consultant will answer every question that Mr. Carter had just asked.

In response to a question from Dukes County Commissioner Leon Brathwaithe, Mr. Davis stated that the Authority is replacing its “FerryPass” cards, from which multiple tickets could be used by different passengers on the same trip, with “Lifeline” cards, from which only one ticket is allowed to be used on the same trip, in order to comply with the passenger embarkation fee statute. Mr. Davis noted that, when the statute was enacted, the Authority’s policy was that only one ticket from each ticket book could be used on the same trip, and that several years later the Authority changed that policy to allow multiple tickets to be used from the same ticket book on the same trip. But Mr. Davis noted that, with information it has obtained through its new RFID card system, not only were island residents using more than one ticket on the same trip from their “FerryPass” cards, but also tourists who were traveling together and possibly making only one trip to the island, and that statute’s intent was that these people were exactly the ones who should be paying the embarkation fees. Accordingly, Mr. Davis said, after discussing this subject with the Massachusetts Department of Revenue, the Authority decided to go back to its original policy and issue the one-ticket-one-trip “Lifeline” cards instead of increasing the price of the multiple-tickets-per-trip “FerryPass” cards to include the passenger embarkation fees it

would have to charge its customers to be able to use those cards. Mr. Davis also noted that the Authority decided to allow customers to fill those cards with tickets in increments of five instead of ten so that a couple would not have to spend any more money buying two 5-ticket “Lifeline” cards than they would have spent to buy one 10-ticket “FerryPass” card.

Mr. Brathwaite then asked whether the food concession stand in the Woods Hole terminal building could stay open later than 4:00 p.m., especially since the Authority no longer has any vending machines at that terminal. In response, Mr. Davis stated that he would check with Centerplate to see if the stand can stay open later.

Martha’s Vineyard resident Fred Condon observed that the Authority has the most wonderful people working for it who really do a great job and could not be nicer, and that if it were not for those people, the room would be overflowing today with people speaking a lot louder and with more hostility. Mr. Condon noted that things, including the Authority’s business, have changed and that he was not sure the Authority is keeping up with the times. Mr. Condon stated that the Authority’s technology for its customer service was pathetic and interferes with the quality of his life when, for example, he cannot change a reservation after a certain time because the Authority’s office is closed. Mr. Condon stated that the Authority really needs to have a consultant come in and review how the its systems work from the customers’ viewpoint, observing that when systems like the Authority’s systems are installed, it was typical to involve focus groups or to use another method to evaluate how they work.

Mr. Condon then recounted how, when he could not get the Authority’s wifi on the boats, an Authority employee went with him and was surprised there was no internet service because he was sure there was. Thus, Mr. Condon said, the issue has to do as much with the Authority’s employees not having the information as it has to do with communication, and another issue has to do with the quality of the information communicated. For example, Mr. Condon stated that, after looking at the status of the standby line on the Authority’s website, he received different information when he called the terminal, and then when he arrived at the terminal he received different information from everyone he asked. Mr. Condon stated that the Authority needs to have information which is up-to-date and accurate and then it needs to communicate that information.

Mr. Condon also stated that he had concerns about the makeup of the Authority’s Board, saying that he could not find their biographies anywhere and did not know their qualifications. In this regard, Mr. Condon noted that, just because the Members represent their respective communities does not mean that they are qualified business people and have the vision and experience to

ensure the success of the Authority and run a \$100,000,000 business. In addition, Mr. Condon said, he did not know what metrics the Authority uses to measure itself against other ferry operations, and could not find any of that type of information on the Authority's website.

Mr. Condon also stated that his sense was that the Members are really concerned about the pushback against raising prices, but that everyone now has priority pricing for their services and that the Authority similarly should take advantage of that type of pricing. Mr. Condon also expressed concern that, even though there are new ways of doing things in today's world, he could not see any vision or action plan for the Authority, or even a five-or-ten-year plan. In this regard, Mr. Condon asked whether the Authority's plan is simply to have more boats and more cars and trucks, which he said just clog up the island and make it less desirable. Accordingly, Mr. Condon suggested that the Authority reach out to the Martha's Vineyard Commission, or have a sub-committee or the staff get together with interested people, because more traffic was not going to be good for the island.

With respect to the fast ferry, Mr. Condon stated that it was worth it to him to pay extra money to save a half hour of his time, and that he would applaud the Authority if it were to take the possibility of providing fast ferry service seriously. Mr. Condon also stated that the Authority should prioritize all of the things that it has heard today, although he had a feeling that nothing is going to happen. Mr. Condon noted that he saw this moment as an opportunity, although he stated that while the Authority can do better and will do better, he was not sure how that will be accomplished.

After saying that this was the first Authority meeting he had ever attended and that he had found it very interesting, seasonal island resident Quentin Walsh stated that he empathized with all of the complaints and the Members who have to deal with all of them. Mr. Walsh then encouraged all sides to work on these matters with good intent to reach a good result, and he wished everyone good luck because they were all going to need it.

Martha's Vineyard resident Morgan Thornhill then stated that he had an issue with the shuttle buses in the Palmer Avenue parking lot over President's Day weekend. Specifically, Mr. Thornhill said, he and several other customers waited 45 minutes in the cold for a bus to pick them up and, as a result of his waiting there, he became ill. Mr. Thornhill also recounted how a person in a golf cart visited them several times and apologized for the long wait, but said that he did not know why the driver was not showing up.



Mr. Jones stated that, while listening to the concerns of each person in the audience, he knew that the Authority services more than 3,000,000 people each year and that the thoughts and ideas of each and every one of them is important. Mr. Jones assured the audience that the Members were listening to them, that a common thread was communications, that he appreciated this meeting and thought the Members got a lot out of it, and that he knew management was going to try to address all of these issues. Mr. Jones also stated that he was sorry for the situation, but that he was certainly pleased that everyone had attended the meeting that day.

Ms. Gladfelter similarly stated that the audience had provided a lot of good suggestions that day, and she noted that there was a way to offer suggestions on the Authority's website. After Mr. Condon asked when the last time was that the Authority upgraded its website, Ms. Gladfelter stated that she did not have that information but that she had encountered the same issue that members of the audience had described that day, namely, the website reflecting something that wasn't happening.

Then, at approximately 12:10 p.m., Mr. Ranney entertained a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on February 20, 2018, and to discuss the Authority's strategy with respect to upcoming collective bargaining matters, including the Authority's negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Service Department employees, because a public discussion of those matters may have a detrimental effect on the Authority's bargaining position. Mr. Ranney also stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Mr. Ranney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on February 20, 2018, and to discuss the Authority's strategy with respect to upcoming collective bargaining matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**Documents and Exhibits Used at the  
April 23, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. April 23, 2018 Meeting Memorandum, dated April 18, 2018.
2. Video and Audio Recording Announcement.
3. Minutes of the March 20, 2018 Meeting in Public Session (draft).
4. Understanding of the Steamships Authority's current situation.
5. Business Summary for the Month of February 2018.
6. Staff Summary #A-623, dated April 18, 2018 – Sales Volume for 10-Ride Passenger Ticket Books for High-Speed Service.
7. Staff Summary #E 2018-05, dated April 18, 2018 – Contract No. 03-2018, “Woods Hole Emergency Dolphin Repairs Slip #2.”
8. Staff Summary #GM-700, dated April 18, 2018 – Approval of Charter Agreement with SeaStreak LLC.
9. Staff Summary #GM-699, dated April 6, 2018 – Release to the Public of Portions of the Executive Session Minutes.
10. Minutes of the Port Council's April 4, 2018 Meeting (draft).
11. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**May 15, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 15th day of May, 2018, beginning at 4:05 p.m., in the Martha's Vineyard Performing Arts Center, located at 100 Edgartown – Vineyard Haven Road, Oak Bluffs, Massachusetts. All five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council member George J. Balco of Tisbury were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Reservations and Community Relations Manager Gina L. Barboza; Director of Marketing Kimberlee McHugh; Vineyard Haven Terminal Manager Richard Clark; Operations Manager Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Oak Bluffs Terminal Manager Bridget Tobin; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T. H. Claffey; General Counsel Designate Terence G. Kenneally; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

After welcoming and thanking everyone in the audience for attending the Authority's meeting today, Mr. Ranney stated that he was pleased to be on Martha's Vineyard once again.

Video and Audio Recordings of Today's Meeting:

Mr. Ranney then announced that All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV, and that he was sure there were other audio and video recordings made of the meeting as well.

Alternative Plans to Improve the Authority's Operations:

Mr. Ranney stated that, because the Authority was hosting this meeting on Martha's Vineyard, he would like to invite Mr. Hanover, as the representative of the island's residents, to make some initial comments. Mr. Hanover then thanked everyone in the audience for attending today's meeting, observing that everybody in the room wants the same thing, and that everyone's goal is to have reliable boats running efficiently, although some in the room may differ on how to get there. Mr. Hanover stated that this meetings was about the audience members' future Authority and what they are willing to accept, noting that recently the Authority has had a lot of vessel breakdowns, as well as a lot more cancellations due to the weather, and he declared that this was unacceptable. Accordingly, Mr. Hanover said, that was why he was calling for a management consultant to come in and do a complete overview of the Authority.

Mr. Davis also thanked everyone in the audience for attending today's meeting, and then offered his sincere apologies for what has transpired these past couple of months with the Authority's operations. Mr. Davis stated that, as the Authority's General Manager, he is responsible for making sure of the services that everyone – the island residents, local merchants, commuters, shippers and island visitors – depend upon every day, and that it was embarrassing that the Authority was in this position and unable to provide that service during March and April.

Mr. Davis stated that the Authority was working on remedies to make sure that its services are once again reliable for the summer and going into the fall and future, and that the Authority rebuilds the public's trust in it. Mr. Davis further stated that the Authority is the economic engine for much of the businesses on the island and that it is the island residents' lifeline, with people relying on it to be able to travel for medical services and family events, such as graduations. On behalf of all of those who work for the Authority, Mr. Davis said, what they want to do is provide for the island residents and visitors alike.

Public Comment:

After Mr. Davis suggested that the Members now accept public comment and receive input from those who have taken time out of their day to attend today's meeting, Mr. Ranney asked to hear first from public officials before inviting others to speak, and he cautioned that, given the short amount of time

the Authority had use of the room that day, people should attempt to keep their comments to the point so that everyone has a chance to have their say. Then in response to a request from a member of the audience, Mr. Ranney introduced all of the Members as well as Messrs. Davis and Sayers.

Josh Goldstein, saying that he was representing the Mansion House and a dozen other inns and hotels on the island, noted that while boat cancellations worry him for many reasons, including missed medical appointments, missed meetings, and being unable to get home to let his dog out, the fact is that every boat cancellation directly affects their bottom line and that it is no secret that tourism is the economic engine of Martha's Vineyard. Mr. Goldstein also noted that Mansion House is in competition with other coastal communities to pay its bills, its mortgages and its 40 year-round wonderful employees. In this regard, Mr. Goldstein stated that the Authority provides that link to the Mansion House's vendors, tradespeople and tourists, and that the Mansion House needs them all to stay in business.

Mr. Goldstein stated that something has gone terribly wrong this spring, observing that in the past vessel trips were rarely cancelled due to weather and that the *M/V Islander*, the Authority's crews and Bridget Tobin would get everyone home. While Mr. Goldstein acknowledged that from time to time there would be a nasty winter storm or an engine breakdown, they were nothing like the more than 500 trips that were lost this spring. In addition, Mr. Goldstein said, the island was about to start a season in which locals and tourists have lost faith in the Authority.

Mr. Goldstein declared that the problems facing the Authority were clearly beyond the scope of an internal review, that time was running out, and that the public needed action and accountability. In this regard, Mr. Goldstein observed that Mr. Hanover was not alone in fielding calls from people who are planning to visit the island during the summer but are worried that they won't be able to get here or back, and these people are reading all of the negative reviews and are now considering taking their vacation dollars elsewhere. Mr. Goldstein stated that the Boston Globe said it best in a headline, "Headed to Martha's Vineyard? Good luck."

Mr. Goldstein stated that the Authority needs to start a massive public relations campaign to start restoring both its image and the island's image, as tourists are freaked out by the Authority's performance. Mr. Goldstein further stated that the Authority has to improve its communications and utilize technology, including emails, Facebook and Twitter, as they were part of people's daily lives. Mr. Goldstein noted that sending out a trip cancellation an hour after the boat was supposed to leave doesn't help anyone, and that fearmongering

about a possible storm that is days' away and may or may not cause disruptions also doesn't help anyone.

Mr. Goldstein then noted that there must be solutions, but that only the Members can make it happen. In this regard, Mr. Goldstein stated that island residents need vessels that run in rough seas because their plans and livelihoods depend upon it, and that they need boats that can get them to Massachusetts General Hospital in January and tourists here in the summer, and maybe even a fast ferry. For island residents, Mr. Goldstein said, the ride is not a pleasure cruise; rather it is their lifeline and they do not have the luxury of waiting patiently for the Members to bring back the reliable ferry service which their predecessors delivered for the last 50 years.

MacAleer Schilcher thanked the Members for coming today, saying that it wasn't easy, and that they did not want to meet with Martha's Vineyard residents who made them come here. Mr. Schilcher also stated that the Members were accepting an unacceptable situation, and that the island residents, who are dependent upon the Authority for their lives, their groceries and their economy, are dying. Mr. Schilcher noted that he had just moved back to the island two months ago and that, since then, his life has been interrupted many, many times, with the most atrocious time being the one when he learned on the phone that a trip had been cancelled even though the Authority never notified anyone. Mr. Schilcher declared that the Authority's communications are horrible and that it doesn't understand the value of 20 minutes. Further, Mr. Schilcher said, as far as he could see the Authority was doing nothing and things will get worse.

Mr. Schilcher recounted how he started a Facebook group two months ago and that, three weeks ago it only had 20 members. Now, Mr. Schilcher said, the Facebook group is called "Save Our Steamship Authority" and it has 1,200 members who have power because the Authority's constituent communities are responsible for any deficit the Authority might incur. Mr. Schilcher declared that all of the Members and the Authority's management should be scared because the Authority is a public service and they need to be accountable. Mr. Schilcher also observed that even though it is their jobs and they are public servants, he did not think the Members were going to have an independent review, so the public will have to petition the Massachusetts Attorney General for an independent investigation for criminal negligence. In addition, Mr. Schilcher said, the Authority's management have shown that they cannot run their own boats, so how can the public trust them to do an independent investigation when they are going to be in charge of the investigation.

Mr. Schilcher also declared that the Authority has not taken this situation seriously, that boats don't just stop in the water, that loading passengers via the freight deck is going to cause delays during the summer, and that he didn't think the Authority was going to do anything. Mr. Schilcher also noted that the public was active and mobile and that the Members and the Authority's management should all be very, very afraid because this is the island residents' economy and lives. Mr. Schilcher stated that he would love to have an economic impact study, a fast ferry during July and August, and modern technology, asking why the Authority cannot use cameras and update its website to tell the public what is relevant.

Sue Hruby stated that, despite the public's frustration, she wanted to acknowledge all of the people at the Authority for the work they have been doing to restore their service, and she stated that she knew everyone was sincerely committed to getting beyond where the Authority was before. But Ms. Hruby stated that the Authority needs to measure its performance and look at the break points so that when something does break it can find the root cause and eliminate it as a problem, and that she expects the Authority to find those root causes and eliminate them, whatever they are, including communications (which she said was huge), training or bad designs.

But Ms. Hruby also cautioned that the Authority should not revert to blame when finding the source of an issue, and that this should be a fix-it exercise, not a witch hunt. In this regard, Ms. Hruby observed that all levels of the organization should be involved in fixing the problems, and that the people who work at the Authority know what the problems are and how best to fix them. But Ms. Hruby noted that sometimes those problems don't get surfaced because they might reflect on the manager in charge, and that hiring a qualified outside firm may be essential to uncovering those problems and facilitating their resolution. Still, Ms. Hruby said, fixing the Authority's problems has to be done with its employees, and the Authority has to involve the whole organization, as the employees know what the issues are and need experts to help them. While Ms. Hruby stated that McKinsey & Company may or may not be the right company for this role, it should not be hired without an exploration of other types of firms that could help the Authority address these issues.

Ms. Hruby also stated that a team of Authority employees needs to see other ferry operations that are considered world class so that they can compare those operations with the Authority's operations, and that the team should have a cross-section of employees, not just senior management. Ms. Hruby also noted that the Authority cannot forget the things that create customer satisfaction, like on-time performance, clean boats and good food, and that while some of those



issues may seem minor in the scheme of things, they reflect how the Authority thinks about its customers.

Ebba Hierta then thanked all of the Authority's employees because she has had the opportunity to deal with reservation clerks and terminal employees and they all have been completely professional even when they have been given baloney information from management, saying that she was deeply appreciative that they have done their best. Ms. Hierta then stated that the first thing that was critical for the Authority to address was to hire an outside consultant, as what happened was beyond the pale and the public has no confidence in the Authority's ability. Ms. Hierta also noted that the Authority has a lot on its plate right now, including all of the construction, and hiring an outside consultant has to happen.

Ms. Hierta also recounted how she received a text today saying that work on a dolphin will result in delays of the freight boats, but that the dolphin work resulted in delays of not only the freight boats, but of all of the boats, and that the Authority should have told the public that. Ms. Hierta observed that the Authority does not seem to understand that island residents run their lives by those schedules, they miss appointments, they miss connections, and that the Authority was posting baloney when it has a system of sending out text messages that seems to work but the Authority is not using it to give out accurate information and that was the problem.

Ms. Hierta also asked the Authority for restoration of the critical lifeline functions that have been eroded for Martha's Vineyard over the last five years, declaring that the island needs year-round standby just like Nantucket, and that island residents with medical conditions need to have priority traveling on the boats without their doctors being required to certify with their license numbers that their health will be in jeopardy if their travel is delayed. Ms. Hierta stated that island residents traveling to and from medical appointments are exhausted and sick, that they need to get home, and that the Authority should give them that.

Ms. Hierta also observed that the whole system of advance reservations for islander profile holders has gone into the toilet, recounting how, when she had not been able to get an advance reservation when she wanted it, a reservation clerk had told her to show up at the terminal the day before she wanted to leave and get a preferred space reservation. But Ms. Hierta said that when she showed up at the terminal at 7:15 a.m. that day, she was told that all of those preferred space reservations had been cancelled for the next day, even though there was nothing on the Authority's website. Ms. Hierta declared that if the Authority is going to cancel any of its services, it needs to tell the public. Ms. Hierta also

asked the Authority to allow day-of-sailing reservation changes all days year-round, and to allow families to share the frequent traveler accounts, observing that Dukes County is one of the poorest in Massachusetts and not being able to share those accounts is a significant hardship.

In response to a request from the audience, Mr. Ranney noted that the Members had received a number of letters from island public officials asking that the Authority engage an independent consultant to conduct a review of its operations, and he stated that those letters were in the record.

Binny Ravitch recounted how for years she has asked the Authority to change the online drop down choices for making reservations so that it doesn't default to trips leaving from Woods Hole to Martha's Vineyard and either defaults to a blank (requiring customers to make a conscious choice regarding what direction they want to travel) or allows customers to have a preference, and that the lack of even a response to her request from the Authority exemplifies the Authority's problems with its customers and communications. Ms. Ravitch also stated that, while the service this year has been reprehensible, she does not hold the Authority responsible for the weather, but that these problems are just the tip of the iceberg because in the future there will be more extreme weather conditions. Accordingly, Ms. Ravitch said, she hopes that the Authority will not build any more boats with enormous profiles that cannot run whenever there is a breeze.

Peter Goodale described the financial impact that every trip cancellation has on his business, noting that he pays the driver who delivers cement to his facility \$90 per hour. In this regard, Mr. Goodale recounted how he had a reservation for the driver at 7:30 a.m. one day but that the Authority's reservation office had switched him to a different trip because it was unlikely that 7:30 a.m. trip was going to run. Mr. Goodale stated that, while the 7:30 a.m. trip ended up running, the other trip did not, and the driver did not get over to the island until 1:15 p.m. and almost timed out on his hours before he was able to get back to Providence, Rhode Island that day.

Mr. Goodale stated that, while Ms. Ravitch may not blame the Authority for the weather, he blames the Authority for designing boats that can't handle the weather, and he noted that the Authority ignored the Town of Tisbury's by-law that requires double-ended ferries in Vineyard Haven Harbor. Mr. Goodale declared that the Authority has to take into consideration what the people on the island is telling it and what they have been telling the Authority for years.

Fred Mascolo stated that in his 45 years of riding the boats he has seen some amazing things, like the Authority saving a person's life by putting him on the boat. On the whole, Mr. Mascolo said, he thought the Authority does a great job and that it has run into a snafu, saying that he knows the Authority is under the gun because everyone depends upon it so much. But Mr. Mascolo recounted how, whenever he needed medical treatment, the Authority always got him on the boat, that when his mother broke her back, he was able to get back to her, and that the Authority's employees work hard and care about the island.

Mr. Mascolo stated that it was absolutely amazing how many people were at today's meeting and that the Members were going to leave here with an understanding of how important the Authority is to everyone. Observing that everybody, including the Members, want better service, Mr. Mascolo stated that it would be a wonderful thing for the island to have guaranteed standby again so they will know that if they are in line by 2:00 p.m., they can get wherever they have to go. Mr. Mascolo also noted that the Authority's boats are much more complicated now with computers and a lot more things to break, and that it is no longer like the old days with an engine, propellers and a steering station.

Louie Degener stated that he had had an extended conversation with a boat line employee and, in the employee's opinion, the Authority's maintenance is on a crisis basis instead of on the previous preventative maintenance schedule, the chief engineers have made a series of bad decisions regarding engines, doors and maintenance in general, and accountants make shortsighted maintenance decisions based upon immediate costs instead of long-term economics and are overruling maritime command staff. After asking whether the Authority's maintenance funds are being funneled into the new terminal, Mr. Degener stated that the public needs to put a microscope on the Authority and find out what is wrong internally.

Stephen Powers stated that he thought the Authority's problem was with management, and that he could not see why there can't be contingency plans that react a lot more quickly when a boat breaks down, such as having another boat available. Mr. Powers also stated that he had an issue with Authority personnel when Authority employees switched cables on his wife's car and caused serious damage to the vehicle. Mr. Powers stated that it took him 2-½ years to get resolution and that the Authority only responded after he filed a complaint in small claims court. Mr. Powers stated that he should not have had that happen to him, that if someone has a problem and has damages, it should be settled right away, and that it goes all the way to top management relating all of the way back to Governor Baker and problems with appointees who do not do their jobs.

Adam Darack noted that, as a hockey dad with a son who goes to Falmouth Academy, he is on the Authority's boats at least a couple of times per week and that a member of his family is on a boat every day. Mr. Darack stated that, while people are upset about what has happened, they just want to be in the know, whether it is good, bad or ugly, and that while there have been a lot of problems, communications is one of those issues. Mr. Darack asked the Authority not to be nervous and to just let the public know what is going on, as it will save them time going to ferries and a lot of planning. After saying that everyone cares and that he believes the Members get it, Mr. Darack asked when the Members will be addressing Mr. Hanover's request for an independent review, as that was the reason everyone was there today and they needed to do whatever was necessary to make that happen.

In response, Mr. Hanover stated that the Members will be addressing the study today, but that they wanted to hear from the public first and that after they hear from a few more people, the Members will be discussing it. Mr. Darack then stated that the Authority's crews, from the Captains to the people who sweep the decks with mops, are fantastic.

Paulette Silva-Souza then stated that she was there today to represent the Authority's commuters on its 7:00 a.m. trip from Woods Hole, who signed a petition she gave them yesterday morning until she ran out of time. Ms. Silva-Souza stated that she has been commuting for eight years and will bring the Members more signatures, but in one morning on the 7:00 a.m. trip 208 people signed her petition who have been doing this daily out in that horrific weather with no shelter freezing to death while cars are loaded onto the ferry. Ms. Silva-Souza also showed the Members photographs of the commuters waiting in line outside that she had taken in March, saying that they have to wait because the Authority is their lifeline. Ms. Silva-Souza also asked why the people who were affected by the trip cancellations on May 5 received free rides and free food while the commuters have received nothing when they all have monthly commuter passes and what those other people went through does not compare to what the commuters have had to contend with, and that the commuters would like some kind of recognition.

Ms. Silva-Souza stated that she hoped, when the Authority builds its new Woods Hole terminal, that all of the passengers waiting for the boat will have an overhead shelter or that the Authority will let them get on the boat before it loads the car onto the vessel. In addition, Ms. Silva-Souza recounted how she only received text messages about trip cancellations after boarding the shuttle bus at the Palmer Avenue parking lot and coming from West Yarmouth, although she stated that she did not have any complaints about the parking and that the Authority's crews and deckhands have been fantastic. Ms. Silva-Souza stated

that she did not think the Authority's problems were going to get fixed and, while its employees on the boats have been very understanding, she prayed that they don't have to deal with this when all of the tourists are here this summer. In response, Mr. Hanover apologized to Ms. Silva-Souza for her experience and assured her that it was going to change.

Joy Robinson-Lynch stated that she looked at the Authority's issues as being bigger than what happened this year, and that the public do not know what the Authority's goals and objectives are. Ms. Robinson-Lynch noted that she had looked at the Authority's Enabling Act, which states that its mission is to be a lifeline for the islands, but that the Authority's website says that its mission includes everybody, including visitors, and that its mission seems to be to maximize its revenue and bring as many cars onto the island as possible. In this regard, Ms. Robinson-Lynch declared that the island cannot hold any more cars, and that the Authority should be part of regional transportation planning because island residents need to be able to get easily off-island and visitors need to be able to easily get here and enjoy the island. Ms. Robinson-Lynch then suggested that the Authority should make it really expensive for people to bring a car to the island but cheap to park on the mainland, and that the Authority should work with the Martha's Vineyard Transit Authority to use some of its revenues to have small electric buses running every ten minutes so people can get around the island and enjoy it.

Ms. Robinson-Lynch also observed that the Authority keeps referring to people as its customers, but that she thought the people it serves are the public and that there should be some way for the Authority to be accountable to the public and to work with their public officials so that it can play its appropriate role island life. Ms. Robinson-Lynch stated that the Authority's problems came to a head this year because it has been trying to have more and more traffic to the island without careful planning, and she asked the Members to vote for an outside evaluation that will also look at the Authority's mission and how the Authority operates within that mission and establishes its goals.

Christina Caruso stated that she received a degree in marine engineering from Massachusetts Maritime Academy in 2012 and had shipped out for multiple companies for over four years, and that there was a need for more redundancy and planning on the design level that will help keep the vessels operational under any conditions. Ms. Caruso stated that the Authority should have a shipboard management system or should install an engine casualty drill program that includes a booklet with 25 or 30 worst-case scenarios and the locations where the crew should station themselves in those circumstances. Ms. Caruso noted that these systems help other companies and possibly could be introduced at the Authority.

Ms. Caruso also suggested that the Authority have additional engineers on watch instead of relying on only a handful of people, observing that having an additional person's experience could make a world of difference. Ms. Caruso also noted that the Authority is only thirty minutes away from a maritime college and should take advantage of that opportunity to funnel people with real maritime experience into the organization to help it do better.

After saying the Authority's three issues were communications, the outside review and restoring confidence, Todd Rebello observed that the Authority has had a pretty good track record of getting islanders back and forth over the years and that this winter was a pretty big pot hole that has caused a lot of frustration. Mr. Rebello also noted that the people in the audience today have expressed a lot of good thoughts about how the Authority can communicate and use social media. Mr. Rebello stated that the Authority needed to embrace social media and not fear it, that even though people write complaints, they will turn around and pat the Authority on the back, and that communication can really solve a lot of the Authority's problems because the public will know what to expect. For example, Mr. Rebello said, if people want to travel on a given day, they need to know that even if one boat breaks down, the Authority has multiple boats and will get them to their destinations.

Mr. Rebello also observed that he was sure management was not happy to be reviewed, but that is where the Members have to separate themselves from management and do what it expected of them and the responsible thing by demanding a comprehensive review. Mr. Rebello stated that he did not recall any time in the last 15 years when a senior Member was denied something like a comprehensive review. In addition, Mr. Rebello recounted how Mr. Hanover had voted last year to restrict trucks on the early morning boats out of respect and in consideration of Falmouth, and how Mr. Hanover had taken a lot of heat about that vote from a lot of businesses because it wasn't the most popular vote. Mr. Rebello stated that he did not feel that consideration has been reciprocated and that he hoped the Members will vote for a comprehensive review.

Mr. Rebello also stated that it is time to repair confidence in the Authority and its image, that he has confidence in the Authority and that the recent problems have been a blip, but he stated that the Members have to take a strong position.

Leon Brathwaite noted that one of the issues that had not been mentioned today but did come up at the last Authority meeting was the number of issues people had leaving the Authority's Palmer Avenue parking lot and trying to catch the ferries, which he said was also a communication issue. Mr. Brathwaite then

stated that he was speaking in support of Mr. Hanover's position, and he observed that the Authority's current boats are not like the *M/V Islander*, as they have a lot more technology and require people to have certain skills and training to be able to fix them and know what is going on with them while they are in operation. Although Mr. Brathwaite acknowledged that he did not know what training the Authority has given its employees, it has very complicated machinery that has been a problem, and that the Authority has to look at the reason why its boats have been breaking down so that it doesn't happen again.

Christine Todd observed that there were many public officials at the meeting today, that many of the islands' boards, if not all of them, have written letters in support of Mr. Hanover's request for an audit, and that this spoke volumes because they represent everyone who is there today as well as those on the island who are not there. Ms. Todd also noted that they all have spoken very loudly to support this audit, that it should be a question of "when," not "if," and that the Authority does not have to wait for a consultant's report to know that it needs things fixed now and that there are short-term solution it can implement now.

Erik Hammarlund stated that he is an attorney who has been significantly impacted by all of the Authority's policies and that he was shocked by the degree to which the Authority has implemented atrocious contingency planning compared to NSTAR. Mr. Hammarlund observed that the Authority is the island's lifeline and that people cannot survive without it, that the public's expectation is that the Authority will do what is necessary, work through the night, and make a contingency plan because there are people who rely on them to do that, and that so far that has not happened.

Mr. Hammarlund also noted that for the past few years the public has seen a degradation of their ferry service, a cut-off of the 6:00 a.m. ferry, multiple ferries that have been problematic, a lack of contingency planning, and many of the things that have been raised for the last ten years. Mr. Hammarlund stated that the Members are public servants, their goal is to preserve this ferry line, and that is why they are here, and that if they are unable to do that then they should consider whether they are part of the solution or whether they should resign.

Robert Zeltzer stated that he was there today to speak in support of the letter from John Alley, Chair of the Dukes County Commissioners, asking the Authority to seek out a consultancy to take a look at what is going on at the Authority. Mr. Zeltzer stated that he was stunned to hear that the Authority has brought a communications expert on board, and that he would have been thrilled if he had heard that the Authority had brought on board an extremely competent

and highly respected marine and electronics engineer. Mr. Zeltzer stated that he knew it isn't as easy from the inside as it looks from the outside, but that the Authority needs to look at every aspect of its operations, its training, ongoing maintenance, scheduling, and even how it loads the boats.

Mr. Zeltzer observed that there are only two reasons why an organization does not want to bring in a consultancy, either because they are so satisfied with what they are doing that they don't want anyone to come in with new ideas or, even worse, because they are afraid that a report will reflect on the operations for which they were responsible before the consultancy came in. Mr. Zeltzer asked the Members to bring in a multi-faceted consultancy that can look into every aspect of the Authority's operations and not to turn down Mr. Hanover's proposal so that the Authority can fix its problems and get a good marine engineer on board.

Angela Cywinski noted that she has a car in the Authority's Palmer Avenue parking lot and that she has been told that the Authority is going to change its buses to a school-bus format that will have no place underneath to put the passengers' luggage. Ms. Cywinski stated that this change will result in people banging their heads and squeezing down the aisle, and she asked the Members not to change to the school-bus format because the Authority's passengers need the space to put their luggage underneath the bus. After also asking the Members to make sure that families can share their 10-ride FerryPass cards, Ms. Cywinski recounted how, two weeks ago, the Authority's employees were kind enough to hold the last boat for her because they had forgotten her at the Palmer Avenue parking lot and she had sat there for 30 minutes waiting for the last bus to Woods Hole.

Fred Condon declared that what really concerns him is that he just doesn't get the feeling that the Authority is in touch with its customers or the public and that if it were not for the people on the front lines, who are very helpful, there would be a major mutiny here, observing that those employees calm the water more than the Members realize. Mr. Condon then noted that the Authority's website needs updating, as it says that the Authority has operating revenues of \$80,000,000 when they are now more than \$100,000,000, and that its on-time performance record is nearly 100%. In this regard, Mr. Condon stated that even hiring a good Communications Director is not going to solve the Authority's communication problem because the Authority still has to provide good information which is not available, and the new Communications Director is simply going to be sharing information that is erroneous.



Mr. Condon then stated that he could not believe the Members are not going to approve Mr. Hanover's request for an independent review, and that he felt the Members also should be reviewed. In this regard, Mr. Condon noted that boards typically have subcommittees that get into the issues and report back to the full board, that effective boards are more than rubber stamps and need to be in touch with what is going on and where their organization should be headed over the short- and long-term and how well it is performing. Mr. Condon also stated that the Members need well designed standing committees and a consultant to review their roles, and that the consultant is going to find that there need to be more Members and subcommittees so that the Members know what is going on.

Peter Wharton stated that the two people missing from the table that day was the Authority's Chief Engineer and its Communications Director, and that he was sure the Members were as distressed as the public when the Authority has 500 trip cancellations. Mr. Wharton observed that the Martha's Vineyard Airport Commission similarly provides regular service for its customers and that the Commission has to make sure they have fuel. In this regard, Mr. Wharton noted that the majority of that fuel comes over in 88 trucks during the summer season and that, if those trucks don't make it to the island, the airport's planes can't fly and the Authority's impact on its customers cascade and become the Commission's impact on the airport's customers.

John Freeman thanked the Members for taking the time to brave the hostile audience, saying that while he was sure they were expecting pitchforks and torches, the audience was required to check them at the lobby. Mr. Freeman then stated that, until this year, he has been very satisfied with the Authority's service, and he realizes that there is weather and occasionally something happens to the boat. But Mr. Freeman also emphasized that there are personal costs whenever there is a boat cancellation and he described how his son's trip to New York City to meet his recruiter was affected by the vessel breakdowns on May 5th.

Mr. Freeman noted that three of the four boats on the Martha's Vineyard route have been breaking down recently and, with only one slip available, the Authority should have had a plan to deal with what would happen if the *M/V Martha's Vineyard* were to break down again. Mr. Freeman stated that the Authority should have had a tug sitting by or the *M/V Katama* should have been moved to Fairhaven. Mr. Freeman observed that his son was just one person, but that there are all of these other people who believed in the Authority, that it would fix things, that it would take care of them, and that it would maintain the boats properly. Mr. Freeman also observed that the Authority was the public's lifeline for individuals and that a lot of those individuals have strong concerns.

John Christensen stated that, while he was all in favor of an outside audit, what was missing was safety management, starting with the high-speed ferry going at full speed up on the breakwater and the *M/V Martha's Vineyard* being just seconds away from going aground. Mr. Christensen stated that he also has to be at work at 7:30 a.m. and passengers can't float around Woods Hole waiting for a freight boat to get out of the way because the Authority has no plans.

Mr. Christensen then stated that the Authority's larger vessels may be able to run in the winter, but the Authority should build a model that can be run on a simulator so that the Captains can practice in a simulation instead of practicing with the real boats in high seas, which naturally pressures them to cancel trips because they are going to be the ones who will end up holding the bag. Further, Mr. Christensen said, when are the Captains going to find the time to provide the training for the rest of the crews, and his concern is that the crew on the *M/V Martha's Vineyard* had to drop an anchor, which they had never done before, on a moment's notice.

Sean Debettencourt observed that the Authority has established itself as a legal monopoly and, as a result, has a moral obligation to be the lifeline it claims to be. Mr. Debettencourt also noted that he was on the fast ferry, and he said that it was amazing and drastically reduces the problems people have commuting.

Tina Davies stated that, in the past, everyone always knew that the 6:00 a.m. trip of the *M/V Martha's Vineyard* was going to run, and now look at what is going on mechanically with that vessel. Ms. Davies stated that the Authority should have boats that can run in the weather, and that its larger boats don't seem to be built for the island's kind of weather. Finally, Ms. Davies asked the Members to please consider having a fast ferry for Martha's Vineyard.

Stephen Araujo thanked all of the Authority's crewmembers, ticket sellers and other employees who baled the Authority out of this mess, saying that at the last Authority meeting he had told the Members and management that they had no idea what was going on. Since then, Mr. Araujo said, he has seen many of their faces at Woods Hole and Vineyard Haven, and that as far as he was concerned the fiasco was behind him.

But Mr. Araujo then complained about the Authority's reservation system, saying that he had put in his reservation requests in January, that he was sick of being waitlisted and not getting reservations, that the Authority's reservation and allocation system was horrible, and that he was tired of it. Mr. Araujo stated that everyone was talking about New Bedford but that, as a truck driver, the

longer he is on the boat, the more it is going to cost every islander. Mr. Araujo suggested that, instead, a fast ferry take people who are coming up from New York, Connecticut and Rhode Island, which would take them off of the bridges and Woods Hole Road. Mr. Araujo also noted that he travels on the Authority probably around 300 to 350 times a year, and that he didn't understand why someone else should be treated better than him, especially since he travels at most twice a day and the Authority's shuttle buses are just as noisy as he is.

Mr. Araujo also noted that he has been riding the Authority's boats for 30 years and that the Authority has a lot of Captains and Pilots who are getting ready to retire or are just fed up. Mr. Araujo observed that these jobs used to be desirable, but now the employees just show up, and he asked what the Authority's contingency plan is for losing three Captains and three Pilots over the next couple of years. Mr. Araujo also asked whether the Authority is going to rush people through the system and then have a fiasco when they get nervous.

Mr. Araujo also stated that he wished there was more communication between the Members, management and the employees at the terminals, because the public asks questions and nobody has an answer. Mr. Araujo observed that there has to be communication and that somebody has to be accountable.

After saying that she firmly believed the voices the Members were hearing today were also representative of a larger audience who could not be there, Lisa Reagan stated that she also believed competition is healthy and that the Authority should not have a monopoly on car and freight travel. Ms. Reagan then noted that \$500,000 for an outside review is a ridiculously expensive amount of money, but that she was in favor of it because without it the public will not get good service. For example, Ms. Reagan said, the public can only make reservations on the Authority's website if it uses certain browsers – Chrome, not Safari, and information about discounted rates, such as student rates, are not easily available or readily accessible on the website. Ms. Reagan declared that they should be prominently displayed to island residents and disseminated to particular targeted groups instead of being given out by word of mouth over the telephone by one of the Authority's reservation clerks, which is how Ms. Reagan found out that she is entitled to extended excursion rates for her students in college. Finally, Ms. Reagan stated that it was wrong for the Authority not to honor the many excursion reservations that expired during those months when there were so many breakdowns.

After saying that one good note from this past winter is that almost all island residents would like to have a fast ferry like Nantucket, Kathleen Cowley noted that islanders historically have been tolerant of the Authority's mistakes, but that the number of problems this year has awakened a sleeping giant. In

addition, Ms. Cowley said, when Mr. Hanover tried to fix the situation, the extreme arrogance was disturbing.

Sheri Thomas stated that the Authority needs to have handicap accessible areas and noted, for example, that the *M/V Island Home's* accessible restroom has only a very narrow space and should have a sign that says it is for handicap use only. In addition, Ms. Thomas said, the Authority's shuttle buses should be handicap accessible with adjustable levels at the front so that the stairs can be lowered, as well as a wheelchair ramp to get a wheelchair on the bus.

Brian Packish stated that he appreciated the Members being there today, and that his bigger concern is how the conversation about freight and trash is moving along quietly about moving them to New Bedford. Mr. Packish stated that freight is a different thing and that, when the Authority talks to the SMART group and its mainland state representative and senator, he wants it to look out for the island's families and understand that freight is the food for these families, the medicine to care for them, the oil with which they heat their houses, and their lifeline, and that the Authority has to take that into serious consideration when it talks about considerably increasing the cost of island residents' daily lives.

Mr. Packish stated that, with respect to this debacle of cancelled boats, the Members have three easy decisions – they need a communications expert, a comprehensive review of all of the Authority's operations, and a public relations person immediately. Mr. Packish then thanked Mr. Hanover for his leadership and stated that he hoped the Members will honor his leadership by doing these things immediately.

Jean Rogers then recounted how she has missed doctor appointments this winter, had been forced to pay for hotel rooms three times, and had been forced to leave her car three times in the Palmer Avenue parking lot and go back to Falmouth to get it. In addition, Ms. Rogers said, she had to pay for hotels before her flights to make sure that she made them. Ms. Rogers observed that the Authority was the public's lifeline, that the public needs it fixed, and that the Members needed to do whatever is necessary to accomplish that.

Kevin Downs observed that the Authority's boats have not been on time for months, and he asked Mr. Davis to fix the *M/V Martha's Vineyard*, noting that it has had water leaking from its air conditioning system for the last four days and that the crews are using mop buckets to dump the water in the toilets. Mr. Downs also recounted how last year the Authority decided to kick all of the trucks over 34 feet out of Falmouth so that Falmouth residents can sleep in, and that he would rather be awake and on the boat.

Ms. Thomas then recounted how she recently had taken the elevator on the M/V Island Home when it started shaking and scared the living daylights out of her, and she said that she hoped the Authority could have it fixed.

Mr. Ranney thanked the audience for all of their comments and stated that the Members definitely had heard them. For himself, Mr. Ranney said, he was not only an Authority Member, but also a passenger, customer, island resident and someone who uses and relies on the boat. Mr. Ranney also stated that he understands what it means to have cancelled trips and to sit in the standby line and to not get the reservation he wants, so he was not sitting there today not caring about their concerns.

Alternative Plans to Improve the Authority's Operations:

Mr. Davis noted that, at their April 23, 2018 meeting, the Members had asked the staff to come up with an alternative plan to Mr. Hanover's request that the Authority engage McKinsey & Company to develop an improvement plan in accordance with its proposal, and that the staff had provided the Members with their proposed alternative plan. But Mr. Davis stated that the staff was open to whatever direction the Members would like to take and noted that, in their proposed alternative plan, the staff thought that there are certain areas of the Authority's operations that can be addressed internally, while there are also areas where the Authority needs outside help.

Mr. Davis stated that the staff has since discussed this with Mr. Hanover and that he would like the Authority to have a comprehensive outside review. Accordingly, Mr. Davis said, the staff has drafted a request for proposals (RFP) by which potential consultants would have until June 1st to submit their proposals so that they can be considered by the Members at their next monthly meeting. Mr. Davis stated that the RFP would thus allow a consultant to come on board and look at all of the areas of the Authority's operations that the Members would like to be reviewed.

Mr. Sayers then noted that the RFP that had been drafted for the Members' review asks for proposals from consulting firms to look at the Authority's management structure and its vessel maintenance and operations and, given that the Authority will be hiring a new Communications Director within the next week or so, the staff had planned to draft a second RFP with the Communications Director's expertise to obtain a separate external evaluation of the Authority's

information technologies equipment. But Mr. Sayers stated, that based upon the public comments today, the staff could revise the RFP so that it is for an independent review of the Authority's entire operations, while leaving consulting firms with the option of reviewing a subset of the operations, since the cost for a review of all of the Authority's operations could be as high as \$1,500,000 and the Members have to consider the cost of the proposals when evaluating which proposal is the one that is most advantageous to the Authority.

Mr. Sayers also noted that everyone was in agreement that the Authority needs an outside independent review, and that last month Mr. Davis had proposed having one for the Authority's vessel maintenance operations; and he stated that given the public comments today the staff was recognizing that the Authority needs outside help with respect to its entire operations. Accordingly, Mr. Sayers suggested that the Members allow the staff to work with Mr. Hanover to prepare a revised RFP and to issue it as soon as possible while still allowing enough time to receive competitive proposals. Mr. Sayers stated that possibly Mr. Hanover could also be involved with the evaluation of the proposals, as the goal was to award a contract that meets the island's needs as well as the Authority's needs.

After again thanking everyone in the audience for being here today, which he observed has shown how important a matter this is to the island, Mr. Hanover noted that he has been working with Messrs. Davis and Sayers over the past few days and knew what he needs and what he wants, namely, a complete review of the entire Authority, including its operational discipline, information technologies, public communications, management structure and fleet maintenance, and that was his motion. Mr. Hanover also clarified his motion, in response to a question from Ms. Tierney, to state that an RFP should be issued for that review, which Mr. Sayers observed was consistent with the Massachusetts Inspector General's recommended practices.

Mr. Sayers then noted that, based upon Mr. Hanover's motion, the staff would be instructed to work together with him and issue an RFP by the end of that week for an outside and independent consulting firm to perform a review of the Authority's operations, including its information technology systems, public communications and management structure, and strengthening its fleet operations and maintenance strategies. Mr. Sayers also noted that the staff may come back with an RFP that asks for one comprehensive price or for separate prices with respect to each aspect of that review so that the Members can then structure an engagement that includes those areas where the Authority needs the most help for the best price. In addition, Mr. Sayers said, Mr. Hanover will assist the staff in evaluating the proposals and they would then be presented to the Members for their consideration at their next meeting.

Ms. Gladfelter noted that the Members have established committees in the past and she suggested that the Members have a committee for the purpose of this RFP as well. The other Members agreed with Ms. Gladfelter's suggestion, and Ms. Tierney volunteered to serve on the committee with Mr. Hanover. In this regard, Mr. Sayers noted that the committee, as the Members themselves, would be subject to the Open Meeting Law and its meetings would have to be posted in compliance with the law and held in public session.

Mr. Jones then recounted how he was one of the Members who had not gone along with Mr. Hanover's suggestion last month and that one of the reasons for his opposition was that the proposal was pretty much put on the back of a napkin and he didn't know anything about the firm to which the Members were being asked to pay \$500,000. Mr. Jones stated that he has since looked up the firm and discovered that, according to Wikipedia, it is a highly advantageous one that has been around for a long time and whose prices are 25% higher than other consulting firms.

Mr. Jones stated that if he does not know what he is voting on, then he is not going to vote on it, and \$500,000 was too much money to spend on a firm he knew nothing about. But Mr. Jones noted that he was now more than happy to have the Authority issue an RFP that includes as many elements of the Authority's operations as the Members see fit, observing that the Authority will be seeking competitive proposals and will not be required to accept the lowest proposal, but rather will be able to take the best proposal.

Mr. Jones also observed that everyone is obviously completely frustrated and that the last two months have seen the perfect storm, and that even drawing on his experience in the boat business and his good working knowledge of that end of the equation, he could not imagine how many things could have gone wrong with the *M/V Martha's Vineyard*. But Mr. Jones stated that, putting things in perspective, the boat has operated 96,000 trips since 1993, the *M/V Woods Hole* had a flawless record before the problems arose with its check valves, and the *M/V Katama* had a problem with a generator that is 40 years old. In this regard, Mr. Jones stated that the Authority does not take any of these matters lightly because they are important to the public and the Authority alike.

**IT WAS VOTED -- upon Mr. Hanover's motion as amended, seconded by Ms. Tierney -- to instruct the staff to work with the Dukes County Member to develop and issue a request for proposals by May 18, 2018 soliciting proposals from management consulting firms for an independent review and evaluation of (and to make recommended performance**

**plans for) all aspects of the Authority's operations, including its information technologies, public communications and management structure, and to strengthen its fleet and maintenance strategies, and to have the proposals evaluated by the General Manager and a committee consisting of the Dukes County and New Bedford Members so that a recommendation can be presented to the Members for their consideration at their next monthly meeting.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Then, at approximately 6:03 p.m., Mr. Ranney entertained a motion to adjourn the meeting in public session.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to adjourn the meeting in public session.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary



**Documents and Exhibits Used at the  
May 15, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. May 15, 2018 Meeting Memorandum, dated May 11, 2018.
2. Video and Audio Recording Announcement.
3. Staff Summary #GM-701, dated May 7, 2018 – The Staff's Alternative Plan to Improve the Authority's Operations.
4. Letter from State Representative Dylan Fernandes and State Senator Julian Cyr to Authority General Manager Robert Davis, dated May 9, 2018.
5. Letter from the Oak Bluffs Board of Selectmen to the Authority Members, dated May 9, 2018.
6. Letter from the County of Dukes County to Authority Chairman Robert Ranney, dated May 11, 2018.
7. Letter from the Edgartown Board of Selectmen to the Authority Members, dated May 14, 2018.
8. Request for Proposals for Consulting Services regarding the Authority's Management Structure and Vessel Maintenance and Operations, Contract No. 06-2018 (May 14, 2018 draft).

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**June 12, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 12th day of June, 2018, beginning at 3:35 p.m., in the first floor meeting room (Room 103) of the Authority's administrative office building, located at 228 Palmer Avenue, Falmouth, Massachusetts. All five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford (who participated remotely by telephone conference call).

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council member George J. Balco of Tisbury were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Director of Marketing Kimberlee McHugh; Director of Security Lawrence S. Ferreira; Reservations and Customer Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; General Counsel Designate Terence G. Kenneally; Operations Manager Mark K. Rozum; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV, and that other people in the audience were also making audio recordings of today's meeting in public session.

Remote Participation by New Bedford Member Moira E. Tierney:

Mr. Ranney announced that he had been notified by Ms. Tierney that she desired to participate remotely in today's meeting because her physical attendance today would be unreasonably difficult. Mr. Ranney stated that he

agreed with Ms. Tierney and had determined that Ms. Tierney's physical attendance today would be unreasonably difficult and that, therefore, she may participate remotely in this meeting, which includes voting on all matters as well. Mr. Ranney also stated that Ms. Tierney would be participating in the meeting by telephone conference call, that she would be clearly audible to the Members, and that the Members would be clearly audible to her. Mr. Ranney also noted that as a result of Ms. Tierney's remote participation in this meeting, all votes taken by the Members that day would be by roll call vote.

Minutes:

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to approve the minutes of the Members' meeting in public session on April 23, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Jones -- to approve the minutes of the Members' meeting in public session on May 15, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>65 %</b>	<b>0 %</b>

Mr. Hanover abstained from voting on the minutes of the Members' May 15, 2018 meeting in public session.

Federal Transit Administration Grant Funds  
from the Cape Cod Regional Transit Authority:

Mr. Davis recounted how the Authority had been approached in 2015 by Thomas Cahir, the Administrator of the Cape Cod Regional Transit Authority (CCRTA), about an innovative strategy to increase federal funding for the Cape Cod region and how, working in collaboration with Mr. Cahir and the CCRTA's staff, the Authority was successful in satisfying the rigorous reporting requirements of the Federal Transit Administration (FTA) to add ferry service transportation data to the CCRTA's standard transportation reporting to the National Transit Database (NTD) beginning with the Authority's 2015 activities.

Mr. Davis further recounted how, in November 2017, the Members had approved a memorandum of understanding between the Authority and the CCRTA pursuant to which grant funds related to the Authority's participation in the 2015 program would be equally split between the two parties, noting that, while the grant funds are a result of the Authority's operating data, the CCRTA also has reporting and audit responsibilities with respect to that data due to its status as the designated recipient of grant funds for this zone. Mr. Davis then announced that Mr. Cahir was present at today's meeting to provide an update to the Members regarding some recent developments.

Mr. Cahir then thanked the Authority for its ongoing support in convincing the FTA to make funds available based upon the Authority's ferry traffic figures by helping the CCRTA make the cogent argument that the ferry routes to the two islands are unique and should be treated in the same manner as routes operated by buses and railroads. Mr. Cahir further recounted how the Authority provided the necessary data to the NTD to demonstrate that the Authority's routes are a commuter service because a majority of its passengers make a round trip on the same day. As a result, Mr. Cahir said, the CCRTA received around \$3,400,000 of FTA funds based upon those passengers for the first year of its eligibility, and last week gave the Authority \$1,571,420 of those funds in accordance with the parties' memorandum of understanding.

Mr. Cahir emphasized how much effort it took on the Authority's part for the CCRTA to receive these funds, and that many people would have considered this a fool's errand. But Mr. Cahir noted that Mr. Davis and the Authority's staff stepped up to the task and provided all of the information that was needed, and he stated that, while the FTA is now paying closer attention to how a "commuter" is defined, the CCRTA is attempting to provide the FTA with accurate information about how many commuters ride the ferries by taking surveys of passengers while they are on the boats. In this regard, Mr. Cahir noted that the initial results of those surveys indicate that the Authority carries even more commuters than

the CCRTA had anticipated and that, while it was questionable how much money the FTA would provide this year because the CCRTA does not have an entire year of data, he was quite certain that the CCRTA and the Authority should receive 100% of those funds every year in the future. In addition, Mr. Cahir said, after seven years the Authority, as the entity providing the data, will receive 50% more fund which it can use for its vessels' and facilities' maintenance needs.

Mr. Davis similarly noted that, while the FTA accepted the Authority's original application, it since has required additional documentation to support the funding levels going forward. Accordingly, Mr. Davis said, the staff has been working with Mr. Cahir and the CCRTA's staff, including Henry Swiniarski, Noah Berger and Kristen Boyd, as well as with Steve Tupper, the Transportation Program Manager for the Cape Cod Commission, on preparing the required sampling of passengers traveling on the ferries that will be necessary to support future funding. Mr. Davis then thanked Mr. Cahir and the CCRTA's staff, along with John Fuller who recently retired from the CCRTA, for partnering with the Authority on this important initiative to improve transportation services for Cape Cod and the Islands. In response to a question from Mr. Hanover, Mr. Davis stated that these FTA grant funds are totally separate from other grant programs and that the Authority's receipt of these funds does not prevent the Authority from applying for other grants.

#### The Authority's Communications Plans:

Mr. Davis announced that Sean Driscoll has accepted the Authority's offer to become its new Communications Director, and that Mr. Driscoll will be joining the Authority on June 25th to begin working with the rest of the staff to integrate the Authority's communications program both internally and with respect to all of its communications with the media and the public. Mr. Davis noted that these communications will include getting the Authority on social media so that it can better share Authority news and service announcements, and that the staff will also be reviewing the process by which the Authority issues trip alerts and travel advisories, which may require some new equipment or operational changes, and will be increasing the Authority's community outreach as well.

Mr. Davis reported that the staff was also looking to develop a mobile app which, besides being an avenue for customers to be able to check schedules, parking locations and status alerts, can be used to facilitate customers' purchase of tickets and receipt of Authority messages. In addition, Mr. Davis said, the staff will be looking at possibly redesigning or refreshing the Authority's website and being more proactive about getting the Authority's news into the community.

Mr. Davis also stated that another piece of the staff's communications plan is to establish an Operations and Communications Center and, in this regard, he reported that he, along with Mr. Rozum and Fleet Administrator Joseph Russas, this past week had met with the staff of the Massachusetts Emergency Management Agency (MEMA), Massport, the MBTA and MassDOT, and had visited and reviewed each of their Operations Centers. Mr. Davis noted that this gave the staff the opportunity to see firsthand some configuration options and, more importantly, to get a better understanding of the policies and procedures the Authority may need to put into place to ensure that such a center is a valued improvement to the Authority's operations. Mr. Davis then thanked Michael E. Russas, the Response and field Services Section Chief for MEMA, for arranging these visits.

Mr. Davis further reported that the Authority will be launching SKIDATA's application of its sweb.Wallet mobile ticketing app for smartphones soon for its fast ferry passengers and then for passengers on its traditional ferries as well, noting that this change should eliminate most the scanning issues the Authority has been experiencing with device settings, brightness and screen rotation. In addition, Mr. Davis said, the staff will be rolling out, a Hyannis vehicle standby webpage on the Authority's website much along the lines of the enhanced webpage that has been created for the Nantucket vehicle standby program so that customers can go online and see where they are on the standby list.

Mr. Davis also reported that, in order to reduce the long lines of customers buying tickets at the temporary Woods Hole terminal building, for the past two Saturdays the Authority has assigned ticket sellers in the morning at the Thomas B. Landers parking lot to sell tickets to customers while they waited to get onto the shuttle buses. Mr. Davis noted that this new service has been very well received by the Authority's customers and, as a result, the staff was planning to continue it on a regular basis through the summer.

Finally, Mr. Davis noted that one of the other things the Authority needs to be looking is its advertising program and, accordingly, he reported that the staff is evaluating the Authority's marketing efforts and is considering issuing a request for proposals for the Authority's advertising program to see if there is an opportunity to improve the Authority's advertising and image with the public.

After Mr. Driscoll stated that he was looking forward to coming on board and working with everyone there, Mr. Hanover welcomed him to the Authority and said that he hoped Mr. Driscoll was Superman. Mr. Hanover also stated that he would like to commend management for coming up with a unique solution to reducing the lines for tickets at the temporary Woods Hole terminal building, which he had complained about two weeks ago. Mr. Hanover observed

that the staff's solution is working quite well and that he believes it has helped a lot. Mr. Davis then noted that Mr. Rozum and Woods Hole Terminal Manager Rob Townes had worked together on setting it up.

Results of Operations:

Mr. Davis then summarized the results of the Authority's operations for April 2018, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers (down 5.4%), fewer automobiles (down 6.5%) and fewer trucks (down 3.0%) during the first four months of 2018 than it had carried during the same period in 2017, and that the Authority also had parked fewer cars (down 2.6%) during the first four months of 2018 than it had parked during the same period in 2017.

Mr. Davis also reported that, the Authority's total operating loss for the first four months of 2018 had been around \$14,015,000, approximately \$2,330,000 higher than the amount projected in the 2018 Operating Budget. Mr. Davis noted that operating revenues and other income during this period had been \$672,000 lower than projected, and that the Authority's operating expenses and fixed charges had been \$1,658,000 higher than projected during the year, with maintenance expenses \$1,504,000 higher than projected and administration expenses also \$420,000 higher than projected.

After reporting that the Authority's fund balances were slightly lower than what had been budgeted for the end of April 2018, Mr. Davis noted that the Authority's upcoming bond issue should help that situation. Mr. Davis also stated that the staff was looking at items in the budget for the remainder of 2018 which might be considered discretionary spending and could be either eliminated or reduced to ensure that the Authority both ends the year with a surplus and transfers enough monies to its special purpose funds for its capital projects.

In response to a question from Mr. Hanover, Mr. Davis stated that he did not think that any portion of the *M/V Martha's Vineyard's* dry-docking expenses was recoverable from Senesco Shipyard, as those dry-docking expenses primarily were for additional steel replacement work, but that the staff was still evaluating the entire contract. Mr. Davis also noted that the staff had expected more of that steel work to take place before the end of 2017 and therefore be expensed during the 2017 fiscal year. Accordingly, Mr. Davis said, some of the vessel's dry-dock expenses which fell in 2018 but had not been budgeted for this year represented a timing issue rather than an additional cost.

Vessel On-Time Performance:

Mr. Davis presented the staff's first monthly on-time trip performance report for the Martha's Vineyard route for the month of May 2018, noting that the staff's goal is to present these reports to the Members on a monthly basis and to use the information from them when preparing the following year's operating schedules. But Mr. Davis also observed that the staff will have to find ways to streamline the creation of these reports, as they turned out to be much more labor intensive than anticipated.

Mr. Davis noted that, as shown on the report, 90% of the Authority's larger ferries arrived on time at the Woods Hole terminal, which he defined as being within five minutes of their scheduled arrival times, and 84% of those ferries departed on time. Mr. Davis also noted that the report shows the reasons why trips left late, such as weather-related issues, mechanical issues, vessels having arrived late, or terminal construction-related issues. In particular, Mr. Davis observed that the *M/V Martha's Vineyard* often leaves Woods Hole later than its scheduled 7:00 a.m. departure because it is scheduled to arrive there at 6:45 a.m., just 15 minutes before. But Mr. Davis stated that the vessel usually makes up the time over its next few trips and, as a result, the staff may propose changing its arrival time on Martha's Vineyard so that it is later than 7:45 a.m., but will probably suggest keeping its scheduled departure time at 7:00 a.m. given that it is able to leave on time more than 50% of the time.

Mr. Sayers also noted that, as shown on an additional report for the first seven days of June 2018, the on-time performance for arrivals at the Woods Hole terminal improved from 90% to 95% for the Authority's larger ferries and from 68% to 92% for its freight boats, and he observed that this was due to the fact that construction activities at the terminal had pretty much been completed by that time. In response to a question from Ms. Gladfelter, Mr. Davis stated that, while this report was the only one that the staff has been able to complete by the time of today's meeting, the staff will be preparing these reports for both the Martha's Vineyard and the Nantucket routes on a monthly basis.

2019 Winter and Spring Operating Schedules:

Mr. Davis then asked the Members for approval of the staff's proposed 2019 Winter and Spring Operating Schedules, noting that, although the proposed schedules had been advertised during March 2018, the staff had not received any public comments on them. Mr. Davis stated that, as proposed, the 2019 Winter Operating Schedules would run from January 3, 2019 through



March 15, 2019; the 2019 Early Spring Operating Schedules would then run from March 16, 2019 through April 2, 2019; and the 2019 Spring Operating Schedules would then run from April 3, 2019 through May 14, 2019. Substantively, Mr. Davis said, the changes from this past year's Winter and Spring Operating Schedules were as follows:

Martha's Vineyard Route 2019 Winter Operating Schedule:

- The 6:30 AM trip from Woods Hole to Vineyard Haven and the 7:30 AM trip from Vineyard Haven to Woods Hole would be scheduled to operate on Saturdays instead of having those trips be optional trips. In 2018, the optional 6:30 AM trip operated every Saturday in January and February except on January 6th, when it did not operate due to weather.
- The vessels assigned to this route would be similar to 2018, with the exception that the *M/V Martha's Vineyard* will be back from its mid-life refurbishment and would operate the entire schedule (and the *M/V Woods Hole* would not operate during this schedule). The *M/V Martha's Vineyard* would also berth overnight in Vineyard Haven, with its first departure scheduled for 6:00 AM.
- The *M/V Island Home* would operate from January 3, 2019 to January 8, 2019 and from February 23, 2019 to March 15, 2019. The *M/V Nantucket* would operate this schedule from January 9, 2019 to February 22, 2019. In 2018, the *M/V Island Home* operated from January 5, 2018 to January 10, 2018 and the *M/V Woods Hole* operated from January 11, 2018 to March 14, 2018.

Martha's Vineyard Route 2019 Early Spring Operating Schedule:

- The only proposed change to this schedule compared to 2018 is that the freight vessel *M/V Woods Hole* would operate in place of the *M/V Katama*. It would continue to be berthed overnight in Vineyard Haven with the first departure at 5:30 AM.

Nantucket Route 2019 Winter Operating Schedule:

- The *M/V Gay Head* would be scheduled to operate two (2) round trips Monday through Saturday with optional service of two (2) round trips on Sunday. The *M/V Gay Head* would also have the option of operating three (3) round trips, 7 days a week if needed, although this would require the *M/V Gay Head* to be tripled crewed in 2019 compared to being double crewed in 2018. The decision whether to double crew or triple crew the

vessel would be made based upon the number of freight reservation requests the Authority receives for this schedule.

Nantucket Route 2019 Spring Operating Schedule:

- The *M/V Sankaty* would have the ability to operate a third round trip Monday through Friday, if needed, which would require the *M/V Sankaty* to have two single crews in 2019 compared to one single crew in 2018.

Mr. Davis also noted that, at their May 2, 2018 meeting, the Port Council had voted unanimously to recommend that the Members approve the staff's proposed schedules.

In response to a question from Mr. Hanover, Mr. Davis stated that the proposed 6:30 AM trip on Saturdays from Woods Hole to Vineyard Haven during the 2019 Winter Operating Schedule would be designated as a hazardous cargo trip. Ms. Gladfelter also asked again that the Authority's proposed schedules be advertised in the *Falmouth Enterprise* whenever they are advertised in other local newspapers even though the additional advertising may not be required by the Authority's Enabling Act. In response, Mr. Sayers stated that these proposed schedules had been advertised in the *Falmouth Enterprise* even though the staff summary had not included that newspaper in the list of newspapers where the schedules had been advertised.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to approve the 2019 Winter and Spring Operating Schedules as proposed by management in Staff Summary #OPER-2018-2, dated May 9, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Request for Proposals for Management Consulting Services to Undertake a Comprehensive Review of the Authority's Operations:

Mr. Sayers announced that the Authority had received eight proposals in response to its Request for Proposals (RFP) from consulting firms to undertake a comprehensive review of its operations, including its vessel operations, fleet maintenance, management structure, public communications and information technologies. Mr. Sayers then reviewed with the Members his recommendations regarding the process that will be used to evaluate those proposals, as follows:

- The Members will evaluate all of the proposals themselves in public session on June 19th, first rating each Consulting Proposal with respect to each non-price evaluation criterion, then giving each Consulting Proposal a composite ranking, and then ranking up to three finalists after the opening of the Financial Proposals.
- The staff will review the background information contained in each Consulting Proposal and, based upon that information, suggest what rating should be assigned to each Consulting Proposal for that evaluation criterion. The ratings for that criterion (Criterion A) should be relatively objective, as they depend on such things as whether a proponent has filed for bankruptcy within the last seven years or has had any specified criminal convictions
- The staff will also review the proponents' consulting experience with respect to vessel operations and fleet maintenance (Criterion B), management structure (Criterion C) and public communications and information technology systems (Criterion D) and suggest what ratings should be assigned to each Consulting Proposal for those evaluation criteria, as assigning those ratings will require the staff to contact proponents' clients and determine whether each proponent has provided consulting services for three or more projects in each category and whether their three most recent clients were satisfied with those services.
- Between now and next Tuesday the Members should spend the vast amount of their time deciding what ratings should be assigned to each Consulting Proposal with respect to the proponent's proposed performance of its consulting services regarding the Authority's vessel operations, fleet maintenance and management structure (Criterion E) and the Authority's public communications and information technology systems (Criterion F).
- The staff will review the proponents' proposed contracts without financial information (Criterion G) and suggest what rating should be assigned to each Consulting Proposal for that evaluation criterion.

- The Members cannot assign a composite rating for each Consulting Proposal until they assign ratings to the proposal for each of the individual evaluation criteria. Accordingly, the proposals' composite ratings will not be assigned by the Members until their meeting on June 19th.

Mr. Jones stated that he wanted to make certain that the Members have enough time to review all of the Consulting Proposals by June 19th, which he observed will take a lot of time, and he noted that this will depend on how the proponents have presented the information in their proposals. In this regard, Mr. Sayers stated that it seemed to him that the Members potentially will be able to review all of the proposals in that time frame, as some of the proposals were as short as 21 pages and the longest one had fewer than 40 pages.

In response to a question from Mr. Jones, Mr. Sayers stated that, at their June 19th meeting, each Members should have his or her proposed rating for each Consulting Proposal with respect to Evaluation Criteria E and F, and that the staff will have proposed ratings for each Consulting Proposal with respect to Evaluation Criteria A, B, C, D and G. Mr. Sayers also noted that the Members may not agree with the staff's proposed ratings with respect to those criteria, and could of course assign proposals different ratings with respect to those criteria, but that hopefully those criteria were objective enough to minimize the possibility of any differences of opinion with respect to what ratings should be assigned.

Mr. Sayers also noted that, at their June 19th meeting, the Members will discuss the ratings that they individually think should be given to each Consulting Proposal with respect to each of the evaluation criteria, especially Criteria E and F, and agree upon one rating for each proposal with respect to each criterion. After that process is finished, Mr. Sayers said, the Members will agree upon a composite rating for each Consulting Proposal and will state their reasons for each composite rating.

Mr. Jones stated that he hoped the other Members will agree to narrow down the list of proponents to three top candidates and invite those candidates for interviews. In this regard, Mr. Jones observed that interviewing candidates is very helpful, even though that would prevent the Members from awarding a contract at their June 19th meeting. Mr. Sayers also noted that any interviews would have to be conducted before the proponents' Financial Proposals are opened and that proponents can only use the interviews to explain and clarify their Consulting Proposals, not to alter them. Accordingly, Mr. Sayers suggested that the Members defer this issue until after they review the proposals and see whether they need interviews to explain them. Mr. Sayers also reminded the Members that the public, particularly Martha's Vineyard residents, would like the Authority to move as quickly as possible in awarding a contract and that

scheduling interviews may present a logistical problem. Mr. Sayers therefore suggested that, if the Members were to decide to conduct any interviews, they would not necessarily have to be in person.

After Mr. Jones stated that he would like his evaluation forms in Word format, Ms. Gladfelter asked whether the staff would be providing information about each Consulting Proposal not only with respect to Evaluation Criteria A, B, C and D, but also with respect to Evaluation Criteria G, the proponents' proposed consulting contracts without their financial information. In response, Mr. Sayers stated that he would provide recommendations regarding what rating each proposal should be assigned with respect to that criterion, and those recommendations would be based upon his review of the proposed contracts and his assessments as to whether they contain any provisions that would impose an undue burden on the Authority or any provisions which the Authority, as a governmental entity, should not accept. As a result, Mr. Sayers said, when the Members vote to award the contract to a particular proponent, they can make the award contingent upon revising those provisions to avoid another round of negotiations with the selected proponent.

Ms. Gladfelter then asked where the June 19th meeting was going to be held. In response, Mr. Jones suggested that it could be held in the second floor meeting room of the Authority's Hyannis terminal as already scheduled, observing that the room was large enough to accommodate everyone who was at today's meeting and that he doubted that there will be more people who will want to watch the Members conduct their evaluations. Mr. Sayers also noted that the meeting could take most of the day. In addition, Mr. Davis stated that there may be a need to reconsider the date of the meeting after the Members have the opportunity to review the proposals.

Mr. Sayers also noted that one of the proponents had asked whether the Members will designate a contact person for the contract, and he stated that the Members will have to designate someone upon whom the consultant will be able to rely for information and coordination. Then in response to a question from Ms. Gladfelter, Mr. Sayers stated that in an addendum he had set forth the number of the Authority's employees during a week in August as well as during a week in February to give the proponents a sense of the seasonal nature of the Authority's operations.

July 2018 Proposed Salary Increases for Non-Union Personnel:

Mr. Davis asked the Members for approval of the 2018 wage and salary increase program for the Authority’s non-union personnel which typically takes effect on July 1st of each year based upon the individual employees’ performance evaluations. Mr. Davis noted that the staff has received the updated market data information from Willis Towers Watson that provides the basis for the proposed wage and salary budget and structure adjustments. But Mr. Davis also informed the Members that, even though the program is for all non-union personnel, no wage or salary increases will be implemented at this time for the Authority’s senior staff as well as certain other non-union job classifications, as he did not believe it was appropriate for the staff to receive any salary increases until after the management consultant’s report is completed and the Members have the time to review it.

**IT WAS VOTED -- upon Ms. Gladfelter’s motion, seconded by Mr. Hanover -- to approve the 2018 Non-Union Performance Wage and Salary Increase Program as proposed by management in Staff Summary #HR-18-57, dated June 1, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Construction of the Authority’s New Administrative Offices:

Mr. Davis provided an update of the status of the completion of the remaining items on the punch list for the Authority’s new administrative offices at 228 Palmer Avenue in Falmouth, which he said is now much shorter and nearly completed. Specifically, Mr. Davis reported that:

- While the HVAC contractor has addressed the air leaks in the ducts and has started up the chiller system for the air conditioner, upon the advice of the architect and general contractor, the staff has hired an engineering firm to perform a “commissioning” of the system pursuant to which they

will test the system and verify its performance over an entire 12-month period.

- The landscaping crew has been onsite for the past few weeks installing the landscaping around the building, and is in the process of planting hundreds of plants and reseeding the lawn.
- The State Building Inspector has been onsite performing the final inspections before issuing the permanent occupancy permit.

Mr. Davis also reported that, to date, the Authority has paid \$14,993,000 toward the project's current estimate costs of \$15,423,000, which includes design and engineering, owner-supplied materials and Authority personnel, and that the change orders to the construction contract thus far totaled \$950,000, or approximately 7.5% of the \$12,687,000 original contract amount. Mr. Davis also reported that the staff was still evaluating whether the Authority will be able to recover some of the amount of those change orders from Huber Zip System, the manufacturer of the original sheathing for the building's siding which did not perform as it should and had to be replaced.

Woods Hole Terminal Reconstruction Project:

Mr. Davis also provided an update on Phase 2 of the Authority's Woods Hole terminal reconstruction project, reporting that:

- Jay Cashman Inc. has completed work on the passenger loading platforms between Slips 1 and 2.
- Bus shelters have been placed on the plaza to offer people some protection from the elements while they are waiting for buses.
- Tents have been erected between Slips 1 and 2 to similarly offer passengers waiting to board the ferries some protection from the elements. Mr. Davis noted, however, that because the tents are temporary structures and are allowed to remain for only 180 days, the staff was exploring what other structures can be erected there for the winter months.
- Cashman has installed mooring bollards for Slip 3 so that the SSA's vessels will be able to berth there this summer, reattached the protective material on the center dolphin monopile between Slips 1 and 2, completed the restoration work on the corner fender on the south side of the wharf, and installed a temporary catwalk to allow dockworkers access to the north side of Slip 1.

- Cashman also has continued work on the excavation of the wharf and, this past Monday, it began loading its equipment back onto its barge in preparation for leaving the site by the end of this week for the summer. In this regard, Mr. Davis noted that he had been informed that the wharf's excavation was the phase of the work that could have proven to be the most difficult, as no one knew what would be found during the excavation.
- The site contractor is continuing to work on the pre-load area to compact the peat, and this week it will pave outside the work area for pedestrian and vehicle access over the summer.

Finally, Mr. Davis reported that, thus far, the Authority has paid Cashman \$3,128,567 towards the current \$43,328,034 cost of its contract, including \$184,754 of change orders, and that the Authority had sent 22 weekly email updates about the status of the terminal reconstruction project to the Woods Hole community to keep them informed about what construction activities would be taking place over the following weeks.

M/V Martha's Vineyard Mid-Life Refurbishment Project:

Mr. Davis also provided an update on the *M/V Martha's Vineyard* midlife refurbishment project, reporting that there were just a few punch list items that Senesco still has to complete. Mr. Davis noted that the biggest remaining issue with the vessel was the fact that the side passenger doors leak and that there was not enough time to replace the doors this spring. Accordingly, Mr. Davis said, the doors will be replaced next fall when the vessel is back in repair and, meanwhile, Senesco has created troughs under the doors to catch that water where it is leaking. Mr. Davis also reported that Monday the *M/V Martha's Vineyard* was taken to Senesco to address an issue with one of its keel coolers leaking, which was a warranty item, and that the project took only one day and the vessel went back into service earlier this afternoon.

After Mr. Davis noted that there had been more than \$2,100,000 of change orders with respect to the project, with nearly 50% of those change orders related to the vessel's dry-docking and the remainder related to the vessel's mid-life refurbishment, he stated that the staff was continuing to review those change orders and the Authority's potential warranty claims against Senesco. In this regard, Mr. Walker also reported that the staff has been meeting internally about the change order and contract issues and hoped to meet with Senesco either next week or the week after that.



Potential Barging of Municipal Solid Waste from Martha's Vineyard:

Mr. Davis reported that, while Tetra Tech had submitted its report on the feasibility of barging municipal solid waste from Martha's Vineyard to New Bedford at the end of April 2018, the staff had not yet had the opportunity to discuss it with the Members. However, Mr. Davis noted that, similar to the previous study that had been conducted by HDR Engineering in 2012, the report indicates that it will cost more money to barge the island's municipal solid waste than what it currently costs to carry it on trucks on the Authority's ferries, although the report did not take into account any of the environmental or social costs associated with carrying the waste in trucks on the mainland.

Mr. Sayers stated that the staff hoped to have a meeting with the Towns of Tisbury and Oak Bluffs, as well as Bruno's Rolloff and Ralph Packer, to discuss the report, which he observed showed less of a financial difference between the cost of barging waste and the cost of carrying it on the Authority's ferries than what was estimated in HDR Engineering's report, confirming Mr. Balco's position that the barging costs set forth in the prior report were potentially overstated. In this regard, Mr. Sayers noted that the Tetra Tech's estimate of the cost to barge waste was based, in part, on the actual rates that Mr. Packer charges for transporting materials by barge between New Bedford and Martha's Vineyard, which he considered to be a more realistic assumption. In addition, Mr. Sayers said, Mr. Packer might even charge a lower rate because barging waste to New Bedford would represent a backhauling opportunity for him, which would make barging even more financially competitive.

But Mr. Sayers observed that many other open issues remain, including the fact that the trucks which carry waste off the island also backhaul other types of freight on almost a year-round basis. As a result, Mr. Sayers said, there was a question of whether barging waste off-island would reduce the number of trucks traveling on Woods Hole Road. But Ms. Gladfelter observed that, as a Falmouth resident, one of the complaints she receives is not just about the number of trucks on Woods Hole Road, but the garbage trucks in particular. In response, Mr. Sayers also noted that, if the island's waste were barged to New Bedford on Mr. Packer's barges, it would be offloaded at his facility north of the New Bedford-Fairhaven Bridge, which is a more suitable location than the New Bedford State Pier because it is located in an industrial area.

Potential Freight Service between  
New Bedford and Martha's Vineyard:

Mr. Davis reported that the staff recently had a meeting with State Senator Viriato deMacedo and members of the SMART (Southeastern Massachusetts Regional Transportation) group in which they discussed some of the challenges of starting a freight ferry service between New Bedford and Martha's Vineyard. In addition, Mr. Davis said, the recent report issued by the New Bedford Port Authority indicates that it would prefer to have any freight ferry facility located at the City's North Terminal, which is north of the New Bedford-Fairhaven Bridge that has been deemed to be functionally obsolete and needs to be repaired at an estimated cost of \$40,000,000 or replaced at an estimated cost of \$100,000,000. Nevertheless, Mr. Davis stated that the staff assured Senator deMacedo that the Authority is willing to continue to explore the feasibility of such a freight service and will listen to all interested parties on this matter.

In response to a question from Mr. Jones, Mr. Sayers stated that Craig Johnson of Flagship Management cannot do anything with respect to identifying a potential operator to provide the freight ferry service until there is a suitable freight ferry facility in New Bedford. In this regard, Mr. Sayers noted that, while the New Bedford State Pier might be made suitable for such a service relatively quickly, the City of New Bedford would like the State Pier to be used for other purposes, and the development of the North Terminal would be years away.

Mr. Davis further reported that the staff also had met with a representative from MassDevelopment, which has taken over management of the New Bedford State Pier and is still evaluating its current and potential uses. Mr. Davis also stated that MassDevelopment has recently received an engineering report on what it would cost to repair the State Pier, and that the report's cost estimate is substantially higher than what Mr. Johnson had estimated those repairs would cost. But Mr. Davis noted that, while MassDevelopment understands that the Authority is interested in exploring options for a freight ferry service by a private carrier from the State Pier, it first has to determine what the best uses are for that facility.

2019 Budget Policy Statement:

Mr. Murphy then asked the Members to approve the staff's proposed 2019 Budget Policy Statement, which Mr. Murphy noted will set forth the guidelines the staff will use when preparing the Authority's 2019 Operating Budget. In this regard, Mr. Murphy observed that, if the proposed 2019 Budget Policy Statement is approved:

- The operating budget's projected revenues will be based primarily on actual traffic statistics for what will then be the most recent 12 months (August 2017 through July 2018), although historical traffic statistics will also be taken into account.
- The projected vessel operating expenses will be based on the approved 2019 Winter and Spring Operating Schedules and on the anticipated 2019 Summer and Fall Operating Schedules the staff will be proposing over the next few months.
- The staff will identify significant terminal repairs and maintenance that will be needed.
- There are four vessels currently scheduled to be dry-docked during 2019 (the *M/V Martha's Vineyard*, the *M/V Nantucket*, the *M/V Woods Hole* and the *M/V Gay Head*).
- For the most part, levels of employment will remain the same, but the budget will reflect a full year's cost of the two new custodial positions, the two new landscaper positions, the new Communications Director, and staffing for the new Operations and Communications Center, and there may be other position changes as a result of the anticipated management consultant's review of the Authority's operations.
- The Authority's expected training expenses will take into account the continuation of a number of different training programs.
- The Authority will continue to use information technology systems to improve customer service and reduce operating costs where possible. Specifically, the Authority will work to increase its presence on social media platforms and implement a dedicated mobile app, as well as the sweb.Wallet mobile ticketing app for smartphones and whatever other initiatives are undertaken as a result of the management consultant's review of the Authority's operations.
- The budget's fuel costs will continue to be based on either the then-current forecasts for oil prices during 2019 (plus the premium cost of the hedging program) or next year's cap prices, whichever is lower. Currently the barrel price of crude oil is trading in the \$60-\$70 range, while a year ago

it was trading in the \$45-\$50 range. Although the Authority is a little behind in its hedging program, the staff anticipates that the Authority's vessel fuel prices will be fully hedged for the entire 2019 calendar year by the time the Operating Budget is presented for approval in October 2018.

- The budget will include a full year of depreciation for the new administrative office building and the cost of the *M/V Martha's Vineyard* mid-life refurbishment.
- Sufficient fund balances will be maintained to meet the Authority's scheduled debt service requirements and to adequately fund cash transfers to the Replacement Fund in an amount not less than this year's anticipated transfers of \$9,417,000 but not to exceed the Authority's projected depreciation expenses for 2018, which is currently estimated at \$10,079,000.

Mr. Murphy also noted that, in preparing a preliminary operating budget using these guidelines, the staff will be making all efforts to avoid the need for any additional rate increases. After reporting that, at their meeting earlier this month, the Port Council had voted to recommend that the Members adopt the Budget Policy Statement as proposed, Mr. Murphy stated that, assuming that the Budget Policy Statement is adopted, the preliminary budget will be presented to the Members for discussion in September before the final version of the budget is approved in October.

In response to a question from Ms. Gladfelter, Mr. Davis stated that the *M/V Martha's Vineyard* was scheduled to be dry-docked in 2019 because technically it was last dry-docked in 2017 and the staff attempts to dry-dock each vessel every other year, even though the United States Coast Guard requires the Authority to dry-dock its vessels only twice in five years (and no longer apart than three years). Mr. Davis noted that this every-other-year dry-docking schedule works out better for purposes of the Authority's operating schedules, and it also helps ensure that the Authority is getting the full useful life out of each of its vessels. In addition, Mr. Davis said, the staff attempts to have one of the larger passenger/vehicle ferries on each route dry-docked each year in order to smooth out each route's cost of service on a year-to-year basis.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the 2019 Budget Policy Statement as proposed by management in Staff Summary #A-625, dated May 9, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

2017 Analysis of Rates versus the Cost of Service:

Mr. Murphy summarized his analysis of the effectiveness of the Authority's rate structure to cover each route's cost of service for passengers, automobiles and trucks during 2017. Mr. Murphy noted with respect to the Martha's Vineyard route noted that:

- (a) In 2017, the cost of service increased by 7.9%, principally due to increases in the dry-dock expenses, the addition of the *M/V Woods Hole*, and higher terminal costs at the Woods Hole, Vineyard Haven and Oak Bluffs terminals.
- (b) The total number of trips operated increased by 279 in 2017, with resulted in an increase in total capacity and a decrease in the occupancy rate, although it remained just above 81%.
- (c) The estimated cost of a car-equivalent unit space was \$55.09 in 2017, an 11.0% increase from 2016. On average, automobiles covered 87.0% of their allocated cost of service, with excursion fare automobiles covering 35.9%. By comparison, on average, trucks covered 103.4% of their allocated cost of service, with excursion fare trucks covering 51.4%.

With respect to the Nantucket Route, Mr. Murphy noted that:

- (a) In 2017, the cost of service was virtually the same as in 2016, with vessel operating expenses increasing by 3.4% (mainly due to the increased usage of the *M/V Woods Hole* on this route) and non-vessel operating expenses decreasing by 4.0%.
- (b) The total number of trips operated increased by 110 in 2017, which resulted in an increase in total capacity and a decrease in the occupancy rate, although it remained around 86%.

- (c) The estimated cost of a car-equivalent unit space was \$129.10 in 2017, a 1.5% decrease from 2016. On average, automobiles covered 116.9% of their allocated cost of service, with excursion fare automobiles covering 41.7%. By comparison, on average, trucks covered 89.8% of their allocated cost of service, with excursion fare trucks covering 51.4%.

After Mr. Murphy noted that each island has paid for its own cost of service over the past ten years, Mr. Jones observed that automobiles carried on the Nantucket route continue to subsidize the cost of carrying freight trucks on that route. Mr. Davis agreed, and stated that it was just the opposite on the Martha's Vineyard route, with freight trucks subsidizing the cost of cars traveling on that route, and that standard fare vehicles carried on both routes subsidize vehicles traveling on excursion fares. But Mr. Davis noted that these subsidies were the result of the Members' decisions over the years regarding how each route's cost of service is to be allocated among the Authority's customers.

Mr. Jones then asked whether the other Members were concerned about how the Authority's cost of service was being allocated. In response, Mr. Hanover stated that it was not a concern to him, observing that these policy decisions had been made long before he himself had become a Member and that he saw no reason to change them.

Ms. Gladfelter asked Mr. Davis if he could provide the Members with the vehicle occupancy percentage rate for both routes during the winter and summer seasons, as opposed to a year-round average. Mr. Davis stated that he would provide them with that information, although he said he would be surprised if the rate fluctuated very much from season to season, since the Authority scales back the amount of service it provides during the off-season so that its vessels can undergo their annual overhaul periods.

#### Port Council's Report:

Mr. Huss reported that, at their meeting earlier this month, the Port Council had discussed almost everything that the Members have discussed today, including the following:

- The improvements to the Authority's website that now allows customers traveling on standby from Nantucket to see online where they are in the standby line so they don't have to keep returning to the Nantucket terminal for each trip.

- The ticket selling improvements that Mr. Rozum implemented by assigning ticket sellers at the Thomas B. Landers Road parking lot, which Mr. Huss stated was an excellent way to reduce the lines of customers as well as their anxiety about getting tickets in time to catch the boat. Now they can buy their tickets at the parking lot and get on the bus and relax.
- The 2019 Budget Policy Statement, which Mr. Huss noted the Port Council had voted to recommend.
- The Request for Proposals for a consulting firm to undertake a comprehensive review of the Authority's operations. In this regard, Mr. Huss noted that the Port Council had discussed whether the deadline for submitting proposals should be extended and that, although the Port Council did not come up with a recommendation, the majority of the Port Council members felt that the deadline should be maintained.
- Josh Goldstein from the Mansion House asked whether it was possible for the Authority to take out some active advertising in the Boston and New York markets saying that the Authority is back in business and that all of the ferries are going to run as they have in the past.

Evaluation Process for the General Manager:

Mr. Sayers observed that the procedures the Members and Port Council are to follow when evaluating Mr. Davis's performance over the past twelve months were described in a memorandum that he and Mr. Parent had sent to the Members and the Port Council on April 26, 2018, and that those procedures were the ones that the Members had adopted the previous year. Mr. Sayers also noted that he had sent out evaluation forms in Word format to the Members and the Port Council, and that Mr. Davis has provided them with a description of the milestones he achieved with respect to each of his ten goals this past year.

Public Comment:

Woods Hole resident Nat Trumbull asked whether members of the public from the Authority's port communities will have the opportunity to interact with the consultant who will be conducting a review of the Authority's operations. In response, Mr. Sayers stated that any such interaction would depend upon what is proposed by the consulting firm that will be conducting the review, and that the Authority had not yet seen any of the firms' proposals. Mr. Sayers also observed that the purpose of the review will be to look at specific areas of the

Authority's operations and, in this regard, the Authority has advised potential proponents that it already has received a lot of feedback from the public about its operations, which it will make available to the consultant. But Mr. Sayers noted that, if the consultant believes that it is appropriate to receive more feedback from the public, the consultant will be able to do that, as this will be an independent review and such decisions will be up to the consultant.

Mr. Trumbull then asked if it were possible to receive an audio recording of the Port Council's monthly meetings. In response, Mr. Sayers stated that the Authority has not taken any audio recordings of the Port Council's meetings, and that it was up to the Port Council as to whether the Authority should record their meetings. Accordingly, Mr. Sayers stated that he would ask the Port Council at their next meeting, although he noted that historically Port Council meetings have been more informal than Authority meetings, and that there is no legal obligation for the Authority to record any meetings, whether they be Authority or Port Council meetings. Mr. Sayers also noted that draft minutes of the Port Council meetings are generally available later the same month and included in the meeting package of each Authority meeting, which is then posted to the Authority's website in advance of that meeting.

Josh Goldstein of the Mansion House thanked Mr. Huss for so accurately reporting on the statements he made at the Port Council meeting earlier this month, and he stated that he wanted to echo those comments again because his numbers were down a lot and what was happening here was frightening. For that reason, Mr. Goldstein asked that the Authority immediately buy some air time and some page space in the *Boston Globe* and the *New York Times* to let people know that this great service which the Authority has provided for the past fifty years is back to where it should be. Mr. Goldstein stated that the Authority needed to move or it is going to lose its August customers, which will then require the Authority to raise everyone's rates and no one was going to win.

Woods Hole resident Phil Richardson stated that he enjoyed looking at the plot lines showing the truck traffic in one of the exhibits to the 2019 Budget Policy Statement, and that those lines show a 4.2% average annual growth in truck traffic between Woods Hole and Martha's Vineyard over the past five years for a total growth of 20% during that period. Mr. Richardson observed that, if that trend continues, the amount of the Authority's truck traffic will double in twenty years, and he urged the Authority to deal with that. But Mr. Richardson also noted that the legend of that exhibit states that the average annual growth in truck traffic was only 1.37%, which was wrong, and he stated that he hoped the Authority was using the real number, which was 4.2% per year.



Paulette Silva-Souza then stated that what the Authority had done for the summer in erecting tents at the Woods Hole terminal for customers to stand under while they wait to board the Authority's ferries was phenomenal, but she expressed concern that the tents were only temporary and were only going to be there for six months. Accordingly, Ms. Silva-Souza asked what the Authority will do for the commuters while they wait to board the ferries during the winter. In response, Mr. Davis stated that the Authority's architects were looking at alternative ways to erect a more permanent structure there for the next two years until it has to be removed during the reconstruction of Slip #1, and that they were trying to see how best the Authority can accommodate its customers and protect them from the elements.

Woods Hole resident Phil Logan then asked what the next step is with respect to the study of the feasibility of barging Martha's Vineyard municipal solid waste to New Bedford. In response, Mr. Sayers stated that the staff hoped to meet with the Towns of Tisbury and Oak Bluffs, Bruno's Rolloff, and Ralph Packer to see what their comments are with respect to the study and decide where to go from here. Mr. Sayers observed that there are larger issues that have to be looked at as well, such as where the waste is going to be disposed of in the future, as the Towns' contract with Crapo Hill Landfill expires in 2022. But Mr. Sayers noted that the Authority was only one player in this matter, that it is ultimately the Towns' decision to do what they want to do with their waste, and that the Authority is attempting to provide the Towns with information so that they can make good decisions.

Then, at approximately 5:13 p.m., Mr. Ranney entertained a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on April 23, 2018; to discuss the deployment of security personnel and devices, and strategies with respect thereto; to consider the purchase, lease and value of real property; and to discuss the Authority's strategy with respect to collective bargaining matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions. After announcing that these matters included:

- Renewal of the Authority's lease with Prime Properties Limited Partnership for the Authority's Mashpee Reservation Office located at 509 Falmouth Road, Mashpee;
- The potential acquisition of real property; and

- Negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Service Department employees.

Mr. Ranney stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Mr. Ranney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on April 23, 2018; to discuss the deployment of security personnel and devices, and strategies with respect thereto; to consider the purchase, lease and value of real property; and to discuss the Authority's strategy with respect to collective bargaining matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**Documents and Exhibits Used at the  
June 12, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 12, 2018 Meeting Memorandum, dated June 7, 2018.
2. Video and Audio Recording Announcement.
3. Remote Participation Announcement.
4. Minutes of the April 23, 2018 Meeting in Public Session (draft).
5. Minutes of the May 15, 2018 Meeting in Public Session (draft).
6. Facsimile of Cape Cod Regional Transit Authority Check to the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority, dated June 5, 2018, in the amount of \$1,571,420.00
7. Business Summary for the Month of April 2018.
8. On-Time Performance Reports for May 2018 and June 1-7, 2018 for the Woods Hole, Vineyard Haven and Oak Bluffs Terminals.
9. Staff Summary #OPER-2018-2, dated May 9, 2018 – Proposed 2019 Winter and Spring Operating Schedules.
10. Memorandum from General Counsel Steven M. Sayers to the Authority Members and Port Council Members, dated June 7, 2018 regarding the Process for Evaluating Proposals Received for Management Consulting Services to Undertake a Comprehensive Review of the SSA's Operations, including its attachments, the Non-Price Evaluation Criteria, the Evaluation Form of Consulting Proposals, and the Client Contact Form for Contract No. 06-2018
11. Staff Summary #HR-18-57, dated June 1, 2018 – July 2018 Proposed Salary Increases for Non-Union Personnel.
12. Staff Summary #A-625, dated June 6, 2018 – 2019 Budget Policy Statement.
13. Staff Summary #A-624, dated May 1, 2018 – 2017 Analysis of Rates versus Cost of Service.
14. Minutes of the Port Council's June 6, 2018 Meeting (draft).
15. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**June 19, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 19th day of June, 2018, beginning at 9:30 a.m., in the second floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford.

Port Council Secretary Eric W. Shufelt of Barnstable was also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; General Counsel Designate Terence G. Kenneally; Procurement Officer Peggy Nickerson; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV, and that other people in the audience were also making audio recordings of today's meeting in public session.

Updated Resolution Authorizing the Sale of Steamship Bonds:

Mr. Murphy recounted how, in March 2018, the Members had adopted a Bond Resolution authorizing him to issue and sell on behalf of the Authority up to \$18,000,000 of Steamship Bonds on a competitive basis no later than December 31, 2018 pursuant to an Official Notice of Sale, at a price not less than par and accrued interest, but he stated that there had been some blanks in the Bond Resolution for certain dates and amounts of payments because at that time the Authority did not know exactly what those payment dates and amounts would be. However, Mr. Murphy said, the Authority's bond counsel was now of

the opinion that an updated version of the Bond Resolution should be adopted with those blanks filled in, and he was asking that the Members do so today. Mr. Murphy also noted that he was now planning to sell the Steamship Bonds sometime during the last two weeks of July 2018.

In response to a question from Mr. Hanover, Mr. Murphy stated that interest rates for bonds were rising and that it is now a little more expensive to issue bonds than it was in March 2018, but that he hoped to move quickly before the bond market deteriorates any more.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to adopt the updated Bond Resolution in substantially the form attached to Staff Summary #A-626, dated June 13, 2018, as recommended by management in that staff summary.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Evaluation of Proposals for Management Consulting Services to Undertake a Comprehensive Review of the Authority's Operations:

Mr. Ranney stated that the Members would now evaluate the proposals the Authority has received to provide management consulting services to undertake a comprehensive review of the Authority's operations and that, depending upon those evaluations, would potentially award a contract for those services. Mr. Sayers then recounted how the Authority had issued a Request for Proposals (RFP) for those services on May 18, 2018 and also how it had received eight proposals in response to the RFP by 2:00 p.m. on June 12, 2018, which had been the deadline to submit them. Mr. Sayers also noted that the Members now had the responsibility to evaluate each of the eight Consulting Proposals based on the non-price evaluation criteria set forth in the RFP and to assign ratings to each Consulting Proposal with respect to each of those criteria. In this regard, Mr. Sayers noted that, although the Members might rate a Consulting

Proposal to be “Unacceptable” with respect to an evaluation criterion, that would not render the proponent ineligible to be awarded the contract; rather, the Members could consider that “Unacceptable” rating when evaluating the Consulting Proposal with respect to all of the other criteria and assigning a composite rating to the proposal.

Mr. Sayers also observed that the Members could have requested one or more of the proponents to make presentations regarding their proposals, but that such presentations would have had to have been scheduled for a later date. In any event, Mr. Sayers said, he had not received any requests from any of the Members for any presentations, so he was assuming that the Members would be evaluating all of the proposals today.

Mr. Sayers then introduced Ms. Nickerson, the Authority’s Procurement Officer, and noted that the two of them had been responsible for contacting the proponents’ clients and answering the 57 questions the Authority had received from proponents about the RFP, which resulted in four addenda to the RFP being issued before the deadline for the submission of proposals on June 12, 2018. In addition, Mr. Sayers said, Ms. Nickerson has with her the proponents’ Financial Proposals, which he noted no one has seen and will be opened only after the Members assign a composite rating to each of the Consulting Proposals.

Non-Price Evaluation Criterion A – Background Information:

Mr. Sayers then reviewed how the RFP requires each Consulting Proposal to be assigned a rating with respect to Evaluation Criterion A, “Background Information,” and stated that, based upon the RFP’s requirements and the information provided in their Consulting Proposals, he was recommending that **FRS Europe Holding GmbH, HMS Consulting and Technical, Hudson Pacific Capital Partners, KPFF Consulting Engineers, McKinsey & Company** and **Alexander Proudfoot Company** be assigned “**Highly Advantageous**” ratings for this criterion, as none of them, nor any person interested in any of their proposals, has been convicted or finally adjudicated of any of the offenses described in Section A of their Consulting Proposals, or has been the subject of a petition for bankruptcy, liquidation or reorganization within the last seven years, or is a Member, officer, employee or agent of the Authority. Mr. Sayers noted, however, that McKinsey & Company was the only proponent who declined to identify the persons interested in its proposal (*e.g.*, its officers and directors, as well as its stockholders who own more than 5% of the corporation’s outstanding shares of stock), saying that, “as a privately-held non-public company,” it “does not publish or provide this information to third parties.”

In response to a question from Ms. Tierney, Mr. Sayers stated that, even though McKinsey & Company declined to identify who is interested in its proposal, he was still recommending that it be assigned a “Highly Advantageous” rating for this criterion, as McKinsey & Company had made an affirmative representation that no one interested in the proposal has been convicted or finally adjudicated of any of the offenses described in Section A of its Consulting Proposal, or has been the subject of a petition for bankruptcy, liquidation or reorganization within the last seven years, or is a Member, officer, employee or agent of the Authority. Mr. Sayers stated that, while there may be some doubt with respect to whether McKinsey & Company should be assigned this rating, he felt that the Authority should give proponents the benefit of the doubt in these types of situations so that they are not excluded from consideration or unduly penalized for not providing all of the information required by the RFP.

Mr. Sayers then stated that, based upon the information provided by **Ernst & Young**, he was recommending that it be assigned an “**Advantageous**” rating for this criterion because, while neither it nor any person interested in its proposal has been the subject of a petition for bankruptcy, liquidation or reorganization within the last seven years, or is a Member, officer, employee or agent of the Authority, Ernst & Young has stated that it has been convicted or finally adjudicated of one or more of the offenses described in Section A of its Consulting Proposal. Mr. Sayers observed that, based upon Ernst & Young’s explanation – namely, that “Ernst & Young LLP, as is true of all major accounting firms, is involved in litigation in the normal course of our professional activities; some of those matters may have involved allegations of breach of contract. We are not aware of any matter which is relevant to, or would have a material impact on, the ability of the firm to continue serving its clients.” – it appeared that those adjudications were relatively minor and explainable.

Finally, Mr. Sayers stated that he was recommending that **Foss Maritime Company** be assigned an “**Unacceptable**” rating for this criterion because one of its Team Members on its proposal, Michael L. Collyer, is the President and Principal Surveyor of Marine Safety Consultants, Inc., which through its wholly-owned subsidiary, Maritime Claims Associates, LLC, is an agent of the Authority because it provides the Authority with Jones Act crew injury claim management and passenger claim investigations.

Mr. Ranney asked the Members whether any of them had any different thoughts with respect to any of the ratings that Mr. Sayers was recommending be assigned to the proponents for their Background Information (Evaluation Criterion A), and no one expressed any disagreement with any of Mr. Sayers’s recommendations.

Non-Price Evaluation Criteria B, C and D – Vessel Operations and Fleet Maintenance Consulting Experience, Management Structure Consulting Experience, and Public Communications and Information Technology Systems Consulting Experience:

Mr. Sayers then noted that, for Evaluation Criteria B, C and D, namely, each proponent's vessel operations and fleet maintenance consulting experience (Evaluation Criterion B), management structure consulting experience (Evaluation Criterion C) and public communications and information technology systems consulting experience (Evaluation Criterion D), the Authority had essentially used the same basis for evaluating what rating should be assigned to each proponent, namely:

- **Highly Advantageous** if the proponent has provided that type of consulting services on at least three occasions over the past five years, including such services for operators of vehicle/passenger ferries or other public transportation providers, and the proponent's three most recent clients for whom those services have been provided were satisfied with the services.
- **Advantageous** if the proponent has provided that type of consulting services on at least three occasions over the past five years and the proponent's three most recent clients for whom those services have been provided were satisfied with the services.
- **Not Advantageous** if the proponent has provided that type of consulting services on fewer than three occasions over the past five years and the majority of the proponent's three most recent clients for whom those services have been provided were satisfied with the services.
- **Unacceptable** if the proponent has provided that type of consulting services on fewer than three occasions over the past five years and the majority of the proponent's three most recent clients for whom those services have been provided were not satisfied with the services.

Mr. Sayers stated that, in order for the Authority to be able to determine whether each proponent's three most recent clients were satisfied with the proponent's services, the RFP had instructed the proponents to list those clients and to provide their contact information. Mr. Sayers noted that this process was similar to providing references and that none of the proponents had objected to providing the information, or questioned the need for providing the information, or indicated that they would have any trouble providing the information. Nevertheless, Mr. Sayers said, five of the proponents did not provide the required information about their clients. Specifically, Mr. Sayers stated that:



- **Ernst & Young** provided generic descriptions of eight of its clients and the areas in which it provided consulting services for them, but stated that, due to the public nature of this proposal, it would appreciate it if it can share the information confidentially to the Authority's evaluation committee during the subsequent rounds in the review cycle.
- **FRS Europe Holding GmbH** provided sufficient information about its consulting services for specific clients, but it did not provide any contact information for them because it is not allowed to publish any personal data from its external clients. However, FRS also stated that if the Authority would like to get in contact with one of its clients, to please let FRS know.
- **Hudson Pacific Capital Partners** stated that references will be provided upon request, and only provided a sampling of previous consulting assignments by the proponent's team members.
- **McKinsey & Company** stated that as a matter of policy it does not disclose the names of its previous or current clients without their explicit approval, and that as a basic policy it does not make public client names without their permission.
- **Alexander Proudfoot Company** provided the names of clients for whom it has provided consulting services in each of the designated categories, but stated that the clients' contact information will be provided only if it is selected as a finalist for the contract, saying that it must keep its client information confidential until that time.

Accordingly, Mr. Sayers observed that these three evaluation criteria are now somewhat compromised and that the Members may want to give these criteria less weight during the evaluation process. On the other hand, Mr. Sayers said, such a decision may be perceived as being unfair to the three proponents who did provide the required contact information for their clients. Mr. Sayers stated that he and Ms. Nickerson both had talked with representatives from the Office of the Inspector General, who advised them that, while the Authority should not hesitate to reject these five proposals if it so desired, the Authority was not required to do so, and that an alternative would be to assign each of those proposals an "Unacceptable" rating with respect to each of these evaluation criteria. Therefore, Mr. Sayers advised the Members that his and Ms. Nickerson's recommendation was to assign each of those five proposals an "**Unacceptable**" rating with respect to each of these three evaluation criteria.

Mr. Hanover stated that he was not sure the Authority should assign each of these proponents an "Unacceptable" rating with respect to each of these three evaluation criteria, noting that it was the proponents' policy to keep information about their clients confidential and that a lot of clients do not want the public to

know that they are using management consultants. But Ms. Gladfelter observed that the proponents could have brought this to the Authority's attention before the deadline for submitting proposals and Ms. Tierney agreed, saying that she thought the Authority has to assign them an "Unacceptable" rating with respect to these evaluation criteria, no matter who the proponents are, because they did not adequately respond to the RFP.

Mr. Hanover agreed with Ms. Tierney, but stated that he would give those evaluation criteria less weight in the evaluation process because it is obviously the policy of a lot of consulting firms to keep information about their clients confidential. In response, Ms. Tierney noted that reasonable minds could differ on that point, but that she would not give those criteria less weight regardless who the proponents are or what their policies are. To the contrary, Ms. Tierney said, she felt it should carry a lot of weight that these proponents simply decided not to provide the Authority with the required information without even asking for a confidentiality agreement.

Mr. Jones agreed, observing that proponents are required to answer every question in an RFP the same way, and that the Authority did not say that providing client information was optional, but rather that it was requirement. While Mr. Jones acknowledged that it was the proponents' prerogative not to provide the information, he stated that the Authority has to downgrade their ratings accordingly. In this regard, Mr. Jones noted that the Authority asked for this information to be able to contact the proponents' clients and find out what they feel about the quality of the proponents' services. Without this information, Mr. Jones said, the Authority's evaluation is based just on what is contained in the proponents' written proposals with nobody verifying whether the proponents really are as great as they say they are. Therefore, Mr. Jones stated that he has assigned "Unacceptable" ratings to each of those five proponents with respect to these three evaluation criteria, saying that it seemed to him that some attention to detail is required if these proponents want to do consulting work for the Authority.

Ms. Gladfelter then stated that she agreed completely with all of those comments, observing that the proponents had the opportunity to ask questions and, if they had a concern about the confidentiality of their client information, they could have asked whether there was another way for them to provide that information. But Ms. Gladfelter noted that they did not do so and, as a result, they did not even make it over the first hurdle. Ms. Tierney agreed, noting that it was the Authority who was doing the hiring here, not the consulting firms.

Mr. Ranney asked the Members whether any of them had any different thoughts with respect to any of the ratings that Mr. Sayers was recommending be assigned to those five proponents for Evaluation Criteria B, C and D, and no one expressed any disagreement with any of Mr. Sayers's recommendations. In this regard, Mr. Sayers noted that the Members could discuss later what weight should be given to those ratings, observing that there is no relative weighting of any of these evaluation criteria and that the Members may discount some of them if they so choose. Mr. Sayers also noted that there is no mathematical formula or mechanical process to be used when evaluating the proposals, and that the important thing was for the Members to explain the reasons for making their decisions.

Mr. Sayers then reported that he and Ms. Nickerson had contacted clients of Foss Maritime Company, HMS Consulting and Technical and KPFF Consulting Engineers first by email and then by telephone; and that, based upon their conversations with those clients, he was recommending the following with respect to the ratings the Members may want to assign those proponents for Evaluation Criteria B, C and D.

**Foss Maritime Company:**

Mr. Sayers stated that, at the outset, there was a question as to whether Foss Maritime provides management consulting services, but that there was no question that it is a huge outfit in the maritime industry which itself provides extensive transportation services, completing major sealifts and bulk transfer operations with barges and tugs for companies such as ExxonMobil, Fluor, Tech Resources Limited. Mr. Sayers also noted that one of Foss's customers made a rather persuasive argument that Foss's broad range of experience should entitle it to be considered in this process, saying that Foss essentially engages in management consulting with respect to each project it undertakes. In addition, Mr. Sayers said, the customer pointed out that Foss has a very well designed management system of its own, with very qualified people who are experts in maritime operations and marine logistics, and that it also has a great culture and is very responsive. In this regard, Mr. Sayers noted that the client had no reservation at all about endorsing Foss for a project such as the Authority's.

But Mr. Sayers stated that he felt Foss provided insufficient information upon which to conclude that its services have included vehicle/passenger ferries or other public transportation providers. Therefore, Mr. Sayers stated that he ordinarily would recommend that Foss Maritime be assigned an "Advantageous" rating with respect to its Vessel Operations and Fleet Maintenance Consulting Experience (Evaluation Criterion B), and its Management Structure Consulting

Experience (Evaluation Criterion C), the Members could also give Foss the benefit of the doubt and assign it a “**Highly Advantageous**” rating in this category.

Mr. Sayers then observed that Foss similarly relies exclusively on its own experience for its public communications and information technology systems consulting experience, and says that it is prepared to share these best practices with the Authority. But Mr. Sayers stated that, in his opinion, its description is not specific enough to warrant equating it with providing consulting services on specific public communications or information technology systems projects, and that Foss’s experience in these areas does not appear to be the reason why any of its customers have hired it for their marine transportation needs. Therefore, Mr. Sayers stated that he would recommend that Foss Maritime be assigned a “**Not Advantageous**” rating with respect to its Public Communications and Information Technology Systems Consulting Experience (Evaluation Criterion D).

#### **HMS Consulting and Technical:**

Mr. Sayers reported that all of the clients of HMS Consulting and Technical and its proposed subcontractor on this project, Glosten Associates, spoke very highly of them, saying that they are a very powerful team, have a lot of good people, and are there when you need them. Mr. Sayers also noted that one client, the Trust for Governor’s Island, is using them as its Owner’s Representative in a shipyard during the construction of a new ferry, including the handling of all of the reviews and change orders, and says that things are going well, that they have done a lot of troubleshooting, and that the Trust is generally very happy with their services. Mr. Sayers observed that HMS also has provided these types of services to its affiliate, HMS Ferries, which is also responsible for ferry services in Jacksonville, Florida, Mobile Bay in Alabama, and Philadelphia, Pennsylvania, and as one might expect they are happy with their affiliate’s services as well.

Therefore, Mr. Sayers said, based upon the ferry-related projects described in its proposal and the feedback he has gotten from its clients, he was recommending that HMS Consulting and Technical be assigned a “**Highly Advantageous**” rating with respect to its Vessel Operations and Fleet Maintenance Consulting Experience (Evaluation Criterion B), and its Management Structure Consulting Experience (Evaluation Criterion C).

Mr. Sayers then reported that the clients for HMS’s other proposed subcontractor, Rigor Analytics, on which HMS is relying for its experience in public information and information technology systems consulting, have not yet responded to our requests to talk with them. But Mr. Sayers observed that this

is not HMS's fault and, based upon his conversations with HMS's other clients, as well as the detailed description in its proposal of the public communications and IT systems consulting projects Rigor Analytics has performed, in his opinion, it would be reasonable to assign HMS an "Advantageous" rating with respect to its Public Communications and Information Technology Systems Consulting Experience (Evaluation Criterion D).

Ms. Gladfelter observed that the issue with respect to HMS's rating for Evaluation Criterion D was whether it should be assigned a "Highly Advantageous" rating or only an "Advantageous" rating because, while Rigor Analytics has provided consulting services with clients in the maritime industry, including cruise lines, its clients did not provide public transportation. Ms. Tierney stated that she felt HMS should be assigned a "Highly Advantageous" rating in this category because of the impressive credentials of the individual who is going to oversee that aspect of the review and the fact that they have provided consulting services to global travel and hospitality companies. Mr. Hanover agreed, and the Members decided instead to assign HMS a "**Highly Advantageous**" rating for Evaluation Criterion D.

#### **KPFF Consulting Engineers:**

Mr. Sayers then reported that the two clients of KPFF Consulting Engineers and its proposed subcontractor, Elliott Bay Design Group, whom he and Ms. Nickerson had been able to contact similarly spoke very highly of them, saying that they had done a great job and are highly recommended. Interestingly, Mr. Sayers said, they had developed an entire business plan for a new ferry service for Kitsap Transit, including all aspects of the ferry service (operations, maintenance, management, et cetera), and they are also serving as Kitsap's Owner's Representative in the shipyard for the construction of its new ferries. Therefore, Mr. Sayers stated that, based upon the ferry-related projects described in its proposal and the feedback he has gotten from its clients, he was recommending that KPFF Consulting Engineers be assigned a "**Highly Advantageous**" rating with respect to its Vessel Operations and Fleet Maintenance Consulting Experience (Evaluation Criterion B), and its Management Structure Consulting Experience (Evaluation Criterion C).

However, Mr. Sayers stated that he was unable to conclude from KPFF's proposal that it and its other proposed subcontractor, IBI Group, have provided consulting services regarding public communications and information technology systems for other organizations on at least three occasions over the past five years. Therefore, Mr. Sayers stated that he was recommending that KPFF Consulting Engineers be assigned a "Not Advantageous" rating with respect to

its Public Communications and Information Technology Systems Consulting Experience (Evaluation Criterion D), although he noted that the Members may want to give KPFF the benefit of the doubt in this category because it clearly had provided consulting services on at least three occasion even though it was unclear when those services had been provided. In response, Mmes. Tierney and Gladfelter and Mr. Jones stated that they would indeed give KPFF the benefit of the doubt in this instance and, accordingly, the Members decided instead to assign KPFF an “**Advantageous**” rating for Evaluation Criterion D.

Non-Price Evaluation Criterion G –  
Proposed Contract Without Financial Information:

Mr. Sayers then recounted how the RFP also had instructed proponents to provide the Authority with their proposed contracts for the provision of their consulting services (not including their proposed Total Contract Prices or any other financial information) so that the Authority could assign ratings to those proposed contracts depending upon whether they would impose any undue obligations on the Authority or contained any unreasonable provisions which are not generally accepted contract terms in the consulting industry or even unreasonable provisions that the Authority, as a public governmental entity, should not accept. Nevertheless, Mr. Sayers said, three of the proponents did not provide their proposed contracts, and instead:

- **Ernst & Young** appears to have overlooked this requirement as it stated that, if the Authority prefers, it can provide its draft contract for the Authority’s consideration. It also stated that it would anticipate a draft contract to include terms such as limitation of liability, insurance, intellectual property protections, termination and force majeure, to name a few; that its proposal is contingent on the execution of a mutually satisfactory engagement agreement; and that it expects to resolve any open items related to engagement terms to the parties’ mutual satisfaction.
- **McKinsey & Company** stated that, while it would seek to sign and abide by the terms of the contract with the Authority if it is successful in being awarded this engagement, it requires its clients not to use its name in any communication with any third party, or disclose its work products to any third party, or the terms of its proposals or engagements (including commercial arrangements) to any third party, without its prior permission, although in those cases when disclosure from either side may be appropriate, it will discuss this first and only proceed if agreement is reached. McKinsey & Company also requested that the Authority hold it harmless and indemnify it, including legal costs, except to the extent its damages are found to have resulted from its gross negligence or willful

misconduct, and stated that either party should have the freedom to terminate the relationship at any time if it becomes evident that the potential value of the work does not warrant further effort and, in that event, only the professional fees and costs incurred to that date will be billed.

- **Alexander Proudfoot Company** appears to have overlooked this requirement.

Accordingly, Mr. Sayers stated that he was recommending that these three proponents be assigned an “**Unacceptable**” rating for Evaluation Criterion G (Proposed Contract Without Financial Information).

Mr. Jones then asked Mr. Sayers whether, if the Authority were to award the contract to McKinsey & Company, it could agree under the Open Meeting Law and the Public Records Law not to divulge anything about its contract to third parties, observing that the Authority has to have the freedom to disclose whatever it receives from McKinsey & Company and that he did not believe that anything the Authority was doing was confidential. Mr. Sayers agreed, noting that the Authority is subject to both of those laws and there is no exception that would allow the Authority to not disclose its contract or any other financial arrangements with McKinsey & Company, or even the proposal it has received from McKinsey & Company.

Mr. Sayers then advised the Members what ratings he was recommending be assigned to the other proponents for Evaluation Criterion G, as follows:

- Mr. Sayers stated that, although he stated that he would recommend negotiating changes to a few terms and conditions contained in Foss Maritime Company’s proposed contract, he did not feel that its proposed Contract imposed any undue obligations on the Authority or contain any unreasonable provisions which are not generally accepted contract terms in the consulting industry. Accordingly, Mr. Sayers stated that he was recommending that **Foss Maritime Company** be assigned a “**Highly Advantageous**” rating for Evaluation Criterion G (Proposed Contract Without Financial Information).
- Mr. Sayers stated that he similarly would recommend negotiating changes to a few terms and conditions contained in FRS Europe Holding GmbH’s proposed contract, particularly the provision that would allow FRS to terminate the contract at any time, with or without cause, upon thirty days written notice while still being entitled to be paid for all service performed and expenses incurred up through the termination date *pro rata temporis*. Mr. Sayers noted that this essentially would allow FRS to be paid under the contract while relieving it of any obligation to provide the Authority

with any reports or recommendations that ordinarily would be provided upon the completion of the consultancy. Mr. Sayers observed that, because this proposed provision is unduly one-sided in favor of FRS, he was recommending that **FRS Europe Holding GmbH** be assigned an “**Advantageous**” rating for Evaluation Criterion G (Proposed Contract Without Financial Information).

- Mr. Sayers stated that he similarly would recommend negotiating changes to a few terms and conditions contained in HMS Consulting and Technical’s proposed contract, particularly the provisions that would limit HMS’s liability to no more than \$50,000 (rather than to no more than the amount of fees paid to HMS) and would require the Authority to indemnify HMS from any third-party claims for injury, losses, expenses or fees arising out of or related to the services under the contract. Mr. Sayers observed that, because these proposed provisions contain undue obligations on the Authority and/or are unduly one-sided in favor of HMS, he was recommending that **HMS Consulting and Technical** be assigned a “**Not Advantageous**” rating for Evaluation Criterion G (Proposed Contract Without Financial Information).
- Mr. Sayers stated that he similarly would recommend negotiating changes to a few terms and conditions contained in Hudson Pacific Capital Partners’ proposed contract, particularly the provision that would allow Hudson Pacific to terminate the Contract upon thirty days written notice while presumably still being entitled to be paid for all service performed and expenses incurred up through the termination date. Mr. Sayers observed that this essentially would allow Hudson Pacific to be paid under the contract while relieving it of any obligation to provide the Authority with any reports or recommendations that ordinarily would be provided upon the completion of the consultancy. Mr. Sayers noted that Hudson Pacific’s proposed indemnification language is too broad, in that it would obligate the Authority to indemnify Hudson Pacific for all obligations, costs, claims, losses and expenses arising from the contract unless Hudson Pacific is adjudged to be guilty of willful misconduct or gross negligence by a court of competent jurisdiction. Mr. Sayers stated that, because these proposed provisions contain undue obligations on the Authority and/or are unduly one-sided in favor of Hudson Pacific, he was recommending that **Hudson Pacific Capital Partners** be assigned a “**Not Advantageous**” rating for Evaluation Criterion G (Proposed Contract Without Financial Information).
- Mr. Sayers stated that, while he would recommend negotiating changes to a few terms and conditions contained in KPFF Consulting Engineers’ proposed contract, it does not impose any undue obligations on the Authority or contain any unreasonable provisions which are not generally



accepted contract terms in the consulting industry. Therefore, Mr. Sayers said, he was recommending that **KPFF Consulting Engineers** be assigned a “**Highly Advantageous**” rating for Evaluation Criterion G (Proposed Contract Without Financial Information).

Finally, Mr. Sayers noted that, even though he was recommending that certain proponents be assigned only an “Advantageous” or “Not Advantageous” rating for Evaluation Criterion G because of certain provisions contained in their proposed contracts, it did not mean that the Authority would not be able to negotiate those provisions. Rather, Mr. Sayers said, if the Members were to award a contract to any of those proponents, the award should be conditioned on the successful negotiation of those provisions out of the contract.

Mr. Ranney asked the Members whether any of them had any different thoughts with respect to any of the ratings that Mr. Sayers was recommending be assigned to the proponents for Evaluation Criterion G, and no one expressed any disagreement with any of Mr. Sayers’s recommendations. Mr. Sayers then noted that it was now up to the Members to evaluate the Consulting Proposals with respect to the last two evaluation criteria, namely, the proponents’ proposed performance of their vessel operations, fleet maintenance and management structure consulting services and their proposed performance of their public communications and information technology systems consulting services, which will involve an evaluation so the proponents’ schemes for analyzing and making recommendations to improve the Authority’s operations, and the qualifications and experience of the key individuals who will be providing those services.

At this time (approximately 10:29 a.m.), the meeting stood in recess until the Members reconvened the meeting at approximately 10:37 a.m.

Non-Price Evaluation Criterion E –  
Proposed Performance of Vessel Operations, Fleet  
Maintenance and Management Structure Consulting Services:

and

Non-Price Evaluation Criterion F –  
Proposed Performance of Public Communications and  
Information Technology Systems Consulting Services:

Mr. Ranney stated that the Members would now evaluate the Consulting Proposals to determine what ratings should be assigned to the proposals for Evaluation Criteria E and F based upon each proponent’s proposal performance of its consulting services with respect to the Authority’s vessel operations, fleet

maintenance and management structure consulting services, and with respect to the Authority's public communications and information technology systems.

**Ernst & Young:**

With respect to Ernst & Young's proposed performance of its vessel operations, fleet maintenance and management structure consulting services (Evaluation Criterion E), the Members stated as follows:

- Mr. Hanover stated that, although Ernst & Young's proposal contained a lot of boilerplate, he liked their timeline and found the proposal quite attractive. For those reasons, Mr. Hanover stated that he had given Ernst & Young a "Highly Advantageous" rating.
- Ms. Gladfelter stated that, while Ernst & Young had given a summary of their understanding of the Authority's operations, they demonstrated a lack of understanding of the stakeholders and, further, there was no acknowledgement of island residents or gateway communities. In addition, Ms. Gladfelter said, Ernst & Young focused on the Authority's problems in March and April 2018, when she felt the study should be aimed at improving the Authority's operations overall. Ms. Gladfelter also noted that Ernst & Young's proposal did not make it clear who was actually going to be doing the work and what kinds of data will be gathered or how they will be gathered. Finally, Ms. Gladfelter stated that while the biographies in their proposal indicate that Ernst & Young has extensive management experience, there is no strong indication that they understand ferry operations in their full complexity; they have a poor understanding of the Authority in particular, which could bias any observations made during the study; and there was not a sense of strength in either vessel operations or fleet maintenance. Therefore, Ms. Gladfelter stated that she had given Ernst & Young a "Not Advantageous" rating.
- Mr. Ranney stated that he tended to agree with Ms. Gladfelter on most of her points, and that he also questioned why Ernst & Young had listed the food service employees on the vessels as stakeholders and then failed to mention anything about Nantucket at all. Accordingly, Mr. Ranney stated that he had given Ernst & Young a "Not Advantageous" rating.
- Mr. Jones stated that, while Ernst & Young undoubtedly is skilled in many areas, their proposal offers little supporting evidence that this is their forte. In addition, Mr. Jones said, the RFP asked for a detailed, logical and highly efficient scheme for analyzing and making recommendations to improve the Authority's operations, and he did not feel this detail was provided. Rather, Mr. Jones stated that he had to read between the lines of the

proposal to decipher the specifics and then evaluate how Ernst & Young will meet the Authority's needs. Accordingly, Mr. Jones stated that he had given Ernst & Young a "Not Advantageous" rating.

- Ms. Tierney stated that she also had given Ernst & Young a "Not Advantageous" rating, observing that they actually have not provided the Authority with any proposal at all.

In addition, Mr. Shufelt read Tisbury Port Council member George Balco's comments about Ernst & Young's proposal, namely, that it has a good time line of eight weeks and that it was a detailed proposal although some of it is not relevant. In this regard, Mr. Shufelt observed that Mr. Balco appeared to be giving Ernst & Young's proposal a low "Advantageous" rating or a "Not Advantageous" rating, and that would be his recommendation as well.

Ms. Tierney then asked whether the staff had any recommendation with respect to Ernst & Young's proposal. In response, Mr. Sayers stated that the staff was not making any recommendations with respect to what rating should be assigned to any proposal for either Evaluation Criterion E or Evaluation Criterion F.

After Mr. Hanover stated that he would defer to the other Members' rating of Ernst & Young's proposal, Mr. Jones observed that it was hard to decipher from Ernst & Young's proposal exactly what they would do and that he did not think their proposal was well spelled out. Mr. Ranney then announced that it appeared that the Members' blended rating of Ernst & Young's proposal for Evaluation Criterion E – its proposed performance of its vessel operations, fleet maintenance and management structure consulting services – was "**Not Advantageous.**"

With respect to Ernst & Young's proposed performance of its public communications and information technology systems consulting services (Evaluation Criterion F), the Members stated as follows:

- Mr. Hanover stated that he had given Ernst & Young a "Highly Advantageous" rating in this category, as page 10 of their proposal indicated that they understand exactly what the Authority needs to correct its website performance issues and the inaccurate and insufficient information which is being given to the public.
- Ms. Gladfelter stated that she had given Ernst & Young a "Not Advantageous" rating for the same reasons she had given for her rating of their proposal for Evaluation Criterion E. Ms. Gladfelter noted that Ernst & Young has a lack of understanding of the Authority's operations and that, while they gave a summary and offer an approach that is not bad,

she believes it is important to understand who the stakeholders are. In addition, Ms. Gladfelter said, she was not sure who would be doing the work

- Mr. Ranney stated that, once again, he agreed with Ms. Gladfelter and that he had more or less the same comments. Accordingly, Mr. Ranney stated that he had given Ernst & Young a “Not Advantageous” rating.
- Mr. Jones stated that he agreed with Mr. Hanover and had given Ernst & Young a “Highly Advantageous” rating. Mr. Jones noted that he felt Ernst & Young is an expert in the field and has shown several companies who have engaged this firm how to improve the systems.
- Ms. Tierney stated that she had given Ernst & Young a “Not Advantageous” rating, saying that she thought they had given a cookie cutter approach without discussing any of the Authority’s specific problems or identifying enough with the Authority’s RFP.

After Mr. Shufelt stated that he had given Ernst & Young’s proposal an “Advantageous” rating, Mr. Ranney announced that it appeared that the Members’ blended rating of Ernst & Young’s proposal for Evaluation Criterion F – its proposed performance of its public communications and information technology systems consulting services – was “**Advantageous.**”

**Foss Maritime Company:**

With respect to Foss Maritime Company’s proposed performance of its vessel operations, fleet maintenance and management structure consulting services (Evaluation Criterion E), the Members stated as follows:

- Mr. Hanover stated that he did not care for Foss’s proposal, that it is an operator and not a consultant, and that he did not believe Foss has a separate division for consulting. For those reasons, Mr. Hanover stated that he had given Foss a “Not Advantageous” rating.
- Ms. Gladfelter stated that she also had given Foss a “Not Advantageous” rating because, while Foss has experience with a good variety of marine vessel operations, it has limited experience with operating a ferry system and considering the various stakeholders and both the similarities and differences in ferry routes. Ms. Gladfelter observed that the Foss’s proposal did not make it clear who from Foss would be involved in the project and whether the study would be conducted entirely through the review of materials and interviews. In addition, Ms. Gladfelter said, Foss’s focus appeared to be primarily on the incidents from March and April 2018, as opposed to reviewing the Authority’s systems overall, and that

the proposal's lack of a consistent format make it difficult to evaluate the qualifications of those who will be involved.

- Mr. Ranney stated that he had given Foss an “Advantageous” rating because its proposal described a detailed approach with a focus on vessel operations and fleet maintenance. While Mr. Ranney acknowledged that Foss’s proposal did not address the Authority’s management structure, he stated that he had given Foss the benefit of the doubt in this category.
- Mr. Jones stated that he had given Foss an “Unacceptable” rating, saying that Foss’s proposal does not address how it will perform its consulting services in these areas.
- Ms. Tierney stated that, in her opinion, Foss’s proposal lacked specificity and that she had given it a “Not Advantageous” rating. Ms. Tierney also noted that a reference in the proposal to some oil samples indicated a “cut-and-paste” problem with the proposal.

In addition, Mr. Shufelt read Mr. Balco’s comments about Foss Maritime Company’s proposal, namely, that Foss has done work for the Authority in the past, that it is basically an operator and not a consultant, and that its time line is okay. Mr. Shufelt stated that he similarly had given Foss’s proposal a “Not Advantageous” rating because it is an operator and not a consultant.

Mr. Ranney then announced that it appeared that the Members’ blended rating of Foss Maritime Company’s proposal for Evaluation Criterion E – its proposed performance of its vessel operations, fleet maintenance and management structure consulting services – was **“Not Advantageous.”**

With respect to Foss Maritime Company’s proposed performance of its public communications and information technology systems consulting services (Evaluation Criterion F), the Members stated as follows:

- Mr. Hanover stated that he had given Foss a “Not Advantageous” rating in this category.
- Ms. Gladfelter stated that she had given Foss a “Not Advantageous” rating for the same reasons she had given for her rating of its proposal for Evaluation Criterion E.
- Mr. Ranney stated that he had given Foss an “Unacceptable” rating because there was no direct mention in its proposal of a plan for public communications or information technologies consulting.
- Mr. Jones stated that he had given Foss an “Advantageous” rating because, according to the proposal, it is highly versed in information technology systems and works with clients and industry to develop

accurate and cost-effective compliance, optimized performance and operation efficiency for shore side as well as marine assets. But Mr. Jones noted that no examples were given in the proposal.

- Ms. Tierney stated that she had given Foss an “Unacceptable” rating because its proposal did not address communications or information technologies at all.

After Mr. Shufelt stated that he and Mr. Balco had given Foss’s proposal a “Not Advantageous” rating as well, Mr. Ranney announced that it appeared that the Members’ blended rating of Foss Maritime Company’s proposal for Evaluation Criterion F – its proposed performance of its public communications and information technology systems consulting services – was “**Not Advantageous.**”

#### **FRS Europe Holding GmbH:**

With respect to FRS Europe Holding GmbH’s proposed performance of its vessel operations, fleet maintenance and management structure consulting services (Evaluation Criterion E), the Members stated as follows:

- Mr. Hanover stated that, while FRS is a very big player throughout the world, he looked but could not find anything about it operating anywhere in North America, and that he feels that the Authority needs a consultant who knows the East Coast and more local market. Mr. Hanover stated that, accordingly, he had given FRS a “Not Advantageous” rating.
- Ms. Gladfelter stated that she also had given FRS a “Not Advantageous” rating because its proposal presents only a very generalized outline of its scheme for analyzing and making recommendations to improve the Authority’s vessel operations, fleet maintenance and management structure. Ms. Gladfelter also noted that it was confusing to try to determine the qualifications and experience of the individuals who would be responsible for each area of the study.
- Mr. Ranney stated that he also had given FRS a “Not Advantageous” rating and that the thought its proposed timeline was probably too quick to provide meaningful analysis.
- Mr. Jones stated that he had given FRS a “Highly Advantageous” rating, saying that it has outlined a methodology and timeframe for accomplishing this work which is responsible and reasonable. Mr. Jones also noted that the curricula vitae of the individuals who would be assigned to the project indicate that they have experience in their fields.

- Ms. Tierney stated that she had given FRS a “Not Advantageous” rating because its proposal had not provided enough detail in its description of what it hopes to accomplish.

In addition, Mr. Shufelt read Mr. Balco’s comments about FRS’s proposal, namely, that it was too international and will not understand many aspects of the Authority’s business. Mr. Shufelt stated that he had given FRS’s proposal an “Advantageous” rating because of its experience, although he acknowledged that its local knowledge may be lacking. Mr. Ranney then announced that it appeared that the Members’ blended rating of FRS Europe Holding GmbH’s proposal for Evaluation Criterion E – its proposed performance of its vessel operations, fleet maintenance and management structure consulting services – was “**Not Advantageous.**”

With respect to FRS Europe Holding GmbH’s proposed performance of its public communications and information technology systems consulting services (Evaluation Criterion F), the Members stated as follows:

- Mr. Hanover stated that he had given FRS a “Not Advantageous” rating in this category.
- Ms. Gladfelter stated that she also had given FRS a “Not Advantageous” rating.
- Mr. Ranney stated that he had given FRS an “Unacceptable” rating.
- Mr. Jones stated that he had given FRS an “Advantageous” rating.
- Ms. Tierney stated that she had given FRS a “Not Advantageous” rating.

After Mr. Shufelt stated that he had given FRS’s proposal a “Not Advantageous” rating as well, Mr. Ranney announced that it appeared that the Members’ blended rating of FRS Europe Holding GmbH’s proposal for Evaluation Criterion F – its proposed performance of its public communications and information technology systems consulting services – was “**Not Advantageous.**”

### **HMS Consulting and Technical:**

With respect to HMS Consulting and Technical’s proposed performance of its vessel operations, fleet maintenance and management structure consulting services (Evaluation Criterion E), the Members stated as follows:

- Mr. Hanover stated that he liked HMS’s proposal a lot, that they have a lot of ferry experience and that he liked their timeline. Mr. Hanover stated that, accordingly, he had given HMS a “Highly Advantageous” rating.

- Ms. Gladfelter stated that she also had given HMS an “Advantageous” rating, observing that HMS has presented a generalized approach called “an investigative process” that will focus on the issues that occurred within the Authority in March and April 2018 and then do a Root Cause analysis. Ms. Gladfelter stated that, while this may help identify some particular ways in which the Authority can improve, it is not geared toward an overall evaluation of the Authority’s operations and how the different areas of the Authority’s operations may be improved individually and in an integrated manner. Ms. Gladfelter cautioned that, by focusing just on “problems,” HMS’s approach ignores the complexity of the organization as a whole. Ms. Gladfelter also noted that the proposal has more jargon than substance and that, while it appears HMS and its subcontractors have worked with a variety of ferry operations, HMS did not present an overall philosophy of how ferry systems operate with a diversity of stakeholders; nor did it present an understanding of the Authority’s operations. However, Ms. Gladfelter observed that the key individuals who would be assigned to the project appear to be highly qualified.
- Mr. Ranney stated that he also had given HMS a “Highly Advantageous” rating because it has proposed a thorough and comprehensive approach.
- Mr. Jones stated that he similarly had given HMS a “Highly Advantageous” rating.
- Ms. Tierney stated that she also had given HMS a “Highly Advantageous” rating because it has the most relevant experience of all of the proponents; it most accurately responded to the RFP; and it seems to have the most reasonable and organized approach.

In addition, Mr. Shufelt read Mr. Balco’s comments about HMS’s proposal, namely, that its timeline was okay, that it will use some subcontractors, and that its past clients looked relevant. Mr. Shufelt stated that he had given HMS’s proposal a “Highly Advantageous” rating. Mr. Ranney then announced that it appeared that the Members’ blended rating of HMS Consulting and Technical’s proposal for Evaluation Criterion E – its proposed performance of its vessel operations, fleet maintenance and management structure consulting services – was “**Highly Advantageous.**”

With respect to HMS Consulting and Technical’s proposed performance of its public communications and information technology systems consulting services (Evaluation Criterion F), the Members stated as follows:

- Mr. Hanover stated that he had given HMS a “Highly Advantageous” rating in this category.



- Ms. Gladfelter stated that she also had given HMS an “Advantageous” rating.
- Mr. Ranney stated that he had given HMS a “Highly Advantageous” rating.
- Mr. Jones stated that he had given HMS a “Not Advantageous” rating, noting that the RFP calls for proposals to describe a detailed, logical and highly efficient scheme for analyzing and making recommendations to improve the Authority’s communications and information technology systems and to identify the key individuals who will be involved with this aspect of the project, and that no such description appears in HMS’s proposal. While Mr. Jones acknowledged that the methodology which HMS says it will use to address the Authority’s problems seems plausible, the proposal does not offer convincing data that this is HMS’s strong field.
- Ms. Tierney stated that she had given HMS a “Highly Advantageous” rating.

After Mr. Shufelt stated that he had given HMS’s proposal an “Advantageous” rating, Mr. Ranney announced that it appeared that the Members’ blended rating of HMS Consulting and Technical’s proposal for Evaluation Criterion F – its proposed performance of its public communications and information technology systems consulting services – was on the high side of “**Advantageous.**”

**Hudson Pacific Capital Partners:**

With respect to Hudson Pacific Capital Partners’s proposed performance of its vessel operations, fleet maintenance and management structure consulting services (Evaluation Criterion E), the Members stated as follows:

- Mr. Hanover stated that he also liked Hudson Pacific’s proposal and that he thought it addressed most of the Authority’s concerns. Accordingly, Mr. Hanover said, he had given Hudson Pacific a “Highly Advantageous” rating.
- Ms. Gladfelter stated that she also had given Hudson Pacific a “Not Advantageous” rating, observing that while its outline of proposed work is reasonable, it is rather sketchy and the products to be produced are unclear (such as what analyses will be performed). Ms. Gladfelter also noted that, although the team is especially qualified with respect to the shipping industry, apparently only two members of the team will have firsthand experience in seeing the Authority’s operations and there appears to be minimal understanding of the stakeholders both within the

Authority and the external groups who either use or are otherwise affected by its operations.

- Mr. Ranney stated that he had given Hudson Pacific an “Advantageous” rating.
- Mr. Jones stated that he also had given Hudson Pacific an “Advantageous” rating.
- Ms. Tierney stated that she had given Hudson Pacific an “Advantageous” rating as well.

In addition, Mr. Shufelt read Mr. Balco’s comments about Hudson Pacific’s proposal, namely, that its twelve-week timeline looked okay, its team included a number of former military people, and it was a very straightforward proposal. Mr. Shufelt stated that he had given Hudson Pacific’s proposal an “Advantageous” rating. Mr. Ranney then announced that it appeared that the Members’ blended rating of Hudson Pacific Capital Partners’ proposal for Evaluation Criterion E – its proposed performance of its vessel operations, fleet maintenance and management structure consulting services – was “**Advantageous.**”

With respect to Hudson Pacific Capital Partners’ proposed performance of its public communications and information technology systems consulting services (Evaluation Criterion F), the Members stated as follows:

- Mr. Hanover stated that he had given Hudson Pacific an “Advantageous” rating in this category.
- Ms. Gladfelter stated that she had given Hudson Pacific a “Not Advantageous” rating.
- Mr. Ranney stated that he had given Hudson Pacific an “Advantageous” rating.
- Mr. Jones stated that he also had given Hudson Pacific an “Advantageous” rating.
- Ms. Tierney stated that she had given Hudson Pacific a “Not Advantageous” rating.

After Mr. Shufelt stated that he had given Hudson Pacific’s proposal an “Advantageous” rating, Mr. Ranney announced that it appeared that the Members’ blended rating of Hudson Pacific Capital Partners’ proposal for Evaluation Criterion F – its proposed performance of its public communications and information technology systems consulting services – was on the low side of “**Advantageous.**”

**KPFF Consulting Engineers:**

With respect to KPFF Consulting Engineers' proposed performance of its vessel operations, fleet maintenance and management structure consulting services (Evaluation Criterion E), the Members stated as follows:

- Mr. Hanover stated that he felt KPFF's proposed timeline was way too long and that he did not want to wait until next March to find out the answers to the Authority's problems. Mr. Hanover stated that he also has a concern that the team includes Elliott Bay Design Group personnel and appears to be heavily influenced by Washington State Ferries, although he stated that this is just a concern and not that it is detrimental. Mr. Hanover stated that, accordingly, he had given KPFF a "Highly Advantageous" rating.
- Ms. Gladfelter stated that she had given KPFF a "Highly Advantageous" rating, saying that it had given a well-conceived and presented proposal. Ms. Gladfelter stated that, in particular, KPFF articulated a clear and straightforward approach to address the Authority's operational problems through an eight-month SWOT (Strengths, Weaknesses, Opportunities and Threats) approach to address relevant aspects of each area of concern.<sup>1</sup> In addition, Ms. Gladfelter noted that KPFF has pointed out that every ferry system and every route served by a ferry system present their own set of distinct and unique challenges and opportunities, and that the Authority has a diverse and complex set of stakeholders, including island residents, gateway communities, commercial entities, and seasonal and periodic customers. Ms. Gladfelter also observed that KPFF's approach is to use an experienced team to gather information during the Authority's high season and then to convene an expert review panel (which will include heads of ferry operators throughout the country) to review the information, which KPFF would then use to analyze the data and prepare draft recommendations which in turn would be reviewed by the panel before a final report is issued. Meanwhile, Ms. Gladfelter said, KPFF would suggest near-term improvements as appropriate. Ms. Gladfelter also noted that KPFF's team has extensive experience working together with this approach, that they are highly qualified, and that KPFF and its subcontractors specialize in studying ferry operations throughout the country. Thus, although Ms. Gladfelter acknowledged that KPFF was proposing a

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<sup>1</sup> Ms. Gladfelter noted that she has performed a number of SWOT studies, although she has always persuaded the other participants in those studies to refer to the approach as a SCOR (Strengths, Challenges, Opportunities and Recommendations) approach.

long study, she thought it has the potential of helping the Authority as it moves forward in the next several decades.

- Mr. Ranney stated that he had given KPFF a “Highly Advantageous” rating because he thought KPFF had submitted a very detailed and comprehensive proposal for all areas of the Authority’s vessel operations, fleet maintenance and management structure.
- Mr. Jones stated that he also had given KPFF an “Advantageous” rating.
- Ms. Tierney stated that she had given KPFF a “Highly Advantageous” rating.

In addition, Mr. Shufelt read Mr. Balco’s comments about KPFF’s proposal, namely, that its timeline was much too long, that it was very oriented to Washington State Ferries, and that it was connected with Elliott Bay Design Group. Mr. Shufelt stated that he had given KPFF’s proposal a “Highly Advantageous” rating, observing that, while the timeline may seem too long, if the Authority has problems, it may take some time to see what they are. Mr. Ranney then announced that it appeared that the Members’ blended rating of KPFF Consulting Engineers’ proposal for Evaluation Criterion E – its proposed performance of its vessel operations, fleet maintenance and management structure consulting services – was “**Highly Advantageous.**”

With respect to KPFF Consulting Engineers’ proposed performance of its public communications and information technology systems consulting services (Evaluation Criterion F), the Members stated as follows:

- Mr. Hanover stated that he had given KPFF a “Highly Advantageous” rating in this category.
- Ms. Gladfelter stated that she had given KPFF a “Highly Advantageous” rating.
- Mr. Ranney stated that he had given KPFF an “Advantageous” rating.
- Mr. Jones stated that he also had given KPFF an “Advantageous” rating.
- Ms. Tierney stated that she had given KPFF a “Highly Advantageous” rating.

After Mr. Shufelt stated that he had given KPFF’s proposal an “Advantageous” rating, Mr. Ranney announced that it appeared that the Members’ blended rating of KPFF Consulting Engineers’ proposal for Evaluation Criterion F – its proposed performance of its public communications and information technology systems consulting services – was on the low side of “**Highly Advantageous.**”

**McKinsey & Company:**

With respect to McKinsey & Company's proposed performance of its vessel operations, fleet maintenance and management structure consulting services (Evaluation Criterion E), the Members stated as follows:

- Mr. Hanover stated that McKinsey had proposed a good timeline, that he liked their approach, and that they nailed exactly what they are going to do and how they are going to do it. Mr. Hanover also stated that McKinsey seemed to understand the situation best of all. Accordingly, Mr. Hanover said, he had given McKinsey a "Highly Advantageous" rating.
- Ms. Gladfelter stated that she had given McKinsey an "Unacceptable" rating, observing that its suggested approach is very generalized with no clear indication of what data will be collected to answer which questions. Ms. Gladfelter also noted that there is no acknowledgment by McKinsey of the unique aspects of a ferry operation (or its stakeholders or the routes involved) and that McKinsey seems to view the Authority as a for-profit company. Ms. Gladfelter further stated that the biographies of those who would be involved in the project are very generalized with no clear indication of what experience they have that is relevant to the issues that are going to be studied.
- Mr. Ranney stated that he had given McKinsey an "Advantageous" rating although its approach was a generalize one and lacked substantive details. Mr. Ranney also stated that he thought McKinsey's proposed follow-through was just advantageous and not much better than that.
- Mr. Jones stated that he also had given McKinsey an "Advantageous" rating.
- Ms. Tierney stated that she had given McKinsey a "Not Advantageous" rating.

In addition, Mr. Shufelt read Mr. Balco's comments about McKinsey's proposal, namely, that its timeline is good, it presents a simple straightforward approach, and that it has good relevant past experience in the field. Mr. Shufelt stated that he also had given McKinsey's proposal an "Advantageous" rating.

Mr. Ranney then announced that it appeared that the Members' blended rating of McKinsey & Company's proposal for Evaluation Criterion E – its proposed performance of its vessel operations, fleet maintenance and management structure consulting services – was "**Advantageous**" at best.

With respect to McKinsey & Company's proposed performance of its public communications and information technology systems consulting services (Evaluation Criterion F), the Members stated as follows:

- Mr. Hanover stated that he was very impressed with McKinsey's proposal for having backup systems for when power goes out and taking care of the Authority's customers during disaster recovery. Accordingly, Mr. Hanover stated that he had given McKinsey a "Highly Advantageous" rating in this category.
- Ms. Gladfelter stated that she had given McKinsey an "Unacceptable" rating because its proposal was very generalized. Ms. Gladfelter noted that she is a scientist and want to know how consultants are setting up their studies, what kind of data they are going to collect, and how they are going to analyze and interpret that data. (In response, Mr. Hanover stated that he was more interested in what they are going to do, not how they are going to do it.)
- Mr. Ranney stated that he had given McKinsey an "Advantageous" rating for the same reasons he had stated before, namely, that McKinsey was a little light on details.
- Mr. Jones stated that he also had given McKinsey an "Advantageous" rating.
- Ms. Tierney stated that she had given McKinsey a "Not Advantageous" rating.

After Mr. Shufelt stated that he had given McKinsey's a "Not Advantageous" rating, Mr. Ranney announced that it appeared that the Members' blended rating of McKinsey & Company's proposal for Evaluation Criterion F – its proposed performance of its public communications and information technology systems consulting services – was "**Advantageous**" at best and towards the "Not Advantageous" end of it

#### **Alexander Proudfoot Company:**

With respect to Alexander Proudfoot Company's proposed performance of its vessel operations, fleet maintenance and management structure consulting services (Evaluation Criterion E), the Members stated as follows:

- Ms. Gladfelter stated that she had given Proudfoot a "Not Advantageous" rating, observing that it had submitted a cookbook proposal and that there was no indication that it has experience or knowledge of the issues that are an everyday part of a ferry operation (including all of its stakeholders).

Ms. Gladfelter also noted that there was no evidence that the individuals who would be involved in the project have personal experience in either vessel operations or fleet maintenance, and that the team biographies (which were extremely difficult to read) did not include the individuals' education or experience related to vessel operations or fleet maintenance.

- Mr. Ranney stated that he had given Proudfoot an “Advantageous” rating, although he agreed with Ms. Gladfelter’s comments and also could not read the team biographies.
- Mr. Jones stated that he also had given Proudfoot an “Advantageous” rating, noting that it has offered a methodology to address the Authority’s fleet maintenance problems by conducting a broad gap analysis of current maintenance programs (including, but not limited to, process maps, data analysis, dry-dock contracted maintenance and the like), and it also has offered its six factors of maintenance excellence and its “Management Excellence Pyramid.” Mr. Jones further noted that Proudfoot likewise has offered a methodology for addressing management and workforce skills and competencies. Although Mr. Jones acknowledged that three detailed case studies supporting the success of Proudfoot’s work was missing from its proposal, the deliverables it will provide are advantageous.
- Ms. Tierney stated that she had given Proudfoot a “Highly Advantageous” rating, saying that she liked its model and the comingling of personnel, history and reports.

In addition, Mr. Shufelt read Mr. Balco’s comments about Proudfoot’s proposal, namely, that its timeline was too short, that its presentation was over the top in terms of self-esteem, and that its proposal appeared to contain a lot of boilerplate. Mr. Shufelt stated that he had given Proudfoot’s proposal a “Not Advantageous” rating. Mr. Ranney then announced that it appeared that the Members’ blended rating of Alexander Proudfoot Company’s proposal for Evaluation Criterion E – its proposed performance of its vessel operations, fleet maintenance and management structure consulting services – was “**Advantageous**” and Mr. Hanover stated that he was comfortable with that rating.

With respect to Alexander Proudfoot Company’s proposed performance of its public communications and information technology systems consulting services (Evaluation Criterion F), the Members stated as follows:

- Ms. Gladfelter stated that she had given Proudfoot a “Not Advantageous” rating for the same reasons she had stated before.
- Mr. Ranney stated that he had given Proudfoot an “Advantageous” rating, saying that even though he could not read the individual team members’

biographies, they seemed very enthusiastic and he felt they deserved this rating for effort.

- Mr. Jones stated that he also had given Proudfoot an “Advantageous” rating.
- Ms. Tierney stated that she had given Proudfoot an “Advantageous” rating.

After Mr. Shufelt stated that he had given Proudfoot’s proposal a “Not Advantageous” rating, Mr. Ranney announced that it appeared that the Members’ blended rating of Alexander Proudfoot Company’s proposal for Evaluation Criterion F – its proposed performance of its public communications and information technology systems consulting services – was “**Advantageous**” and Mr. Hanover stated that he was fine with that rating.

After the Members finished assigning ratings to the proponents for Evaluation Criteria E and F, Mr. Sayers stated that, although HMS Consulting and Technical had received a “Not Advantageous” rating for its proposed contract with any financial information (Evaluation Criterion G), he would not necessarily discount them because of that rating because he personally thought that the Authority would be able to negotiate the problematic provisions out of HMS’s proposed contract if it were the successful proponent.

Discussion of Whether to Ask Any of the Proponents to  
Make Presentations Explaining Their Consulting Proposals:

Ms. Tierney suggested that the Members may want to ask HMS Consulting and Technical and KPFF Consulting Engineers to make presentations explaining their Consulting Proposals, and Mr. Jones then asked Mr. Sayers whether the Members could ask only three proponents to appear for interviews. In response, Mr. Sayers stated that the Members could ask one or more of the proponents to make presentations explaining their Consulting Proposals, but that their presentations may not change or add to their proposals or otherwise affect their proposals in a manner prejudicial to fair competition. In addition, Mr. Sayers said, the proponents would have to make their presentations before the Members assign a composite rating for each Consulting Proposal.

Mr. Jones stated that he would prefer that the Members assign composite ratings to the Consulting Proposals today and then ask a few proponents to make presentations, but Mr. Sayers stated that, once the Members assign composite ratings to the Consulting Proposals, they can no longer ask any proponents to make presentations, as the purpose of the presentations is to assist the Members in evaluating the proposals. Mr. Jones then observed that when he previously



had evaluated proposals, he had found interviewing the proponents to be very helpful in solidifying his thoughts by allowing him to put names with faces. In this situation, Mr. Jones noted that in this case the Members were evaluating the proposals only on what the proponents themselves had written, which in many cases was just boilerplate, and that a number of proponents had not even provided the Authority with their clients' contact information as they had been instructed to do. Accordingly, Mr. Jones said, the Members may have a different feeling about some of the proponents if they were to make presentations about their proposals. Nevertheless, Mr. Jones stated that he could proceed either way.

After Mr. Sayers noted that the two proponents who appeared to have received the highest evaluations had provided the Authority with their clients' contact information, Ms. Tierney stated that she would also like to have them make presentations, which she noted could be done fairly quickly. Ms. Tierney then asked Mr. Sayers if a budget range had been established for this contract. When Mr. Sayers said that no budget range had been established, Ms. Tierney stated that she assumed that the Authority will spend at least \$100,000 on this contract and that the Members should meet the proponents who might be awarded the contract before spending that amount of money.

But Ms. Gladfelter stated that she would like to move ahead and assign composite rating to the Consulting Proposals today, observing that this matter already has taken an inordinate amount of the staff's and the Members' time. After Ms. Tierney then asked that the Members vote on her request, Mr. Jones recounted how he had been the one to originally suggest that the Members interview the proponents because he knows how valuable interviews are. But Mr. Jones stated that, looking now at which proposals had risen to the top, he was comfortable voting on the proposals without having any interviews even though interviewing the proponents would be a luxury and would help. Ultimately, Mr. Jones said, he would be happy to proceed whichever way the other Members wanted.

Ms. Tierney stated that she felt strongly that the Members should interview the two proponents who had received the highest evaluations, declaring that given the financial and time commitment being made with respect to this project, as well as the ultimate use which will be made of the consultant's report, she thought the Members should meet and weigh the credibility of the proponents and the way they interact with the Members and the staff. Ms. Tierney also noted that the Members would only have to interview two of the eight proponents, and that those two proponents otherwise were likely to be pretty comparable when they are assigned their composite ratings.

But Ms. Gladfelter stated that she did not think the Members needed to interview anyone, observing that the two proponents who had risen to the top both have compelling proposals that were not filled with boilerplate language. Ms. Gladfelter also noted that those two proponents obviously had put some effort into thinking about what the Authority's problems are and what to do about them, and that they both have competent people.

In response to a question from Mr. Ranney, Mr. Sayers stated that if the Members were going to interview any of the proponents, the interviews would have to take place in a public meeting. Mr. Sayers also noted that the Authority would have to ask the proponents to extend the time of their Financial Proposals until after the interviews are conducted, as otherwise they would expire at the end of June 2018. But Mr. Sayers stated that he did not think that would be a problem.

After Mr. Jones suggested that the Members move forward and assign composite ratings to the Consulting Proposals, Mr. Ranney stated that that was his inclination as well, observing that it already was almost July and that the contract would not be awarded until well into next month if the Members have to schedule another meeting. Mr. Ranney also noted that the staff already has spent a lot of time on this matter. Mr. Hanover then stated that he would have liked to interview the proponents if the interviews could have been conducted in a timely manner, but that he would now like to complete the evaluations.

**IT WAS VOTED -- upon Ms. Tierney's motion, seconded by Mr. Jones -- to invite HMS Consulting and Technical and KPFF Consulting Engineers to make presentations explaining their Consulting Proposals for Contract No. 06-2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>		<b>35 %</b>
<b>Mr. Jones</b>		<b>10 %</b>
<b>Mr. Hanover</b>		<b>35 %</b>
<b>Ms. Gladfelter</b>		<b>10 %</b>
<b>Ms. Tierney</b>	<u><b>10 %</b></u>	_____
<b>TOTAL</b>	<b>10 %</b>	<b>90 %</b>

At this time (approximately 11:39 a.m.), the meeting stood in recess until the Members reconvened the meeting at approximately 11:48 a.m.

Composite Ratings for Each Consulting Proposal:

Mr. Sayers noted that the Members had been given copies of a chart showing the ratings the Members had just assigned to each of the Consulting Proposals for Evaluation Criteria A, B, C, D, E, F and G, and that those ratings reflected the blended ratings the Members had agreed upon as a whole for rather than the ratings that each of the Members had given the proposals individually. Mr. Sayers also stated that, based upon the blended ratings that the Members had given the proposals for each of the evaluation criteria, the Members now should assign a composite rating for each Consulting Proposal. In this regard, Mr. Sayers observed that at this point the Members do not also need to rank each proposal, as the finalists for the contract will be selected and ranked after the proponents' Financial Proposals are opened.

**Ernst & Young:**

Based upon the blended ratings that the Members had assigned to Ernst & Young's Consulting Proposal for each of the individual evaluation criteria, the Members then stated what composite rating they felt should be given to Ernst & Young's Consulting Proposal, as follows:

Mr. Hanover	Not Advantageous
Ms. Gladfelter	Not Advantageous
Mr. Ranney	Unacceptable
Mr. Jones	Not Advantageous
Ms. Tierney	Unacceptable

After Mr. Shufelt stated that he also felt that Ernst & Young's Consulting Proposal should be given a "Not Advantageous" composite rating, Mr. Ranney announced that the Members' blended composite rating for Ernst & Young's Consulting Proposal was "**Not Advantageous.**"

**Foss Maritime Company:**

Based upon the blended ratings that the Members had assigned to Foss Maritime Company's Consulting Proposal for each of the individual evaluation criteria, the Members then stated what composite rating they felt should be given to Foss Maritime Company's Consulting Proposal, as follows:

Mr. Hanover	Unacceptable
Ms. Gladfelter	Not Advantageous
Mr. Ranney	Not Advantageous
Mr. Jones	Advantageous
Ms. Tierney	Not Advantageous

After Mr. Shufelt stated that he also felt that Foss Maritime Company's Consulting Proposal should be given a "Not Advantageous" composite rating, Mr. Ranney announced that the Members' blended composite rating for Foss Maritime Company's Consulting Proposal was "**Not Advantageous.**"

**FRS Europe Holding GmbH:**

Based upon the blended ratings that the Members had assigned to FRS Europe Holding's Consulting Proposal for each of the individual evaluation criteria, the Members then stated what composite rating they felt should be given to FRS's Consulting Proposal, as follows:

Mr. Hanover	Not Advantageous
Ms. Gladfelter	Not Advantageous
Mr. Ranney	Not Advantageous
Mr. Jones	Not Advantageous
Ms. Tierney	Not Advantageous

After Mr. Shufelt stated that he also felt that FRS's Consulting Proposal should be given a "Not Advantageous" composite rating, Mr. Ranney announced that the Members' blended composite rating for FRS Europe Holding GmbH's Consulting Proposal was "**Not Advantageous.**"

**HMS Consulting and Technical:**

Based upon the blended ratings that the Members had assigned to HMS Consulting and Technical's Consulting Proposal for each of the individual evaluation criteria, the Members then stated what composite rating they felt should be given to HMS's Consulting Proposal, as follows:

Mr. Hanover	Highly Advantageous
Ms. Gladfelter	Advantageous / Highly Advantageous
Mr. Ranney	Highly Advantageous
Mr. Jones	Highly Advantageous
Ms. Tierney	Highly Advantageous

After Mr. Shufelt stated that he also felt that HMS's Consulting Proposal should be given an "Advantageous" composite rating, Mr. Ranney announced that the Members' blended composite rating for HMS Consulting and Technical's Consulting Proposal was "**Highly Advantageous.**"

**Hudson Pacific Capital Partners:**

Based upon the blended ratings that the Members had assigned to Hudson Pacific Capital Partners' Consulting Proposal for each of the individual evaluation criteria, the Members then stated what composite rating they felt should be given to Hudson Pacific's Consulting Proposal, as follows:

Mr. Hanover	Advantageous
Ms. Gladfelter	Not Advantageous
Mr. Ranney	Advantageous
Mr. Jones	Not Advantageous
Ms. Tierney	Not Advantageous

After Mr. Shufelt stated that he also felt that Hudson Pacific's Consulting Proposal should be given an "Advantageous" composite rating, Mr. Ranney announced that the Members' blended composite rating for Hudson Pacific Capital Partners' Consulting Proposal was "**Advantageous.**"

**KPFF Consulting Engineers:**

Based upon the blended ratings that the Members had assigned to KPFF Consulting Engineers' Consulting Proposal for each of the individual evaluation criteria, the Members then stated what composite rating they felt should be given to KPFF's Consulting Proposal, as follows:

Mr. Hanover	Highly Advantageous
Ms. Gladfelter	Highly Advantageous
Mr. Ranney	Highly Advantageous
Mr. Jones	Highly Advantageous
Ms. Tierney	Highly Advantageous

After Mr. Shufelt stated that he also felt that KPFF's Consulting Proposal should be given a "Highly Advantageous" composite rating, Mr. Ranney announced that the Members' blended composite rating for KPFF Consulting Engineers' Consulting Proposal was "**Highly Advantageous.**"

**McKinsey & Company:**

Based upon the blended ratings that the Members had assigned to McKinsey & Company's Consulting Proposal for each of the individual evaluation criteria, the Members then stated what composite rating they felt should be given to McKinsey's Consulting Proposal, as follows:

Mr. Hanover	Not Advantageous
Ms. Gladfelter	Not Advantageous
Mr. Ranney	Not Advantageous
Mr. Jones	Unacceptable
Ms. Tierney	Unacceptable

After Mr. Shufelt stated that he also felt that McKinsey & Company's Consulting Proposal should be given an "Unacceptable" composite rating, Mr. Hanover and Ms. Gladfelter stated that they would agree to that composite rating for McKinsey's Consulting Proposal. Mr. Ranney then announced that the Members' blended composite rating for McKinsey & Company's Consulting Proposal was "**Unacceptable.**"

**Alexander Proudfoot Company:**

Based upon the blended ratings that the Members had assigned to Alexander Proudfoot Company's Consulting Proposal for each of the individual evaluation criteria, the Members then stated what composite rating they felt should be given to Proudfoot's Consulting Proposal, as follows:

Mr. Hanover	Unacceptable
Ms. Gladfelter	Not Advantageous
Mr. Ranney	Not Advantageous
Mr. Jones	Not Advantageous
Ms. Tierney	Not Advantageous

After Mr. Shufelt stated that he also felt that Proudfoot's Consulting Proposal should be given an "Unacceptable" composite rating, Mr. Ranney announced that the Members' blended composite rating for Alexander Proudfoot Company's Consulting Proposal was "**Unacceptable.**"

The Opening of the Proponents' Financial Proposals:

Ms. Nickerson then opened up the proponents' Financial Proposals and, as she opened them, she announced that the proponents' Financial Proposals were as follows:

Ernst & Young	\$ 385,000 - \$ 425,000
Foss Maritime Company	\$ 240,500 estimated
FRS Europe Holding GmbH	\$ 235,000
HMS Consulting and Technical	\$ 217,976
Hudson Pacific Capital Partners	\$ 201,600
KPFF Consulting Engineers	\$ 556,000
McKinsey & Company	\$ 969,000
Alexander Proudfoot Company	\$ 247,650

Selection of Finalists and Award of Contract:

The Members then agreed that, taking into consideration the proponents' Financial Proposals and the Members' evaluations of the proponents' Consulting Proposals, two finalists should be selected for the award of the contract, namely, HMS Consulting and Technical and KPFF Consulting Engineers, and that HMS Consulting and Technical first should be ranked first in the finalists' order of qualification because of its lower Financial Proposal. However, the Members also agreed that any award of the contract to HMS Consulting and Technical should be conditioned upon its agreement to revise its proposed contract in the manner recommended by Mr. Sayers earlier during this meeting, namely, to revise its proposed provision that would limit HMS's liability to no more than \$50,000 (rather than to no more than the amount of fees paid to HMS) and to delete its proposed provision that would require the Authority to indemnify HMS from any third-party claims for injury, losses, expenses or fees arising out of or related to the services under the contract.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to select two finalists for the award of the Contract for Management Consulting Services to Undertake a Comprehensive Review of the Authority's Operations, Contract No. 06-2018, ranked as follows:**

- 1. HMS Consulting and Technical; and**
- 2. KPFF Consulting Engineers;**

**provided, however, that any award of the contract to HMS Consulting and Technical is conditioned upon its agreement to revise its proposed contract in the manner recommended by the General Counsel earlier during this meeting.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>



Then, at approximately 12:21 p.m., Mr. Ranney entertained a motion to adjourn the meeting in public session.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- to adjourn the meeting in public session.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**Documents and Exhibits Used at the  
June 19, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 19, 2018 Meeting Memorandum, dated June 14, 2018.
2. Video and Audio Recording Announcement.
3. Staff Summary #A-626, dated June 13, 2018 – Updated Proposed Resolution Authorizing the Sale of Steamship Bonds.
4. Each Member's evaluation forms for evaluating each proponent's Consulting Proposal for Management Consulting Services to Undertake a Comprehensive Review of the SSA's Operations, Contract No. 06-2018, and their notes on those forms.
5. Tisbury Port Council Member George J. Balco's typewritten comments on the Consulting Proposals, dated June 17, 2018.
6. A chart of the ratings assigned by the Members to each Consulting Proposal for Evaluation Criteria A, B, C, D and G, and the Members' notes on that chart.
7. A chart of the ratings assigned by the Members to each Consulting Proposal for Evaluation Criteria A, B, C, D, E, F and G, and the Members' notes on that chart.
8. A chart of the ratings assigned by the Members to each Consulting Proposal for Evaluation Criteria A, B, C, D, E, F and G, and the composite rating assigned by the Members to each Consulting Proposal.
9. A chart of the composite rating assigned by the Members to each Consulting Proposal and the amount of each proponent's Financial Proposal.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**July 17, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 17th day of July, 2018, beginning at 9:36 a.m., in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. Four Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford. Secretary Marc N. Hanover of Dukes County was absent.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council member Nathaniel E. Lowell of Nantucket were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Communications Director Sean F. Driscoll; Director of Marketing Kimberlee McHugh; Reservations and Customer Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Nantucket Terminal Manager Elaine Mooney; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; General Counsel Designate Terence G. Kenneally; Operations Manager Mark K. Rozum; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Recognition of Public Officials:

Mr. Ranney recognized Nantucket Town Manager C. Elizabeth (Libby) Gibson, Nantucket Director of Culture and Tourism Janet E. Schulte, and Nantucket Visitor Services Coordinator David W. Sharpe in the audience.

Minutes:

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Ms. Tierney – to approve the minutes of the Members’ meeting in public session on June 12, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>65 %</b>	<b>0 %</b>

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Ms. Tierney – to approve the minutes of the Members’ meeting in public session on June 19, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>65 %</b>	<b>0 %</b>

Results of Operations:

Mr. Davis summarized the results of the Authority’s operations for May 2018, as set forth in a business summary for that month that had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers overall (down 0.1%) than in May 2017. The Vineyard route was up 1.0% while the Nantucket route was down 3.8%, with passenger volumes on the traditional service down 5.0% and the fast ferry service down 3.1%. The total number of automobiles carried in May 2018 was down 0.2%, with vehicular traffic down 0.3% on the Vineyard route, both in the excursion and standard fares, and up 0.5% on the Nantucket route, with increases of 0.2% on the standard fares and 1.1% on excursion fares. The total number of trucks carried was up 0.8%, with truck traffic on the Vineyard route down 1.0% (primarily due to a decrease in trucks under 20 feet in length) and up 5.6% on the Nantucket route (primarily due to an increase in trucks over 20 feet in length). The number of cars parked

was up 0.5%, with the Vineyard route up 0.9% and the Nantucket route down 0.6%. Year-to-date, the number of passengers carried was down 3.6%, with the Vineyard route down 3.9% and the Nantucket route down 2.0%. The number of automobiles carried was down 4.7%, with the Vineyard route down 5.2% and the Nantucket route down 0.3%. The number of trucks carried was down 2.0%, with the Vineyard route down 3.2% and the Nantucket route up 1.1%.

Mr. Davis also reported that, for the month of May, the Authority's net operating income was around \$1,249,000, which was \$510,000 above budget. Total income was around \$10,456,000, around \$78,000 higher than budgeted. Automobile revenue was down \$98,000, freight revenue was up \$167,000 and passenger revenue was down \$39,000 versus budgeted amounts. Total operating expenses for May were \$9,207,000, which was \$431,000 lower than budgeted. Maintenance expenses accounted for \$388,000 of that decrease due to a reclassification of the cost of the replacement of the bow thrusters on the *M/V Island Home*. That reclassification, however, led to an increase in depreciation expenses by \$161,000. Drydock expenses for the *M/V Nantucket* were up \$118,000 and the overhaul expenses for the *M/V Martha's Vineyard* and *M/V Gay Head* were up \$72,000 and \$71,000, respectively. Vessel fuel oil expense was \$33,000 below budget as the actual cost was \$2.03 per gallon, including hedging premiums, while the budgeted cost was \$2.09 per gallon.

Year-to-date through May, total operating revenue was down about \$594,000 versus budget, with automobile revenues down \$508,000, freight revenue up \$214,000, passenger revenue down \$273,000, parking revenue down \$13,000, and rent revenue down \$8,000. Miscellaneous income was up \$55,000 primarily due to an increase in interest income. Total operating expenses and fixed charges were around \$1,227,000 higher than budgeted. Maintenance expenses were up \$1,116,000, vessel fuel oil expense was \$216,000 below budgeted amounts (due to the actual cost per gallon averaging \$2.00, including net hedging costs, while the budgeted cost was \$2.12 per gallon), administration expenses were up \$508,000, pension expenses were up \$235,000, health expenses were down \$81,000, unemployment was up \$89,000, training was up \$120,000, and telephone expenses were up \$119,000, which Mr. Davis attributed to the move to the new administrative office building and the temporary duplication of phone lines.

After reporting that the Authority's fund balances were slightly lower than what had been budgeted for the end of May 2018, Mr. Davis noted that the Authority's upcoming bond issue should help that situation.

Ms. Tierney asked Mr. Davis if an additional column could be added to the business summary that would show the prior year's data for the same month.

Mr. Davis said the format would have to be changed because there is a lot of information on the form already, but he agreed to incorporate the changes. Mr. Murphy noted that the traffic report did include the changes compared to the same period in the prior year, but Ms. Tierney said she preferred to see the raw numbers as well, not just the changes.

Mr. Jones noted that, year-to-date, vessels made a combined 7,957 trips, a decrease of 419 trips (5.0%) from the budgeted amount. Furthermore, although 566 trips have been canceled for mechanical reasons on the Vineyard route from January to May 2018 (plus 221 canceled for weather-related issues and 121 for traffic demands), 608 unscheduled trips were added. He said that fact hardly ever gets mentioned in the press.

Woods Hole Terminal Reconstruction Project:

Mr. Davis presented an update on the Woods Hole Terminal Reconstruction Project, noting that, since the Board last discussed the matter, Jay Cashman Inc. has completed the work for the season and vacated the property. The company continues to have meetings to plan the fall construction schedule. Authority staff have also been revisiting the design of the terminal building with architect Bertaux + Iwerks<sup>1</sup> and have requested some additional design element alternatives. Authority staff expect to hear back from the firm about the changes soon, after which the design will be presented to the Port Council, the Board and the community. Mr. Davis also said the Authority's staff has been investigating if the temporary building could be used for one or more additional years, thereby extending the life for depreciation purposes and allowing the Authority to postpone the construction of the terminal building and relieve some pressure on the capital budget. An extension would also give staff more time to evaluate the traffic flow at the new terminal's site before constructing the permanent building. However, the state building inspector has indicated he would not support extending the variance on the temporary building beyond its initial timeframe. Mr. Davis further noted that keeping the temporary building operational past its expected life span would complicate future site work. Bertaux + Iwerks is also working on a "temporary permanent" solution to tents that will cover the boarding area at the boat slips to provide protection from the elements while passengers are waiting to board.

Thus far, Mr. Davis said, the Authority has paid Jay Cashman Inc. approximately \$3,000,000 toward the \$43,000,000 contract, including \$185,000 in change orders.

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<sup>1</sup> Reporter's note: Bertaux + Iwerks is now known as BIA.studio.

In response to a question from Ms. Tierney about how likely it would be to get an extension on the temporary building without the support of the state building inspector and whether there was an appeals process, Mr. Davis said the Authority could examine the possibility, but he was unsure about the inspector's specific objections. Mr. Davis further noted that extending the use of the temporary building presents its own problems, including spacing out the utility work at the site from the construction of the terminal building and the fact that, once the new slips are built, the temporary building will be even farther away from the slips than it is now.

Mr. Davis said part of the revisions to the terminal building design were to add more shelter for passengers and other visitors via the pergola that surrounds part of the building and devising some options to provide covering on the plaza planned to the building's north side.

Another issue with the temporary building is the lobby area, which is about the same size as the lobby in the former terminal building, but it is not as deep. Mr. Davis said that the smaller area has resulted in lines for the ticket windows sometimes extending out of the doors. While the situation is not as drastic as it once was at the former terminal building, when lines would extend past the Landfall Restaurant on Luscombe Avenue, it is nonetheless less than ideal. To shorten the lines at the ticket windows, ticket sellers have been stationed during peak times at the Thomas B. Landers Parking Lot to sell tickets to customers waiting to board the shuttle buses.

*M/V Martha's Vineyard Mid-Life Refurbishment:*

Mr. Davis said about five or six items remain on the punch list for the project, the most significant of which are that the embarkation doors are not weather tight as required by the specifications. A temporary workaround has been to add a trough, or a channel, to collect the water, but the doors will not be able to be replaced until the vessel goes into a repair period in the fall. Authority staff are also working on HVAC issues on board the vessel. The units nearest the lunch counter on the 02 deck failed, as did the replacement circuit boards for the devices, so the manufacturer's technician was on board in the past week working on the units. Mr. Davis said he has been told that the temperatures on board the boat have since become more tolerable. Some portable units were used in the interim, but temperatures in the lunch counter area were still over 100° F at times. Drainage from the air conditioning units was also an issue in some areas, but staff are working to replace drains that ended up being either undersized or clogged. Mr. Davis noted about \$16,500,000 has been paid toward the project cost of just under \$18,000,000, and that staff continue to work with

Senesco Marine on the project status and the open items. Staff have met with Senesco representatives and another meeting is planned for later this month.

In response to a question from Ms. Tierney regarding the payment of the rest of the contract price, Mr. Davis noted one of the issues centers on the acceptance of the vessel by the Authority and when each party feels the vessel was delivered and accepted. Mr. Davis said the Authority is contractually obligated to pay most of the remaining \$1,500,000, but a question remains as to any liquidated damages stemming from the delay of the vessel. According to the contract, mediation is an option to resolve the matter, as is a lawsuit, but Mr. Davis stated the Authority is working to settle the issue amicably with Senesco and to get the boat working in the matter required.

Mr. Jones noted that, on the June 2018 on-time performance report that was provided to the Board, there was only one trip cancelled for mechanical reasons. But Mr. Rozum clarified that the trips on that report only showed the trips that ran and, therefore, did not reflect any cancellations.

Update on the Independent Review of the SSA's Operations (Vessel Operations, Fleet Maintenance, Management Structure, Public Communication and Information Technology Systems) and Approval of the Proposed Steamship Authority Operations Review Project Plan:

Mr. Davis said, since the Board selected HMS Consulting and Technical at its June 19, 2018, meeting, the Authority has been working with HMS on a project plan, a preliminary statement of data requests, a preliminary reconnaissance schedule and preliminary information and meeting requests. Since Mr. Sayers is transitioning from full-time status to part-time status at the end of the month, Mr. Davis has asked him to serve as the point person with HMS on data collection, scheduling and follow up.

Mr. Sayers then said he has worked with HMS personnel to develop the itinerary for the consultants' site visit, which is scheduled for next week. The consultants will fly from Seattle on Monday and begin Tuesday with a kick-off meeting at the Authority's Falmouth office before taking trips to the Vineyard on Tuesday. On Wednesday, they will visit the Fairhaven Maintenance Facility and conduct more interviews, including with the U.S. Coast Guard, before returning to Woods Hole and taking another trip to the Vineyard. On Thursday they will travel to Nantucket and Friday will be left open in case anything arises during the week that requires more investigation. Mr. Sayers noted it is a full schedule, but he believes it is manageable and that it will work out.



HMS Consulting also presented staff with a draft project plan, which is subject to review of the Authority, which Mr. Sayers said has been submitted to the Board for its approval. The plan essentially conforms to HMS Consulting's initial proposal and presents an aggressive timeline, but Mr. Sayers noted the consultants have already asked for information ahead of their visit and the Authority has begun to respond to those requests.

Ms. Tierney questioned if the Board should approve the project plan in the absence of Mr. Hanover. Mr. Sayers said he would probably have to reschedule the site visits without a vote to approve the plan by the Board.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Jones – to approve the proposed project plan submitted by HMS Consulting and Technical for the Independent Review of the SSA’s Operations.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>		<b>10%</b>
<b>TOTAL</b>	<b>55 %</b>	<b>10 %</b>

Following the vote, Ms. Tierney reiterated that she felt Mr. Hanover should be present for the vote. But Mr. Ranney, in reply, stated that the Authority needed to keep moving on the project and that Mr. Hanover would want the Authority to keep moving on it as well.

Preliminary Version of the Staff’s Proposed  
2019 Summer and Fall Operating Schedules:

Mr. Davis noted that the preliminary version of the staff’s proposed schedules were being presented for discussion purposes only and that staff would present the final versions to the Port Council and the Board at each body’s September meetings. By and large, staff is not proposing any significant changes for next year from what is being operated this year, with the exception of which vessels are assigned to provide service during these time periods and the starting and ending dates for both routes. Mr. Davis further noted that the early summer schedule would start four days earlier and end one day later than in 2018 (May 15, 2019 to June 19, 2019) while the summer (June 20, 2019 to September 8, 2019), late summer (September 9, 2019 to October 23, 2019) and fall (October

24, 2019 to January 3, 2020) schedules would each start one day later and end one day later than 2018.

Other highlights of the proposed Martha's Vineyard schedules included:

- On the early summer and late summer schedules, the last daily round trip of each of the freight boats are designated as unscheduled freight trips but are available to run as needed. During this year's schedule, the trips were scheduled to run Fridays, Saturdays, Sundays and holidays, which meant the boats ran even if there was not a need to do so.
- The proposed summer schedule calls for the same number of trips and the same vessels as 2018. Mr. Davis noted that staff are still adapting to the five-boat schedule so there may be a reexamination of the times listed before the final version is brought to the Board.
- On the late summer schedule, Mr. Davis noted the *M/V Sankaty* will not be on the schedule due to the delayed replacement of its bow thrusters, so the *M/V Katama* will operate in its place.
- On the proposed fall schedule, staff is proposing no changes from 2018.

Mr. Davis then noted that staff is proposing to continue operating the 5:30 a.m. freight trip from Woods Hole on the early summer, summer and late summer operating schedules, with smaller trucks continuing to be placed on those vessels as has been done in 2018. In the proposed fall schedule, the 5:30 a.m. freight boat from Woods Hole is eliminated, and the freight boat will be berthed in Vineyard Haven with its first trip off-island at 5:30 a.m.

On the proposed early summer schedule on the Nantucket route, staff is proposing to schedule a third round trip for the *M/V Sankaty* Mondays through Fridays instead of having the trip as an unscheduled freight trip. This year the trip ended up being used more often than not, so it made sense to add it to the schedule, Mr. Davis said. The schedule has all three vessels triple-crewed for six days from May 24, 2019, through May 29, 2019, for Memorial Day weekend, but it may not be necessary to provide all those trips.

No changes are proposed for the proposed summer schedule on the Nantucket route. But on the late summer schedule, Mr. Davis said staff is proposing to defer whether to assign a single crew or two single crews to the *M/V Gay Head* until it becomes clear what the demand for freight reservations is at that time of year. No changes are proposed for the fall schedule. In regards to the high-speed service, other than starting one day later and ending one day later, no changes are proposed.

Mr. Davis said the schedules will be advertised in the local newspapers and on the Authority's website to solicit public comment, and staff anticipates returning to the Port Council and Board for their approval in September.

Mr. Jones then asked Mr. Davis to check that the proposed schedules are in line with the Authority's service agreement with the Town of Barnstable.

Update on the Connection Between the Last Daily Bus Arrival at Woods Hole (scheduled for 9:30 p.m.) and the Last Daily Boat Departure to Martha's Vineyard (scheduled for 9:45 p.m.):

Mr. Davis said the Authority has long enjoyed a good working relationship with the company once known as Bonanza Bus Co. and now known as Peter Pan Bus Lines for arranging for the last passengers on the bus for Woods Hole to catch the Authority's last trip to the Vineyard. Improvements can be made, however, and Mr. Davis highlighted one such issue when Authority staff had heard nothing from Peter Pan regarding its last bus from Boston. Staff let the boat depart at 9:45 p.m. and the bus pulled in roughly five minutes later. The bus driver tried to call the Authority, but the driver did not have the correct number to make the call. In this instance, several college students were on board the bus and, due to their age, had difficulty securing lodging for the night.

To minimize these instances from reoccurring, Mr. Davis said the Woods Hole terminal agents now have Peter Pan's GPS app on their mobile telephones so they can check the status of the bus's location. Furthermore, if the bus has not arrived by 9:40 p.m., the terminal agents have been instructed to call Peter Pan to confirm the bus's status and location.

Mr. Davis noted that the 9:45 p.m. boat is the same vessel scheduled to leave the island at 6:00 a.m. the following morning. The schedule is designed to allow 45 minutes for the crossing, approximately 30 minutes to unload the vessel and shut it down, which then provides the crew with their required six hours of rest before beginning the one-hour startup procedures the following morning. A late night departure for the vessel can cause a ripple effect on its first scheduled trip the next morning. Mr. Davis said that under the present circumstances, there will be some instances in which the boat cannot be held for Peter Pan passengers, but the Authority is trying to take a more proactive approach. Mr. Davis also noted staff are in discussions with local lodging houses to find accommodations for underage guests who may miss the bus in the future.

M/V Martha's Vineyard Surplus Steering Stand

During the midlife refurbishment of the *M/V Martha's Vineyard*, Mr. Davis said the steering stand from the vessel's pilot house was among the equipment that was removed. It has since been determined to be obsolete to meet the Authority's needs. Therefore, in accordance with the Authority's Procurement Policy, Part B, Chapter III, Section 7 (Disposal for Less than Fair Market Value), staff is requesting that the Board declare the steering stand as surplus property. Furthermore, the State University of New York has the same steering stand on the *T/S Empire State VII*, and would find use for the stand as a spare.

**IT WAS VOTED – upon Mr. Jones' motion, seconded by Ms. Tierney – to authorize the General Manager to declare the *M/V Martha's Vineyard* steering stand as surplus property in accordance with the Authority's Procurement Policy and transfer the property to the SUNY Maritime College of Bronx, New York, as proposed by management in Staff Summary #E 2018-09, dated July 12, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<u>        </u>
<b>TOTAL</b>	<b>65 %</b>	<b>0 %</b>

Proposed reconsideration of the Update on the Independent Review of the SSA's Operations:

Ms. Tierney then requested to return to the discussion and subsequent vote to approve the project plan submitted by HMS Consulting and Technical. Ms. Tierney noted the Board's agenda made no mention of a vote being taken and that, in her opinion, it was inappropriate for the Board to vote without notification to the public and Mr. Hanover. She asked the Board to reconsider its vote, even if it required calling a special meeting, in light of the review coming in large part of the Vineyard's dissatisfaction with the Authority's service and operations in March and April.

Mr. Sayers noted that, via email, he notified the Board members over the weekend he would be asking for a vote and that Mr. Hanover was included in that email. Mr. Sayers further noted that the meeting notice was updated on the

Authority's website on July 16, 2018. Ms. Tierney said she did not believe that was sufficient and that she did not recall getting an email from Mr. Sayers. Furthermore, Ms. Tierney said she felt it was too important a project to not have participation from the Vineyard representative given the public's response at the Board's meeting at the Martha's Vineyard Performing Arts Center on May 15, 2018 and that, even if it required calling a special meeting, she would like the Board to reconsider its vote.

Ms. Gladfelter then asked why the Board needed to approve the plan at all given that it came from the proposal that HMS Consulting submitted when the Board picked them at its meeting on June 19, 2018. Mr. Sayers said he could have approved the plan, but he felt it was appropriate for the Board to approve it. Mr. Sayers asked if any of the Board Members had an issue with the plan; Ms. Tierney responded that, given Mr. Sayers and Mr. Parent are serving as the point people for the consultants, she felt a "boat person" should be present at any and all meetings with the consultants. Mr. Sayers clarified that neither he nor Mr. Parent would be present at these meetings; rather, since they are the only two staff members who do not supervise any employees, Messrs. Sayers and Parent would work to assure employees they could say whatever they wanted to in their discussions with HMS Consulting without fear of retaliation. In addition, Mr. Sayers said the union representative has been given the schedule and has been invited to accompany the consultants.

Ms. Tierney stated she felt a boat representative needed to be present for the introductions to assure the employees they could speak freely, and Mr. Sayers said that would have to be negotiated with the union and that it is up to them if they want someone there and, if so, who it would be. Ms. Tierney asked if the union representative had responded to the request yet. When Mr. Sayers indicated they had not, Ms. Tierney asked what the plan was to have a boat representative present every time Messrs. Sayers and Parent appeared on the HMS Consulting schedule. Mr. Sayers said they could not be certain that would happen, but that he would call the union today to discuss the matter.

Mr. Jones noted he received the email, read it and reviewed it and had no issues with it. He felt Mr. Sayers could approve the plan himself and that he would not change his vote on the matter since he did not feel anyone's toes were being stepped on and he wanted to continue on with the matter. Mr. Jones noted that Mr. Hanover could have called in, but circumstances apparently did not allow for that and the Board needed to meet regardless.

Mr. Sayers then noted that he was not aware of any concerns from Mr. Hanover on the schedule. Ms. Tierney noted that Mr. Sayers said he provided the Board Members with the schedule on Sunday and it was now Tuesday and

it would have been nice to hear from Mr. Hanover since he was the impetus for the project.

Mr. Ranney noted that the plan was consistent with what HMS Consulting had submitted in its proposal for the review and he had no problem approving it. Ms. Gladfelter then said she recalled Mr. Hanover turning to her at the previous meeting and saying that, while Ms. Gladfelter wanted to know how the consultants will do their work, he wanted to know what they would find. Ms. Gladfelter said she believed Mr. Hanover was less concerned with the process than the results. Ms. Gladfelter then suggested that the administration send a letter to employees stressing that the review is something everyone has a stake in and can make the Authority better. Mr. Sayers said such a letter was going out later today, and Mr. Davis noted the letter would stress the desire for open, free discussions.

#### Transfer of Bond Redemption Funds to the Replacement Fund

Mr. Murphy asked the Board to authorize the Treasurer to transfer \$14,000,000 from the Bond Redemption Account to the Authority's Replacement Fund. Mr. Murphy noted that the Authority's enabling legislation allows for the transfer of funds from the Bond Redemption Account to its Replacement Fund or Capital Improvement Fund for projects that would otherwise be paid with bond receipts.

Mr. Murphy noted a \$12,000,000 transfer was anticipated in the capital budget approved by the Board in February but, while reviewing the most recent project cost estimates, staff felt it was more appropriate to ask for a \$14,000,000 transfer. The Bond Redemption Account has a little over \$14,800,000 in it, so the transfer would leave just under \$1,000,000 in the account if the transfer is approved.

In response to a question from Mr. Jones, Mr. Murphy said the capital budget assumed the proceeds from the planned August 2018 bond sale would go to the Capital Improvement Fund to fund the Woods Hole terminal project, specifically payments to Jay Cashman Inc. In addition, staff anticipated having to do a transfer to fund projects other than the Woods Hole terminal project.

Mr. Davis then noted that, approximately 20 to 25 years ago, the Board voted to adopt a policy to limit the transfers into the Replacement Fund each year to the amount of the prior year's depreciation. Any funds beyond that go to the Reserve Fund and the Bond Redemption Account. At the time, the Bond Redemption Account could only be used to redeem outstanding bonds, but the enabling act was later amended to allow for the Bond Redemption Account funds

to be used to redeem outstanding bonds or to be used in lieu of issuing new bonds for projects.

Mr. Jones asked if the policy relating to linking the fund transfer limits into the Replacement Fund to the prior year's depreciation costs was wise given the increased costs of the new projects the Authority was undertaking. Mr. Davis said he might feel differently had the Enabling Act not been modified to allow for use of Bond Redemption Account funds in this manner, but he did not find fault in the policy at this time.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Ms. Tierney – to authorize the Treasurer to transfer \$14,000,000 from the Bond Redemption Account to the Replacement Fund, as proposed by management in Staff Summary #A-627, dated July 12, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>65 %</b>	<b>0 %</b>

Request for Authorization to Purchase Equipment  
for 2018 MIS CIP – Web Environment Upgrade

Mr. Davis stated that the 2018 Capital Budget includes a project to upgrade the Authority's web environment, totaling \$535,000, and that the staff was asking the Board to approve a state contract with IntraSystems Inc. of Braintree, Massachusetts, totaling \$156,751, pursuant to which the Authority would purchase the firewall components and associated services for the project.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Jones – to authorize the General Manger to purchase firewall components for the 2018 MIS Capital Improvement Project, Web Environment Upgrade, at the cost of \$156,751, as proposed in Staff Summary #MIS 1-2018, dated June 11, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>65 %</b>	<b>0 %</b>

Port Council's Report on Its July 5, 2018 meeting

Mr. Huss reported that, at their meeting earlier in the month, the Port Council members had discussed most of what the Board members had discussed during their meeting today. Specifically:

- When the Authority would break even this year, and Mr. Murphy said it would likely be the first week of August, but hopefully the last week of July.
- Why the Authority needed new bow thruster motors on board the *M/V Island Home*; the reason was some of the equipment was obsolete.
- A review of various projects, including a discussion on obtaining a variance to extend the life of the temporary building in Woods Hole.
- The ongoing problems with the *M/V Martha's Vineyard*, specifically the problems with the HVAC system.
- Whether the off-season rates for island residents could start the Wednesday after Labor Day rather than waiting for a specific date since most island residents are trying to get off-island to get their work done.

In response to a question from Ms. Gladfelter about the excursion rate, Mr. Davis said staff would look at lowering the excursion rate sooner after Labor Day, but space demand is still very high at that time of year.

Performance Evaluation of the General Manger

Mr. Ranney suggested, with the Board's concurrence, that this item be held off until the next meeting to allow Mr. Hanover to participate.



Retirement of Captain Bruce Malenfant

Mr. Davis recognized the recent retirement of longtime Authority employee Captain Bruce Malenfant, a Nantucket resident, who started with the Authority in the fall of 1977 as a vessel employee. Mr. Davis wished Captain Malenfant well in his retirement.

Mr. Jones recommended that the Board send Captain Malenfant a letter recognizing his years of service and that, going forward, it do the same for other longtime employees.

**IT WAS VOTED – upon Mr. Jones’ motion, seconded by Ms. Tierney – to have, going forward, the Authority Board recognize retiring employees who had spent a career with the Steamship Authority.<sup>2</sup>**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>65 %</b>	<b>0 %</b>

Public Comment

Janet Schulte, Director of Culture and Tourism for the Town of Nantucket, asked if the study would include passengers. Mr. Davis replied not only would HMS Consulting employees interview Authority staff, employees, the Board Members and Port Council, but passengers as well.

Phil Gallagher of Nantucket stated that practically every time there have been difficulties in getting boats from Hyannis to the island, Mr. Davis shows up on the first boat to represent the Authority on the island. Mr. Gallagher said he appreciated that Mr. Davis was present during those times.

Then, at approximately 10:48 a.m., Mr. Ranney entertained a motion to go into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on June 12, 2018; to consider the purchase, lease and value of real property; and to discuss the Authority’s strategy with respect to collective bargaining matters, because a public discussion of these matters

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<sup>2</sup> Reporter’s note: The matter was not reasonably anticipated by the chair prior to the vote.

may have a detrimental effect on the Authority's negotiating and bargaining positions. After announcing that these matters included:

- Potential Exercise of an Option to Renew the Authority's Lease for 3.55 Acres of Land at the Martha's Vineyard Airport; and
- Negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Service Department employees;

Mr. Ranney stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Mr. Ranney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED – upon Mr. Jones' motion, seconded by Ms. Gladfelter – to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on June 12, 2018; to consider the purchase, lease and value of real property; and to discuss the Authority's strategy with respect to collective bargaining matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>65 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**Documents and Exhibits Used at the  
July 17, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. July 17, 2018 Meeting Memorandum, dated July 12, 2018.
2. Video and Audio Recording Announcement.
3. Minutes of the June 12, 2018 Meeting in Public Session (draft).
4. Minutes of the June 19, 2018 Meeting in Public Session (draft).
5. Business Summary for the Month of May 2018.
6. On-Time Performance Reports for June 2018 for the Vineyard Haven, Oak Bluffs, Woods Hole, Nantucket and Hyannis Terminals.
7. Steamship Authority Operations Review Project Plan 2018 (Draft) prepared by HMS Consulting and Technical.
8. Schedule of Planned Activities SSA Site Visit (Draft) prepared by HMS Consulting and Technical.
9. Staff Summary #OPER 2018-3, dated July 11, 2018, Preliminary Version of Proposed 2019 Summer and Fall Operating Schedules.
10. Staff Summary #E 2018-06, dated July 12, 2018, *M/V Martha's Vineyard* Surplus Steering Stand.
11. Staff Summary #A-627, dated July 12, 2018, Transfer of Bond Redemption Funds to the Replacement Fund.
12. Staff summary #MIS 1-2018, dated June 11, 2018, Request for Authorization to Purchase Equipment for 2018 MIS CIP – Web Environ. Upgrade.
13. Minutes of the Port Council's July 5, 2018 Meeting (draft).
14. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**August 28, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 28th day of August, 2018, beginning at 10 a.m., in the Harbor View Gallery Room of the New Bedford Whaling Museum, located at 18 Johnny Cake Hill, New Bedford, Massachusetts. Five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council members Edward C. Anthes-Washburn of New Bedford and George J. Balco of Tisbury were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Reservations and Customer Relations Manager Gina L. Barboza; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh; Director of Human Resources Phillip J. Parent; Operations Manager Mark K. Rozum; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that Steve Baty of All Media Productions was taking a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV. Making audio recordings of the meeting were Louisa Hufstader of the Vineyard Gazette and Rich Saltzberg of the Martha's Vineyard Times.

Recognition of Public Officials:

Mr. Ranney recognized Dukes County Commissioner Leon Brathwaite and New Bedford Mayor Jonathan F. Mitchell in the audience and invited Mayor Mitchell to provide some remarks.

After providing Members with copies of his recent State of the City address, delivered March 8, 2018, as well as a copy of the Port of New Bedford's 2018-2023 Strategic Plan, Mayor Mitchell welcomed the Members and attendees to New Bedford and thanked Ms. Tierney for her service and for adding a tremendous value to New Bedford's representation on the Board.

Mayor Mitchell said it is an exciting time in New Bedford, with the port experiencing tremendous growth in a variety of sectors. Specifically, the mayor said New Bedford is the largest commercial fishing port in the United States and noted that the next-largest port in terms of annual landings on the East Coast does a fifth of the landings compared to New Bedford. The port's market share in the commercial fishing industry is growing, with a 67% increase in out-of-state vessels landing there in the last three years. The port is also poised to become a launching pad for the American offshore wind industry and the staging area for the Vineyard Wind wind farm, the largest private investment in state history. Recreational boating is also expanding, cargo tonnage is up and ferry service, specifically the Seastreak service from New Bedford to Martha's Vineyard and Nantucket, does very well.

In closing, Mayor Mitchell thanked the Members and the Authority for their partnership and said he was looking forward to continuing to work with the Authority on the next stages of studying freight service to and from New Bedford.

Minutes:

**IT WAS VOTED – upon Ms. Gladfelter's motion, seconded by Ms. Tierney – to approve the minutes of the Members' meeting in public session on July 17, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b><u>10 %</u></b>	<b>_____</b>
<b>TOTAL</b>	<b>65 %</b>	<b>0 %</b>

Mr. Hanover abstained from voting on the motion.

Results of Operations:

Mr. Davis summarized the results of the Authority's operations for June 2018, as set forth in a business summary for that month that had been provided to the Members and the public. Mr. Davis reported that the Authority had carried more passengers (up 1.7%)<sup>1</sup>, more automobiles (up 0.1%) and fewer trucks (down 0.6%) during the month than it had carried during the same month in 2017, and that the Authority had parked fewer cars that month (down 0.8%) than it did in June 2017. Mr. Davis further noted that the passenger comparisons to June 2017 were affected by the loss of the *M/V Iyanough* during part of the month. In the first six months of the year, the Authority had carried fewer passengers (down 2.1%), automobiles (down 3.4%) and trucks (down 1.7%) than it did in the same period of 2017. The numbers of cars parked during that timeframe was down 1.0%.

Mr. Davis also reported that, for the month of June, the Authority's net operating income was around \$3,374,000, which was \$655,000 below budget. Total income was around \$12,535,000, around \$255,000 lower than budget. Total expenses were \$9,161,000, or \$400,000 higher than budget. Year-to-date operating revenues and other income were down \$849,000 compared to the budgeted amount and operating expenses and fixed charges were \$1,627,000 higher than anticipated. Mr. Davis further noted that the fund balances were slightly behind budget but that the 2018 Series A bond issue should help matters.

Mr. Jones noted that, with the inclusion of the additional information requested by Ms. Tierney (the prior year's data for the same month and time periods), the business summary presentation was so tight and the font so small that it was hard to read, particularly on a paper. He suggested that the report be produced in a landscape format and that the font be increased to a more comfortable reading level.

Ms. Gladfelter further noted that she had once asked a question about the number of cars parked at the Authority's lots and the average number of days each car was parked and, in response, that information had been added to the business summary. Over the last years, the figure had been two (2) on each report, so she suggested it could be removed, knowing that the information was available if it was needed. In response to both Mr. Jones and Ms. Gladfelter, Mr. Davis noted that staff would review the report to make it more readable in the future.

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<sup>1</sup> Reporter's note: During the meeting, Mr. Davis mistakenly reported that passenger traffic was down 1.7%.

Woods Hole Terminal Reconstruction Project:

Mr. Davis presented an update on the Woods Hole Terminal Reconstruction Project, noting that it had been just over a year since the Board was last presented with a report on the design of the terminal building. Since then, Authority staff have been revisiting the design of the terminal building with architect BIA.studio. Staff also investigated if the temporary building could be used for one or more additional years, thereby extending the life for depreciation purposes and allowing the Authority to postpone the construction of the terminal building and relieve some pressure on the capital budget, but the state building inspector has indicated he would not support extending the variance on the temporary building beyond its initial timeframe. Keeping the temporary terminal in place would also complicate site work that needed to be done as part of the project. Mr. Davis noted that, later in the meeting, staff would be asking for approval of a contract to install a tent structure at the terminal slips that would replace the temporary tent now in place at the passenger queuing area.

Mr. Chris Iwerks, principal at BIA.studio, presented an update on the schematic designs at the terminal site. The tent structure, as Mr. Davis noted, will be comprised of two tents in an “L” shape that will be placed in front of the passenger ramps in between current Slip #1 and Slip #2. Mr. Iwerks reviewed the site and traffic circulation plans, which he said are largely unchanged since the Members last saw it. The bus lanes sit directly between the vehicle staging area and the terminal building, which is about 100 feet back from the front edge of the transfer bridges, and the bulkheads will sit about 70 feet further out than it does today.

Mr. Iwerks said the plan for the building had not changed much in the preceding year. He noted the elevations around the terminal site would be raised overall as part of the project, with the floor of the new terminal building about 6½ feet higher than the current site.

Mr. Lian Davis with BIA.studio then reviewed the building plan, including some of the refinements made to the design in the last year. He noted that, last year, Members were shown a variety of options for the terminal design and that, through discussions with staff, it was determined the primary shape of the building continues to be a saltbox wrapped with a wood pergola on three sides. The building will sit 30 inches above the plaza, he said, with a series of steps and ramps leading from the plaza to a terrace underneath the pergola outside the building. An air curtain will be used at the entrances to protect the interior from the elements, and glass screen walls on the patio will provide additional protection from the wind.

Mr. (Lian) Davis also reviewed the seasonal shading that will be located in the plaza to the building's north via interconnected commercial umbrellas, each rated for high-wind environments and measuring sixteen (16) feet by sixteen (16) feet, that will be inserted in in-ground slots and deployed mostly at peak season. One of the umbrellas will be a different color to give boat personnel a place to offload luggage at a site passengers can easily find.

In response to a question from Ms. Gladfelter, who noted the traffic was exiting across the Shining Sea Bike Path onto Railroad Avenue, Mr. Iwerks said the exit was a "broad exit" that would accommodate cars, trucks and buses out of the site and that the vehicular traffic path would be clearly delineated along the bike path. Furthermore, vehicles could exit via Cowdry Road depending on operational needs at the time.

Ms. Gladfelter further noted the large amount of glass in the design and asked about the height of the glass screens in front of the sliding doors. Mr. Iwerks said the screens would run to the underside of the wood pergola to provide maximum protection from the wind. Ms. Gladfelter also asked about the maintenance needs to keep the glass clean. In response, Mr. Davis said staff would address how to handle the maintenance of those surfaces. Ms. Gladfelter also asked that some thought be given to letting visitors know there is a glass barrier present so they do not accidentally walk into it.

Mr. Jones noted the distance passengers would have to traverse to get between the buildings and the ships and that, if it were pouring rain or snowing, they will have to endure the elements. If money was no object, he said he would have preferred tunneled escalators or something to keep people out of the elements. In response, Mr. Iwerks noted he had been working on the project since 2013 and had examined many solutions to get passengers from the bus drop-off lanes to the vessels without going outside. One option, Option C, included such a solution but was not favored by the community. He further noted that, no matter what solution was found, some aspect of the design would not be completely optimized and, given the site, this design was the best solution all around. It will not solve every problem, he said, but it will solve a lot of them. Mr. Davis also noted that some of the traffic flow issues will be addressed by the terminal's operations, including determining which slip each vessel uses and how vehicles exit the site.

Mr. Hanover asked where on the terminal site passengers could be picked up and dropped off, and Mr. Iwerks pointed out the short-term parking and the innermost traffic lane at the drop-off site, which will be reserved for cars, including taxis. Mr. Iwerks also noted that the design would also have to take



into account the new popularity of rideshare services and where those vehicles could wait for passengers.

Mr. Davis then noted that work will resume at the site shortly after Labor Day weekend. The Authority will restart its community emails and will also be monitoring for vibration at the properties immediately adjacent to the terminal while the pile driving is ongoing.

Update on the Independent Review of the SSA's Operations (Vessel Operations, Fleet Maintenance, Management Structure, Public Communication and Information Technology Systems):

Mr. Davis updated the Board on the independent review of the Authority's operations by HMS Consulting and Technical, Glostten Associates and Rigor Analytics. Personnel from all three companies visited the Authority the week of July 23, 2018, and Mr. Davis subsequently flew to Seattle to meet with HMS personnel. The consultants are now working on a draft of their "root cause analysis" and a video conference is scheduled for early September to give Authority staff the opportunity to correct or clarify some of the findings. The video conference will be mostly technical in nature and correcting material inaccuracies, not conclusions. From there, Mr. Davis said, HMS will assemble its findings and recommendations, although a second conference call may be needed for Rigor Analytics' work on the communications and information technology components of the study.

Mr. Davis said HMS expected to have its report issued in October, and as the process moved forward he would have a better idea of the date it would be released and how to best present the report. In response to a question from Mr. Hanover, Mr. Davis said HMS would issue one report that would cover all five areas of the review (vessel operations, fleet maintenance, management structure, public communications and IT systems).

Approval of the Reinstatement of the  
10-ride Ferry Pass Card with Embarkation Fee:

Mr. Davis reminded the Members that, at the February 10, 2018 meeting, they had supported staff's earlier request to limit the use of the coupons from the RFID cards to one passenger per trip, which led to the creation of the Lifeline Cards and the phasing out of the 10-ride Ferry Pass Cards. The change was made following discussions with the Massachusetts Department of Revenue, which indicated that allowing multiple passengers to use a single card likely

violated the state's Passenger Embarkation Fee Statute, which requires the Authority to collect an embarkation fee of fifty cents (\$0.50) per passenger ticket.

When the embarkation fee statute was passed in 2003, commuter excursion fares – any fare paid for through the purchase of a book of multiple tickets or through the Authority's Islands Preferred Excursion Program – were exempt from the fee. At the time, Mr. Davis said, the Legislature did not restrict the number of tickets that exempt passengers could use at one time because ferry operations, including the Authority, were not allowing customers to use more than one ticket from a ticket book on a single trip. Changes to the Authority's policy in 2007, however, allowed for multiple tickets from a book to be used per trip.

Subsequently, at the March 20, 2018 meeting, the Members approved changes to the sale of the multi-ride ticket books or RFID cards for travel on the Authority's traditional ferries. The changes included reducing the minimum number of tickets sold in books or RFID cards, which were renamed Lifeline Cards, to five (5) per card sold or minimum reload.

To address concerns from customers, Mr. Davis said staff is recommending reinstating the original 10-ride Ferry Pass Cards that allowed customers to use multiple coupons per trip from the same card for travel on the Authority's traditional ferries at their previous prices plus the corresponding \$5.00 embarkation fee (\$0.50 per ticket). Staff is also recommending only selling the 10-ride RFID cards at the Nantucket, Oak Bluffs and Vineyard Haven terminals to reduce the usage of the cards by one-time travelers. Once purchased, the 10-ride cards would be able to be reloaded in person at any of the Authority's ticket offices or online.

Mr. Davis noted the Port Council, at its August 15, 2018, meeting, voted to recommend to the Authority's Board that 10-ride "FerryPass Cards" be reinstated at the previously approved rates with the inclusion of the passenger embarkation fee of fifty cents (\$0.50) per passenger ticket as presented by management.

Mr. Jones asked why the sale of the Ferry Pass Cards were limited to on-island locations and if commuters were not eligible for such a book. In response, Mr. Davis said commuters would be eligible to buy either a Lifeline Card without the embarkation fee, a 46-ride RFID card or a Ferry Pass Card on-island. Mr. Davis noted that, with the RFID cards, staff had recognized that ticket sellers, in an attempt to save customers money, were offering the multi-ride cards to one-time visitors traveling in a group. The sale of the cards in that manner was undermining the cost structure of the Authority's fares and was affecting the

port communities, which would benefit from the broader collection of embarkation fees.

Ms. Gladfelter said she knew of people in Falmouth who regularly travel to the Vineyard and who may travel in groups and would make use of the Ferry Pass Cards, so she recommended that the cards be available in the Barnstable and Falmouth terminals. Mr. Davis noted that the intent of the 10-ride card was to help frequent travelers save money on their passage and preserve the benefit for commuters and the islanders.

Mr. Brathwaite asked if the senior cards would be able to be reactivated as part of the proposal, and Mr. Davis indicated they would. Mr. Brathwaite further noted that the No. 1 complaint about the Lifeline Cards was for a family having to carry multiple cards per trip and that he saw no difference between a person buying it on the island or off the island since the correct embarkation fees would be collected. Mr. Davis replied that the issue was not the embarkation fee, but the 14% discount on the fares that were intended for frequent travelers. Mr. Braithwaite said many people would not mind paying full price for the card in exchange for the convenience of having one card per family traveling.

Mr. Hanover asked if the Authority has a card that already does that, and Mr. Davis replied that the Lifeline Card offers the discount, but it does not include the embarkation fee and is limited to one use per trip. If, for a convenience factor, the staff should consider a 10-ride card that has no discount and includes the embarkation fee, then staff could consider that going forward.

Ms. Gladfelter asked Mr. Rozum how soon the Authority would be able to offer mobile ticketing as an added convenience factor. Mr. Davis replied on Mr. Rozum's behalf, noting that one of his proposed goals was to offer mobile ticketing on the traditional ferries as well as the fast ferry. Authority staff have logistical issues to work out with such a service to ensure it is able to perform when introduced, but the goal was to offer the mobile ticketing hopefully by the end of the year.

Mr. Jones asked what the discount was per ticket on the 10-ride cards, and Mr. Davis noted the 10-ride RFID card offered a 14% savings on the Vineyard route and 13.75% savings on the Nantucket route compared to buying the tickets individually.

Ms. Gladfelter said that, before she served on the Board, she would occasionally purchase multiple tickets for groups going to the Vineyard and that the Authority's ticket seller would sell her a book to help save money. She asked

if ticket sellers could be instructed do so only for people who ask for the 10-ride book and not offer it proactively.

Mr. Hanover said the point was that the Authority did not have to come up with \$45,000 to pay for embarkation fees it should have collected, so the question was now if it wanted to offer a 14% discount to people traveling from Falmouth or Hyannis when the card was intended for islanders and commuters. Ms. Gladfelter asked Mr. Hanover what his definition of a commuter was, using the example of a Woods Hole Oceanographic Institution scientist traveling to the Vineyard with three lab technicians once a month for a project. Mr. Hanover replied he would not consider those individuals to be a commuter.

Mr. Davis said that ticket sellers would often try to find the lowest prevailing fare for a customer and noted that some discounts, such as the senior discount, required a customer show proof of residency to be eligible. He said the 10-ride card could have a similar requirement, although it would add to the transaction times for those passengers attempting to buy one.

Mr. Hanover said that, if a passenger is a “real” commuter, buying a 10-ride card on the island is not an issue. Ms. Gladfelter said it was not an issue for anyone, except that it was discriminating against those who live in a mainland community. Mr. Hanover disagreed and said it was not discriminatory to make passengers pay their fair share. Ms. Gladfelter said she did not feel it was fair to exclude those from other communities from buying the card.

Mr. Jones said the sale of the card should be equitable on both sides of the routes and that one should not have to travel to the Vineyard to buy the Ferry Pass Card. He said he knows of many people who commute to the Vineyard and that they should be able to buy the card at whatever terminal they choose.

Ms. Gladfelter said the issue was not initially presented as one to benefit commuters but to restore the convenience of not having to carry one card per person in, for example, a family with two parents and five children. Ms. Gladfelter said she suggested the Board wait on the vote for another month to allow management to readdress the issue. Mr. Davis noted that staff had considered offering a 10-ride card with the embarkation fee but at a lesser discount, noting that frequent travelers could avail themselves of either the 46-ride card or the Lifeline Card. However, the staff decided not to change the practice of the last several years and alter the discount rate while being cognizant of the fact that people were using the 10-ride cards in a manner not originally intended by the Authority, noting the example of one group of 46 people who loaded up a card once, traveled once and never again.

Mr. Braithwaite asked how much the Authority would lose in income by offering the 14% discount, noting that, if the figure were less than approximately \$50,000, it should offer the cards as a service to the citizens. Ms. Tierney asked if, under the Authority’s Enabling Act, there was any advantage to be had to commuters to the communities it serves and if they should receive a different rate. Ms. Gladfelter noted those options already existed and that the issue was not about commuters but rather about convenience and how much of a discount would be offered. Ms. Tierney said whatever the Authority does, it needs to be transparent about its rates and what is available to islanders and commuters. Mr. Hanover said he would like to see numbers on how much the 14% discount represented and how much lesser amounts of discounts would take off a ticket purchase price.

**IT WAS VOTED – upon Mr. Jones’ motion, seconded by Mr. Hanover – to table consideration of the reinstatement of the 10-ride Ferry Pass Cards with embarkation fees, as set forth in Staff Summary #OPER-2018-4, for one month to allow staff to consider the Members’ comments and incorporate them into their recommendation.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

2017 Vehicle Occupancy Report:

Mr. Davis provided the Members with a revised 2017 Vehicle Occupancy Report showing monthly data by route as opposed to an earlier version that was prepared using data by vessel. Mr. Davis noted that the revision was at the request of Ms. Gladfelter who, at the June 12, 2018 meeting, asked for the information when staff presented the 2017 Analysis of Rates Versus Cost of Service study (Staff Summary A-624, dated May 1, 2018).

Mr. Davis said on the Martha’s Vineyard route, vehicle deck occupancy for both directions combined in 2017 averaged 81.2% overall, with a low of 72.6% occupancy in January and a high of 88.5% in July. On the Nantucket route,

vehicle deck occupancy for both directions combined in 2017 averaged 85.6% overall, with a low of 81.3% occupancy in April and a high of 90.5% in August.

Mr. Davis further noted that, since that initial presentation, a question arose about moving the excursion fares closer to Labor Day in order to fill a perception of empty space. The 2017 daily vehicle occupancy by routes for September and October illustrate some of the seasonality of demand. For example, in September 2017, vehicle occupancy on the Martha's Vineyard route heading on the island averaged 77.1%, while off-island vehicle occupancy averaged 89.4% for the month. Likewise, on the Nantucket route in September 2017, vehicle occupancy on-island averaged 75.0%, while off-island vehicle occupancy averaged 97.1% for the month. The occupancy rates are even higher during the first 10 days of September, so moving the rate change closer to Labor Day would offer residents false hope of availability as the boats remain quite busy through the month.

Update on Potential Operations for  
New Bedford Freight Service By a Private Operator:

Although there have been no recent developments on the matter, given the fact that the Board was meeting in New Bedford, Mr. Davis said he felt it was appropriate to put the matter on the agenda.

As was reported in the spring, Authority staff had a meeting with State Senator Viriato deMacedo and members of the Southeastern Massachusetts Regional Transportation (SMART) group, in which staff discussed some of the challenges of starting a freight ferry service between New Bedford and Martha's Vineyard. Staff also reviewed the recent report issued by the New Bedford Port Authority that indicates that it would prefer to have any freight ferry facility located at the city's North Terminal. The facility is north of the New Bedford-Fairhaven Bridge, which has been deemed to be functionally obsolete and needs either to be repaired at an estimated cost of \$40,000,000 or be replaced at an estimated cost of \$100,000,000. Nevertheless, staff assured Senator deMacedo that the Steamship Authority is willing to continue to explore the feasibility of such a freight service that makes sense for both New Bedford and the islands and will listen to all interested parties on this matter.

Mr. Davis said staff also understands that the City of New Bedford would like the State Pier to be used for other purposes, and the development of the North Terminal could be years away. The staff has also met with a representative from MassDevelopment, which has taken over management of the New Bedford State Pier and is still evaluating its current and potential uses. Staff believes that

MassDevelopment understands that the Steamship Authority is interested in exploring options for a freight ferry service by a private carrier from the State Pier, but MassDevelopment first has to determine what the best uses are for the pier.

Earlier this month, Governor Charlie Baker signed Senator Mark C. Montigny's State Pier language into law as part of the most recent economic development bill, H4732. Amendment #299, filed by Sen. Montigny, authorizes the Commonwealth to lease the State Pier to MassDevelopment for up to 35 years for public purposes, including mixed-use development that permits an array of projects such as cargo, commercial fishing, marine educational facilities, fresh produce and fish markets, and capital improvements related to tourism and public recreation.

Senator Montigny and Mayor Mitchell have been tireless advocates of restoring and redeveloping State Pier into a multi-use facility for cargo, fishing and marine transportation, Mr. Davis said. These improvements within the port of New Bedford will further tourism, public recreation and other economic development and the Steamship Authority wants to be respectful of these efforts.

In response to a question from Mr. Hanover, Mr. Davis said he believed the economic development bill included a \$25,000,000 earmark as well as the leasing language for the State Pier.

Update on the Authority's Price Hedging Program:

Mr. Murphy provided an update on the Authority's Commodity Price Hedging Program, which was established following the volatility in the energy markets in 2008. Over the 10 years of the program, the Authority has hedged just over 26,800,000 gallons of fuel at a cost of just under \$5,000,000. Given the number of instances in which the Authority has been "in the money" that the program has served to provide stability in the face of volatility in those markets. This year, Mr. Murphy said, the Authority has been "in the money" quite a bit and the program has been successful in limiting its exposure. Since the program's inception, the Authority has purchased six hundred eight (608) options and been "in the money" for two hundred fifth-seven (257) of them.

Mr. Jones noted that the payout return over the years has been roughly \$2,600,000 at a cost of \$4,900,000 and he wondered how, if the Authority did not hedge its fuel costs and dealt with the markets, it would fare in the market given that the fuel costs have traditionally been under the hedge price. He further

noted that many of the Authority's projects have overages that dwarf its fuel costs and the Authority absorbs those without fail.

In response, Mr. Balco likened the hedging program to car insurance in that it eliminates uncertainty from the Authority's budgeting process and adds stability to a very large part of its cost structure. In some years, it costs the Authority money while in other years it has made money, so it ends up that the Authority gets more use out of it than it might on car insurance.

Request for Authorization to Award Contract #07-2017,  
Dry-Dock and Overhaul Services for the *M/V Eagle*:

Mr. Davis said the *M/V Eagle* was scheduled for dry-dock and overhaul from October 23, 2018, to December 8, 2018. The lowest eligible and responsible bidder, Thames Shipyard and Repair Company of New London, Connecticut, submitted a bid of \$1,637,917, nearly double the \$840,000 budgeted for the project in the operating budget and \$110,000 in the Capital Budget for purchase and installation of a new rescue boat davit. Several items in the bid came in higher than expected, including painting and steel replacement. Mr. Davis further noted that, of eight shipyards the bid package was sent to, only one bid came in.

In response to a question from Mr. Hanover, Mr. Davis said the lone returned bid could be indicative of the amount of work the shipyards currently have to do. Additionally, some of the shipyards are not very close to the Authority and its facilities.

Mr. Jones noted that the Authority ran into financial overruns with the *M/V Martha's Vineyard* midlife refurbishment and that he could see some similar cost increases in this bid. He asked Mr. Walker if the steel for the project was to be purchased from China or the United States. Mr. Walker replied that most of the steel would be American steel, but noted that he does not control that choice in the shipyard's contract and that the steel must meet the same specifications regardless of its country of origin. In response to a subsequent question from Mr. Jones, Mr. Walker said the bidder has to give the Authority both a quantity of steel to be used and a price, so any additional steel would be prorated off the bid's specifications. He added that he was confident staff had put enough steel in the bid to cover the project.

**IT WAS VOTED – upon Mr. Hanover's motion, seconded by Ms. Gladfelter – to authorize the General Manager to award Contract #07-2018, Dry-dock and Overhaul Services for the**



***M/V Eagle, to the lowest eligible and responsible bidder, Thames Shipyard and Repair Company of New London, Connecticut, for a total contract price of \$1,637,917, as recommended by management in Staff Summary #E 2018-08, dated August 23, 2018.***

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Request for Authorization to Approve Contract No. 08-2018,  
Sewage Pump-Out Modifications – Woods Hole & Vineyard Haven:

Mr. Davis noted that the existing pump-out system in Vineyard Haven was flooded in the March storms of this year and all the mechanical and electrical equipment was damaged beyond repair. The plant will be modified to leave the holding tanks below ground. The mechanical and electrical equipment will be replaced and installed in an above-ground pump house located on the traffic island in the vehicle staging area that is less likely to get flooded. In Woods Hole, the existing tanks and equipment will be moved to new chambers at a higher elevation above the flood plain that will be located by the employee parking lot.

Mr. Davis said the Authority received two bids for the project; the initial low bidder, Meco Environmental Services of Weymouth, Massachusetts, withdrew its bid after realizing that it did not include the whole scope of the work in its bid.

**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Gladfelter – to authorize the General Manager to approve Contract No. 08-2018, Sewage Pump-Out Modifications – Woods Hole and Vineyard Haven, to the lowest eligible and responsible bidder, Robert B. Our Co., Inc., of Harwich, Massachusetts, for a total contract price of \$1,263,000, as recommended by management in Staff Summary #E 2018-07, dated August 20, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Request for Authorization to Approve contract No. 09-2018, Woods Hole Terminal Temporary/Permanent Canopy Structure:

Mr. Davis said the tents would replace the rented tent structures now in place at the passenger loading areas and that were erected under a temporary building permit.

**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Tierney – to authorize the General Manger to approve Contract No. 09-2018, Supply & Install a Temporary/Permanent Canopy Structure Woods Hole, Massachusetts, to the lowest eligible and responsible bidder, PAQCON of Sagamore Beach, MA, for a total contract price of \$186,000, as recommended by management in Staff Summary #E 2018-09, dated August 23, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Request for Authorization to Approve Change Order No. 4  
for Contract No. 13-2017R, Vineyard Haven Seawall Repairs:

Mr. Davis said that, while performing Vineyard Haven seawall and expansion joint repairs, additional quantities of unit-priced items were found to be required outside of the scope of the original contract. Items included spalling repairs, cracking repairs and additional sheet pile and joint repairs.

In response to a question from Mr. Jones, Mr. Davis noted the original contract price was \$348,325.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Jones – to authorize the General Manger to approve Change Order No. 4 for Contract No. 13-2017R, Vineyard Haven Seawall Repairs, in the total amount of \$142,602, as recommended by management in Staff Summary #E 2018-07, dated August 20, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Request for Authorization to Approve Change Order No. 13 for Contract  
No. 16-2017, Woods Hole Terminal Slip Maintenance.

Mr. Davis requested that this item be withdrawn at this time.

Report on Port Council’s August 15, 2018 meeting:

Mr. Huss reported that, at their meeting earlier this month, the Port Council members had discussed all of the matters that the Members had considered that day, including:

- The June business summary and a review of capital projects underway.

- The same presentation given to Members by Chris Iwerks and Lian Davis on the proposed design of the terminal building in Woods Hole. It was also noted that there had been four transfer bridges ordered, three for the Woods Hole project and a fourth to be used as a spare to allow for a bridge to be replaced when it needed to be repaired to reduce down time at the slips.
- A review of the fuel price hedging program.
- The reintroduction of the 10-ride Ferry Pass Card, which the Council members voted to recommend to the Board.
- Mr. Davis' goals for the 2018-2019 year, including:
  - The fact that the Authority needs to regain the trust of its riders after this year.
  - Mr. Davis' goals may need to be updated after the findings of HMS Consulting are released.
  - The Authority needs to promote more positive stories about itself, which it tends not to do so the only news stories that come out are negative.
  - Information concerning delays and cancellations needs to come out sooner, and hopefully the new Operations and Communications Center will help achieve that goal.
  - Port Council Member Robert S.C. Munier requested more long-range planning be added to Mr. Davis' goals, including presenting more of those efforts to the public.

Amendment of Section 8 of the By-Laws of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority:

With Mr. Kenneally's appointment as General Counsel and the addition of Mr. Driscoll as Communications Director, Mr. Kenneally requested the Authority's By-Laws be amended to reflect that the General Counsel, who also serves as Clerk of the Authority, could designate another individual to take and maintain the minutes of the meetings. Mr. Kenneally noted it was a minor change but said more changes may be coming, noting that recent law changes are not reflected in the document since the most recent substantive revision in 2004.

In response to a question from Mr. Jones, Mr. Kenneally said Mr. Driscoll or anyone appointed by Mr. Kenneally to carry out the role of the keeper of the minutes could attend the board's meetings in executive session as that individual would be under the direction and control of the General Counsel.

**IT WAS VOTED – upon Ms. Gladfelter's motion, seconded  
by Mr. Hanover – to amended "Article I, Section 8 – Clerk"**

**of the current Authority by-laws to allow for the Authority’s Clerk to designate the duties of taking and maintaining the minutes of the meetings of the Members as recommended by management in Staff Summary #L-481, dated August 23, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Performance Evaluation of the General Manager

Mr. Jones noted that the evaluation form has three sections and that he would give the bottom line on each section while presenting an excerpt of his comments. For Section 1, Management Goals and Objectives, he gave Mr. Davis an 87%, noting that, even though he hit the ground running once hired, he still had a learning curve with the job. Even with some unexpected situations, including the aftermath of the grounding of the *M/V Iyanough* and the difficulties associated with the mid-life refurbishment of the *M/V Martha’s Vineyard* and other vessels, Mr. Davis did a “spectacular” job handling each situation. For Section 2, Elements of Management, he gave Mr. Davis a 90%, noting his understanding of the workings and needs of the Authority is highly advantageous. He continued to develop his job knowledge through attending workshops and developed a fine-tuning of his job skills to meet the necessary needs of the Authority. For Section 3, Management of the Authority’s Operations, he gave Mr. Davis a 93%, which takes into account various elements already noted in the evaluation. Overall, Mr. Jones gave Mr. Davis a 90%, noting that he felt Mr. Davis is well-versed in all elements necessary to lead the Authority.

Ms. Gladfelter said she rated Mr. Davis at 90% for each of the three sections and his overall score. Under Section 1, she said Mr. Davis has had a lot on his plate from his very first day in the position and has done an admirable job keeping the Authority running well despite a “perfect storm” of mechanical problems. Under Section 2, Ms. Gladfelter noted Mr. Davis had an opportunity to demonstrate his ability to keep the Authority running smoothly during a difficult period. He also saw the need to create a new position, Communications Director, and saw the value in reaching out to outside consultants to review the

Authority's operations before the problems in March and April occurred. Ms. Gladfelter said she had full confidence that he would take the recommendations of the outside review and use them to improve all aspects of the Authority's operations. Under Section 3, Ms. Gladfelter said there have been problems in the last year, but Mr. Davis is leading to improve the Authority in those areas.

Mr. Ranney said he rated Mr. Davis a 90% to 95% under Section 1, 97% under Section 2 and 97% under Section 3. Mr. Ranney said he feels Mr. Davis is the right person for the job and that he has handled all kinds of adversity with calm and decisiveness and keeps his sense of humor. Despite the high marks, Mr. Ranney said there is always room for improvement. Overall, Mr. Ranney rated Mr. Davis at a 97%.

Ms. Tierney said she gave Mr. Davis an overall rating of 80%, which she thought was a good grade in the first year of being a general manager. She echoed Mr. Ranney's sentiment that there is always room for improvement, and said one of the reasons for her grade was her concern that Mr. Davis was not open to the suggestion from herself and Mr. Hanover at the beginning of the "crisis" in the spring that the Authority should hire a crisis manager. She said she felt it was a struggle with the old ways of the Steamship Authority's culture at a time in which the Authority was being told it had to adapt. Ms. Tierney noted that Mr. Davis had been promoted from within and noted that he had been exposed to all of the jobs at the Steamship Authority, but she feels there is a way to have a better interchange before the board and management, especially regarding Mr. Davis' willingness to take input from the board that may not be "business as usual." She further noted that his response to fixing the mechanical problems and using Seastreak to provide service was "magnificent," she does not feel it was as prospective a response as it could have been. But, she noted, she does not know how it could be on anyone's first year on the job, and that no one, save Jesus Christ, should get a 97% rating on their first year. But Mr. Davis gets 100% rating from Ms. Tierney in the way he treats the Authority's employees.

Mr. Hanover noted that everything had basically been said and that he gave Mr. Davis an overall rating of 90%.

Regarding Ms. Tierney's comments, Ms. Gladfelter asked why the concerns regarding hiring a crisis manager were not brought up to the board as a whole, noting that any Member can ask the chairman or administration to put a topic on the agenda if there is an item that needs to be discussed. Mr. Hanover noted that the Authority was in the middle of a very serious crisis and he and Ms. Tierney did not feel Mr. Davis was handling it appropriately from a public standpoint, so they approached Mr. Davis independently about the matter. Mr. Hanover further noted it would not have been a board decision to hire a crisis

manager but Mr. Davis' decision, and due to the timeliness of the matter he and Ms. Tierney took it upon themselves to act. Mr. Hanover later noted that, had the crisis been Falmouth-based and needed to be addressed immediately, he would have no issue with Ms. Gladfelter acting in a similar fashion.

Ms. Gladfelter responded that she would like to see the Board working together more and, as was noted at the last Port Council meeting, the Members need to be thinking strategically on multiple levels. Ms. Tierney said, in her view, the Open Meeting Law limits the ability of the Members to communicate with each other. At some point the Board may need to hire outside counsel rather than a staff attorney so the Members have someone they can communicate with who reports to the Members, not to management.

Mr. Jones said the constraints of the Open Meeting Law irritate him because it means the Members cannot talk to each other. While serving on the Port Council, he enjoyed the openness and free exchange of ideas the Council had and said that the Authority Board does not have a lot of conversations such as this one, which he thinks is helpful. The Authority has been through a lot in the last few months and the general manager rose to it, as did the Board, and if the consultants tell the Authority things it already knows, then it can take those points and make itself better.

Mr. Huss noted that the Port Council gave Mr. Davis an overall score of 87%, with the members all agreeing he did a good job and had a tough year. Communications was a topic on which he was lacking, and that was the primary thrust of what the Port Council was worried about. Overall, the Council members thought Mr. Davis did a good job.

Proposed General Manager Goals for the Year  
July 1, 2018, through June 30, 2019.

Ms. Tierney asked if the Members should wait on the goals until after HMS Consulting and Technical finishes its review progress. Ms. Gladfelter suggested changing Goal No. 1 to include preparing at timeline to discuss and incorporate findings of the review. Mr. Davis said that was why he included "as appropriate" in the goal to allow for evaluation of which findings would be beneficial to the review and in what order they should be implemented.

Ms. Gladfelter also requested that "... and engage in other long-term strategic planning" to Goal No. 10.

Thus, Mr. Davis said his goals, following input from the Board and Port Council, were:

1. Evaluate and prepare a timeline for, as appropriate, to incorporate findings of the independent review being conducted by HMS Consulting & Technical LLC to improve operations.
2. Oversee the development and implementation of an Operations and Communications Center at the Administrative Offices on Palmer Avenue and incorporate the center's capabilities into improving communications both externally and internally for timeliness and content.
3. Oversee the development and implementation of a dedicated web server for emergency web hosting Services.
4. Oversee Phases 2 through 4 of the reconstruction of the Woods Hole terminal (marine work) and the timely completion of work scheduled to take place this year under that contract.
5. Oversee the issuance of an invitation for bids and the award of a contract for sewer pump out modifications at the Woods Hole terminal and the Vineyard Haven terminal and the timely completion of the modifications.
6. Oversee the issuance of an invitation for bids and the award of a contract for a permanent (year-round) canopy structure at the Woods Hole terminal and the timely completion of the installation.
7. Oversee the implementation of electronic ticketing, via mobile devices, for walk-on passengers travelling on the traditional ferries.
8. Oversee the process of soliciting proposals and the award of a contract for a mobile app to improve communications.
9. Continue to pursue capital grant funding opportunities from the U.S. Department of Transportation's Federal Transit Administration through the Cape Cod Regional Transit Authority.
10. Continue to pursue the possibility of a freight ferry service and/or barge service between New Bedford and Martha's Vineyard and begin to engage in other long-term strategic planning.



**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Gladfelter – to approve the general manager’s goals and objectives for the period of July 1, 2018, through June 20, 2019, as proposed by the general manager and amended by the Board.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>		<b>10 %</b>
<b>TOTAL</b>	<b>90 %</b>	<b>10 %</b>

Mr. Davis said he owed a lot to the Authority’s dedicated staff and employees and that it was not him getting the organization through the spring, it was the people who are so dedicated to their jobs. He further thanked the Port Council and the Board for their support.

Public Comment

Mr. Braithwaite noted that he recently saw the Authority’s television commercial that did not have a single minority in it and that it was terrible that, in 2018, the Authority could run an ad without people of color in it. He also discussed the timing of the transportation between the Palmer Avenue parking lot and the Woods Hole terminal and said it was frustrating when someone was trying to get back to Vineyard Haven on a freight boat and the bus driver said he could not leave until someone told him to do so. Mr. Braithwaite said he hoped the new Operations and Communications Center would help with that. Finally, Mr. Braithwaite discussed the old “green book” ticket books and that the dollar value for those books was never an issue until now. He asked the board to reconsider their vote to table the matter and allow people to buy them at either port.

Mr. Saltzberg asked if the Board had considered inviting representatives from Senesco Marine LLC to give a report on the *M/V Martha’s Vineyard* from their perspective given that a lot has been heard from “one lens.” Ms. Tierney said such a move would be premature, and Ms. Gladfelter said the Authority was still working with them on the matter.

Recognition of the retirement of Phil Parent

Mr. Davis noted that Mr. Parent was retiring from the Authority after 48 years of dedicated service, starting out as a ticket seller and agent before becoming the Operations Director and Human Resources Manager. Mr. Davis said Mr. Parent has been a great source of experience and knowledge for the organization and thanked him for his service.

Mr. Parent thanked Mr. Davis and the Board and said he was at a loss for words. He has learned a lot from the employees, who are among the greatest in the world, and they are the reason why the Authority is where it is today.

Then, at approximately 12:24 p.m., Mr. Ranney entertained a motion to go into executive session. Mr. Kenneally noted the executive session would be to consider the purchase, lease and value of real property; to discuss the Authority's strategy with respect to collective bargaining matters and to discuss potential litigation with Senesco Marine LLC regarding Contract No. 15-2016, Mid-Life Overhaul Services of the *M/V Martha's Vineyard*. Mr. Kenneally announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED – upon Mr. Jones’ motion, seconded by Ms. Gladfelter – to go into executive session to consider the purchase, lease and value of real property; to discuss the Authority's strategy with respect to collective bargaining matters; and to discuss potential litigation.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**Documents and Exhibits Used at the  
August 28, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. August 28, 2018 Meeting Memorandum, dated August 23, 2018.
2. Video and Audio Recording Announcement.
3. New Bedford Mayor Jon Mitchell State of the City Address, Thursday, March 8, 2018 (remarks as prepared)
4. Port of New Bedford Strategic Plan 2018-2023
5. Minutes of the July 17, 2018 Meeting in Public Session (draft).
6. Business Summary for the Month of June 2018.
7. Presentation by Chris Iwerks and Lian Davis of BIA.studio, Woods Hole Ferry Terminal Redesign, dated August 2018.
8. Staff Summary #OPER-2018-4, dated August 23, 2018, Approval of the Reinstatement of the 10-ride Ferry Pass Cards with Embarkation Fees.
9. Staff Summary #GM-702, dated August 23, 2018, 2017 Vehicle Occupancy Report.
10. Staff Summary #A-628, dated August 23, 2018, Update on the Authority's Price Hedging Program.
11. Staff Summary #E-2018-08, dated August 23, 2018, Contract 07-2018, Dry-Dock and Overhaul Services for the *M/V Eagle*.
12. Staff Summary #E-2018-10, dated August 24, 2018, Contract No. 08-2018, Sewage Pump-Out Modifications – Woods Hole and Vineyard Haven.
13. Staff Summary #E-2018-09, dated August 23, 2018, Supply & Install a Temporary Permanent Canopy Structure, Woods Hole, MA.
14. Staff Summary #E-2018-07, dated August 20, 2018, Change Order #4 to Contract 12-2017R, Vineyard Haven Seawall Repairs.
15. Staff Summary #L-481, dated August 23, 2018, Amendment of Section 8 of the By-Laws of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority.
16. Minutes of the Port Council's August 15, 2018 Meeting (draft).
17. General Manager's Goals (Proposed) for the year July 1, 2018, through June 30, 2019.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session  
September 25, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 25th day of September, 2018, beginning at 9:40 a.m., in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. Five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford (who participated remotely by telephone conference call).

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council Member Nathaniel E. Lowell of Nantucket were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Reservations and Customer Relations Manager Gina L. Barboza; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee J. McHugh; Nantucket Terminal Manager Elaine Mooney; Assistant Treasurer Courtney M. Oliveira; and Operations Manager Mark K. Rozum.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that Steve Baty of All Media Productions was taking a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV. Making audio recordings of the meeting were Mr. Driscoll<sup>1</sup>, Louisa Hufstader of the Vineyard Gazette and Rich Saltzberg of the Martha's Vineyard Times.

Remote Participation by New Bedford Member Moira E. Tierney:

Mr. Ranney announced that he had been notified by Ms. Tierney that she desired to participate remotely in today's meeting because her physical

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<sup>1</sup> Recorder's note: Mr. Driscoll did not make a recording of the meeting in public session.

attendance today would be unreasonably difficult. Mr. Ranney stated that he agreed with Ms. Tierney and had determined that Ms. Tierney's physical attendance today would be unreasonably difficult and that, therefore, she may participate remotely in this meeting, which includes voting on all matters as well. Mr. Ranney also stated that Ms. Tierney would be participating in the meeting by telephone conference call, that she would be clearly audible to the Members, and that the Members would be clearly audible to her. Mr. Ranney also noted that as a result of Ms. Tierney's remote participation in this meeting, all votes taken by the Members that day would be by roll call vote.

Recognition of Public Officials:

Mr. Ranney recognized Nantucket Town Manager C. Elizabeth (Libby) Gibson and former Nantucket Member Phil Reed in the audience.

Minutes:

**IT WAS VOTED – upon Mr. Hanover's motion, seconded by Ms. Gladfelter – to approve the minutes of the Members' meeting in public session on August 28, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Davis summarized the results of the Authority's operations for July 2018, as set forth in a corrected business summary for that month that had been provided to the Members and the public. Mr. Davis reported that the Authority had carried more passengers (up 2.1%), more automobiles (up 0.4%) and more trucks (up 3.9%) during the month than it had carried during the same month in 2017, and that the Authority had parked more cars that month (up 1.8%) than it did in July 2017. In the first seven months of the year, the Authority had carried

fewer passengers (down 0.9%), automobiles (down 2.5%) and trucks (down 0.9%) than it did in the same period of 2017. The numbers of cars parked during that timeframe was down 27 vehicles.

Mr. Davis also reported that, for the month of August, the Authority's net operating income was around \$6,358,000, which was \$1,465,000 below budget. Total income was around \$16,249,000, around \$461,000 lower than budget. Total expenses were \$9,891,000, or \$1,003,000 higher than budget. Year-to-date operating revenues and other income were down \$1,310,000 compared to the budgeted amount and operating expenses and fixed charges were \$2,631,000 higher than anticipated.

Mr. Davis further noted that, through August 2018, the Vineyard route year-to-date has carried its third-highest amount of passengers ever, and that the totals were only slightly below the three-year average but above the five-, ten-, fifteen-, twenty- and twenty-five-year averages. Despite the Authority's challenges in the spring, Mr. Davis said passenger traffic has clearly rebounded on that route. On the Nantucket route, the Authority has seen its fifth-highest amount of passenger traffic through the end of August. The totals are just below both the three- and five-year averages but well above the ten-, twenty-, and twenty-five-year averages. In June, July and August, the monthly passenger totals were, respectively, the second, third and third-highest for the individual months on the Vineyard route and the third, fourth and fifth-highest totals on the Nantucket route. Mr. Davis noted the Authority was coming off record-high traffic figures but these results proved the summer was once again a strong one, and he thanked the ridership for making the Steamship Authority the way to go to the islands.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis presented an update on the Woods Hole Terminal Reconstruction Project, noting that contractor Jay Cashman Inc. had mobilized at the site and that Lawrence Lynch Corp. had removed the debris pile and cinderblocks used to compress the peat at the site. The arrival of Cashman's barges were delayed due to weather, but the company is on the site and has begun excavating and removing soils to the depth of the new Slip #3. An on-land crane will begin driving new sheet piling and the pile driving, consisting of 51 pipe piles between 16 and 18 inches wide, will be driven to a depth of between 110 to 130 feet. Nine eight-foot-wide monopiles will be driven to a depth of 120 feet. All the piles are to be driven by year-end, which Mr. Davis said is an aggressive schedule for the season but he is confident Cashman has a good handle on the project moving forward. The weekly community emails on the

project have resumed and, thus far, 27 have been sent throughout the entirety of the project.

Mr. Jones asked if the monopiles would be filled with concrete, and Mr. Cloutier said that only about four feet at the cap of the pile would be filled.

Update on the Independent Review of the SSA's Operations (Vessel Operations, Fleet Maintenance, Management Structure, Public Communication and Information Technology Systems):

Mr. Davis updated the Board on the independent review of the Authority's operations by HMS Consulting and Technical, Glosten Associates and Rigor Analytics. Personnel from all three companies continue their questioning relative to all aspects of the review. Earlier this month, a conference call was held to discuss some technical aspects of the consultants' study and for the staff, including vessel personnel, to make sure the consultants had accurate information.

The consultants are still going through their "root cause analysis" and have made additional data requests which they feel may be "causal factors." A second conference call is planned for communications and information technology issues, although no timeline has been set for that call.

The incidents that the consultants are focusing on are:

- 1) The soft grounding of the *M/V Woods Hole* in March.
- 2) The failed generator issue on the *M/V Martha's Vineyard* in March.
- 3) The May 5th incident with the *M/V Martha's Vineyard* in which the vessel lost power leaving the dock.
- 4) The delay in the *M/V Island Home* coming back into service from its repair period.

Following that, HMS will be preparing their report for what is now expected to be a late October or early November release.

In response to a question from Ms. Tierney, Mr. Davis noted the consultants are behind their original timeline due to the large amount of information they are reviewing. The consultants also changed the fourth event they were reviewing after determining their original choice, the control panel issues on the *M/V Woods Hole*, did not have any causal factors within the Authority's control. In response to a question from Mr. Hanover, Mr. Davis reminded the Members that the *M/V Woods Hole* suffered a failure of its control

panel that ended up stemming from failed check valves in the propeller for the controllable pitch. HMS and Glosten, based on what information was provided to them, did not feel that was something that was within the Authority's control and was truly a mechanical failure.

Mr. Hanover asked, due to the delay, if the Authority would have time to make changes to its operation based on the findings of the report before next season. Mr. Davis said that it would be speculation on his part and would depend on what direction the report took. Even if the report were delivered in October, the Authority would have needed to look at what recommendations were made and what could be implemented quickly versus long-term changes.

Mr. Jones asked if the Authority could give the consultants some pressure to finish their work more quickly, and Mr. Davis said even if the report's release was moved up a week, that would still be the last week in October. Mr. Davis noted the delay was a matter of weeks, not months, at this point.

#### Approval of the Proposed 2019 Summer and Fall Operating Schedules:

Mr. Davis presented the 2019 Summer and Fall Operating Schedules, which run from May 15, 2019, to January 3, 2020. Next year's schedules start four (4) days later and end one (1) day later than 2018 for both the Martha's Vineyard and Nantucket routes. The schedules are essentially the same as what the Authority had for 2018, with the exception of some of the vessel assignments.

The proposed summer and fall schedules for Nantucket are the same as 2018 with the exception of an additional third trip with a freight boat Monday through Friday from May 15th to June 19th, with an option for a third freight boat from September 9th to October 23rd.

On the proposed Martha's Vineyard early summer schedules, the *M/V Governor*, *M/V Island Home*, *M/V Martha's Vineyard*, and *M/V Woods Hole* will be triple-crewed, with some substitutions by the *M/V Nantucket* during "spruce up" periods for some vessels. On the Nantucket route, the *M/V Eagle*, *M/V Gay Head* and *M/V Sankaty* will operate on the early summer schedule, again with the *M/V Nantucket* substituting during "spruce up" periods.

On the summer schedules, the Vineyard route will include the *M/V Island Home*, *M/V Martha's Vineyard*, *M/V Governor* and *M/V Nantucket*, all triple-crewed, and the *M/V Sankaty* will be single-crewed. On the Nantucket route, the *M/V Eagle* and *M/V Woods Hole* will be triple-crewed, as will the *M/V Gay Head*,



although the *M/V Katama* will be operating in place of the *M/V Gay Head* when that vessel is in repair.

On the proposed late summer schedules, which start one day later and end one day later than in 2018, the Vineyard route will see no changes in operating schedules or vessel assignments, while on the Nantucket route the only change is the optional third trip for the *M/V Gay Head*.

The fall schedules would see no changes to the trip times, quantity or crewing on both routes. On the Martha's Vineyard route, the *M/V Martha's Vineyard*, *M/V Island Home* and *M/V Woods Hole* would be triple-crewed, with the *M/V Nantucket* operating in place of the *M/V Martha's Vineyard* during its repair period and the *M/V Katama* operating in place of the *M/V Woods Hole* when that vessel switches to the Nantucket run. On the Nantucket route, the *M/V Eagle* would be triple-crewed and the *M/V Nantucket* will operate in place of the *M/V Eagle* when it is in repair. The *M/V Gay Head* would be triple-crewed, operating three round trips Monday through Friday and two round trips Saturday and Sunday. The *M/V Woods Hole* will operate in place of the *M/V Gay Head* from December 5th to January 3rd.

The high-speed schedule will start one day later and end one day later but, otherwise, it will have no changes in trip times, quantity of available trips or vessel crewing.

After the proposed schedules were presented to the Port Council and Authority board in August, they were advertised in the *Cape Cod Times*, *New Bedford Standard-Times*, the *Inquirer and Mirror*, the *Martha's Vineyard Times* and the *Vineyard Gazette* as well as posted on the Authority's website for comment. The 30-day comment period ended on August 20, 2018, and management received no public comments regarding the proposed 2019 Summer and Fall Operating Schedules.

Mr. Davis noted that, on the late summer schedule for Martha's Vineyard, Trip 212 was listed twice, once leaving at 12:20 p.m. and again at 2:50 p.m. The later trip should have been labeled Trip 216.

At their September 12th meeting, the Port Council voted to recommend to the Board that the Proposed 2019 Summer and Fall Operating Schedules be approved as submitted.

In response to a question from Mr. Hanover, Mr. Davis noted that, as it did this year, the Authority would have spare capacity in the summer schedule

via the *M/V Sankaty*, which would be available to operate a fourth trip each weekday, and that an additional crew could be brought in, if needed.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Hanover – to approve the 2019 Summer and Fall Operating Schedules as proposed by management in Staff Summary #OPER-2018-05.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Approval of the Reinstatement of the  
10-ride Ferry Pass Card with Embarkation Fee:

Following a staff proposal in August to reinstate the 10-ride RFID Ferry Pass Card, the Members asked for clarification on the staff’s then-recommendation to limit the initial sale of those cards to Nantucket, Oak Bluffs and Vineyard Haven terminals but, once purchased allow them to be reloaded at any terminal or online via the Authority’s website. Mr. Davis said staff felt that, in the past, one-time customers traveling in groups of four (4) or more people would purchase the cards as a way to save money by both receiving a per-ticket discount and avoiding the \$0.50 per ticket required embarkation fee. Mr. Davis noted that the original intent of the cards was to reduce the cost for island residents and frequent travelers to and from the islands and not for one-time customers visiting the islands.

Mr. Davis provided the Members with data from the period between July 26, 2017 and May 14, 2018 in which the Authority sold the Ferry Pass Cards. In that time frame, 11,053 Vineyard cards were sold, which were reloaded 10,326 times (representing 213,790 tickets) and 804 Nantucket cards were sold, which were reloaded 312 times (representing 11,160 tickets). Comparing to purchasing individual tickets, the 10-ride transactions represent a discount of \$253,169 during the 10 months, or an estimated \$300,000 over the course of a full year for the Vineyard route, and \$33,480 over 10 months, or an estimated \$40,000 for the full year on the Nantucket route.

Usage of the Ferry Pass Cards indicated that:

- 9% of all Vineyard route cards had 4 or more traveling at once,
- 5% of all Vineyard route cards had 5 or more traveling at once,
- 32% of Nantucket route cards had 4 or more traveling at once, and
- 25% of Nantucket route cards had 5 or more travelling at once.

Mr. Davis said, in light of this information, the staff is recommending that the 10-Ride RFID Ferry Pass Card be reinstated at the previously approved rates with the exception that the passenger embarkation fee of fifty cents (\$0.50) per ticket, or the equivalent of five dollars (\$5.00) per card or minimum reload, be added. Furthermore, the cards will be available for sale at all terminals.

The Port Council at their September 12<sup>th</sup> meeting voted to recommend to the Authority’s Board that the 10-ride “*Ferry Pass Cards*” be reinstated at the previously approved rates with the inclusion of the passenger embarkation fee of fifty cents (\$0.50) per passenger ticket and be sold at all terminal locations as presented by management.

**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Gladfelter – to approve staff’s request to reinstate the 10-ride Ferry Pass Card with Embarkation Fees as proposed by management in Staff Summary #OPER-2018-06.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Approval of Changes to Travel Policy for Medical Appointments:

Mr. Davis said the administration is proposing a change to the existing guidelines for the reduced auto excursion rate for island residents who require frequent medical treatments on the mainland. Currently, the reduction is 50% off the excursion rate and the current threshold for the reduced rate had been ten (10) medical appointments within a three-month period. Following discussions with an organization on the Vineyard, the staff began to examine if the 10 trip policy was too burdensome.

In 2017, 59 families traveled a total of 785 times using the Medical Rate Program. Through August 22, 2018, 34 families have traveled 480 times. All of the participants in those years have been on the Vineyard route; no passengers have taken advantage of the rate on the Nantucket route, most likely because Nantucket has a fund set up for people who have frequent medical treatments and the related travel is being handled in that manner. Furthermore, the medical rate applies to automobile travel, not passenger travel.

Unfortunately, no records have been maintained for those individuals inquiring about the Medical Travel Policy who did not meet the current threshold of 10 trips. However, staff is proposing to lower the quantity of appointments needed to qualify for the Medical Rate Program from ten (10) to five (5) and to also allow any follow-up appointments within a 12-month window to also qualify for the rate. Staff would also track other inquires that, similarly, do not initially qualify under this reduced standard to determine if further revisions to the policy maybe in order down the road.

Mr. Davis noted that the Port Council voted to recommend the proposed policy changes be adopted at their September 12<sup>th</sup> meeting.

**IT WAS VOTED – upon Mr. Jones’ motion, seconded by Ms. Gladfelter – to approve changes to the existing guidelines for the reduced auto excursion rate for island residents who require frequent medical treatments on the mainland, as proposed by management in Staff Summary #OPER-2018-07.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Approval of proposed new position of  
Operations and Communications Center Manager:

As part of the staff’s efforts to create an Operations and Communications Center in the Authority’s administration building in Falmouth, Mr. Davis said staff is requesting the creation of a new position, that of Operations and Communications Center Manager at a Job Grade 11.

Mr. Davis told the Members that the functions of the Operations and Communication Center would be to:

- Assume the current functions of the Fleet Personnel Office,
- Monitor vessel activity and ensure that delays, diversions and cancellations are posted in a timely manner for the public as well as Steamship staff,
- Monitor vehicular traffic around the terminals as well as traffic delays and road closures and update public and staff as appropriate
- Monitor the Peter Pan bus service, and
- Ensure current parking information is accurate online and assist in the dispatch of buses.

Future responsibilities will include:

- Monitoring and responding to social media channels,
- Dispatch of maintenance personnel,
- Logging vessel on-time performance, and
- Other duties as assigned.

Mr. Davis said, as staff has refined the roles and responsibilities of the Operations and Communication Center, it became clear that an individual will need to be assigned to manage the other staff, coordinate with other departments and work with improvements for the customer's experience. As currently envisioned, the Operations and Communication Center would be staffed seven (7) days a week and will be open during the hours the Authority's vessels will be operating. Furthermore, it will take on several tasks now assigned to ticket sellers and other front-line personnel, such as issuing notifications on delays and cancellations, which should speed that process.

Mr. Jones noted that it seemed like a huge undertaking for all of those services to be brought together and wondered how the buses would be tracked unless the Authority used a GPS monitor. It seems like a huge collection of tasks and, while he is in totally in favor of it, he does not know how it will ultimately play out.

Ms. Gladfelter said she felt it was a great idea and that most of these tasks are already being done, so the center will help coordinate information that needs to get out to the public and Authority staff. In response to Ms. Gladfelter's question about how many people would be working at the center, Mr. Davis said he believed three additional positions would be needed to have the office manned on an 18-hour-a-day, seven-day-a-week basis. Furthermore, the intention is to

incorporate the current fleet personnel employees with the Operations and Communications Center as well.

In response to question from Mr. Jones, Mr. Davis said the Operations and Communications Center will use a matrix developed by Mr. Driscoll to determine what social media comments need to be responded to immediately and what needed to be flagged for follow up by Messrs. Driscoll, Rozum or Davis or whomever needed to be notified. Mr. Driscoll also said the goal would be to move some of the conversations off of social media and he would be developing some prewritten responses to help respond to customers in a manner that would limit the back-and-forth in a public forum.

Mr. Hanover said he thought it was a fantastic idea. He noted that the Washington State Ferry system had a similar center manned by a single person so the personnel outlined by Mr. Davis should be able to handle the job.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Hanover – to create an Operations and Communications Center manager position at a Job Grade 11 as proposed by management in Staff Summary #OPER-2018-08.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Preliminary Draft of Proposed 2019 Operating Budget:

Mr. Murphy said the draft was developed using the approved operating schedules through May 14, 2019, and the proposed schedules thereafter. In the proposal, operating expenses are expected to total approximately \$105,367,000, an increase of \$4,539,000 from the 2018 budgeted estimate, or about a 4.5% increase. Mr. Murphy noted the most significant increases in expenses were payroll (up \$1,158,000, or 3.2%), and health care (up \$515,000, or 6.1%).

Mr. Murphy then began a Power Point presentation, which further noted operating revenues of \$105,870,000, and non-operating revenues and expenses,

leaves a net income from operations is about \$141,000, or 0.1% of the operating budget. Mr. Murphy further noted other large increases in operating expenses, including vessel maintenance (up \$417,000, or 4.7%) and terminal maintenance (up \$411,896, or 33.1%).

Mr. Murphy said the largest operating expense increase is in vessel fuel oil (up \$2,018,000, or 31.5%). Mr. Murphy noted crude oil was trading at around \$71 a barrel; in the 2019 budget, staff is expecting costs to range between \$61.75 and \$64.50 a barrel, or \$2.52 a gallon to \$2.64 a gallon, with a year-long average of \$2.55 a gallon. Mr. Murphy said most of 2019 was covered by the Authority's fuel hedging program and that, by the time the October board meeting occurs, he expected to have the entire year's hedges in place.

In response to a question from Mr. Jones, Mr. Murphy noted the Authority hedges roughly 86% of its fuel consumption. He also said the Authority does not budget its fuel costs at the capped amount but rather what staff believe will be the average fuel price. Mr. Davis noted that there have been times, however, the budget and the cap were one and the same. Mr. Davis also noted the Authority uses roughly 3,000,000 gallons of low-sulfur diesel fuel a year and that the 2019 budget is anticipating roughly a \$0.50 per gallon increase over 2018 costs and an increased consumption of roughly 75,000 gallons.

In response to a question from Mr. Hanover, Mr. Davis said the Authority continues to monitor fuel consumption by vessel. He added that staff have seen an increase in fuel consumption on certain vessels as they try to maintain the schedules, especially on the 15-minute turnarounds.

Ms. Gladfelter asked if the payroll increase included both contracted pay increases and new positions, to which Mr. Murphy replied it did. Ms. Gladfelter further asked why the percentage of pay increases did not match the rate of payroll tax changes, and Mr. Davis said it was because some employees are in deferred compensation programs that reduce employees' taxable income.

For operating revenue, Mr. Murphy said the Authority is anticipating an overall increase of \$1,430,000 in operating revenue, or 1.4%. Operating revenues are projected using, in most cases, the most recent 12 months of actual data, meaning this budget used August 2017 through July 2018 although, in some cases, staff used the average of the last three years to smooth out fluctuations in passenger traffic this year.

Specifically, Mr. Murphy said, the budget anticipates a decrease in automobile revenue (down \$42,000, or 0.1%) but increases in freight revenue

(up \$506,000, or 1.8%), passenger revenue (up \$466,000, or 1.4%) and parking revenue (up \$219,000, or 3.0%).

Mr. Jones noted that a net operating revenue of \$141,000 was “on the edge” and that one hurricane could put the Authority into a negative situation.

Preliminary Draft of Management’s Proposed  
Rate Adjustments Effective January 3, 2019:

Mr. Murphy then discussed why rate adjustments are needed, highlighting that projecting passenger traffic is not an exact science and that little events can cause severe fluctuations in revenues. Furthermore, vessel dry-dock expenses are projected 18 months ahead of schedule, and new items can be added to the project and additional steel work and the overall age of the vessels can increase costs. Finally, the proposed rate adjustments represent about a 6.64% bottom line on the projected operating expenses of \$105,367,000.

Mr. Murphy reviewed the rates that are not changing in the proposal, including:

- All passenger rates
- Bicycle and surf board rates
- Off-season regular automobile rates
- Off-season excursion automobile rates
- Nantucket route parking rates
- Vineyard route parking rates during the off-season, shoulder season and Monday-Friday on-season.

The Authority is targeting \$7,000,000 in net operating revenue through the rate adjustments. Mr. Murphy reminded the board of its policy, commonly called the “Art Flathers report,” in which staff uses the most recent 10 years of operating revenues and cost of service for each route to determine if one route is subsidizing the other and, if so, to what extent. That analysis shows that the first \$400,000 of any rate adjustment should come from the Vineyard route.

On the Vineyard routes, staff is proposing to increase automobile rates by \$11.50 one-way in the on-season for regular rates and \$6.00 round-trip for on-season excursion fares; a 12.5% increase in freight rates; and a \$5.00 per day increase in parking rates on Saturday and Sundays in the on season.



On the Nantucket routes, staff is proposing a \$25.00 one-way increase in regular, on-season automobile rates, a \$20.00 to \$25.00 round-trip increase in excursion, on-season automobile rates, and a 12.5% increase in truck rates.

The total revenues expected to be generated by the rate adjustments are as follows:

Martha's Vineyard route

- Automobile revenue: \$2,500,000
- Freight revenue: \$1,500,000
- Parking revenue: \$500,000

Nantucket route

- Automobile revenue: \$1,000,000
- Freight revenue: \$1,500,000

Mr. Murphy noted that the adjustment compared favorably to the Consumer Price Index and that, in most cases, the proposed rates were at or below what they would have been had they been increased annually with the rate of inflation.

Mr. Murphy said that, in considering which rates to adjust, that the automobile rates were adjusted for on-season travel only, a time period in which relatively few islanders travel using the excursion rates.

Ms. Gladfelter complimented staff on the presentation and said that it clarified to the Members' respective communities how funding works for the Authority.

Mr. Hanover agreed that the presentation was excellent and said he felt the Port Council, management and the board should sit down and figure out if the Authority should try to follow the Consumer Price Index instead of waiting four or five years to increase rates. He also said he receives numerous complaints from island residents about preferred space availability in the shoulder season and asked if allotments could be examined for the spring and fall seasons. Mr. Davis noted staff would be bringing that information to the Board at the October meeting.

Mr. Jones asked if the \$7,000,000 estimate from the rate adjustments was part of the Authority's projected bottom line of \$141,000. Mr. Davis said it was not; in the past, staff has presented a budget that includes proposed rate adjustments but this year they did not to more clearly illustrate that the budget as-is was essentially a zero dollar bottom line that could easily swing into

negative territory. He further noted that any surplus the Authority realizes at the end of the year does not carry over into the following year; furthermore, any shortfalls realized from increased operating expenses or decreased revenues in 2018 do not affect the following year's budget.

Mr. Davis noted that the budget and rate adjustments were being presented for discussion purposes only and that, in October, the staff presentation would include the Authority's proposed cash flow and ensuring sufficient monies are being deposited into the replacement fund. The Authority does have some ability to issue bonds but, Mr. Davis said, he likes to hold that in reserve. It also spurs the question of who should pay for capital projects, current customers or past customers, and that the Authority has always tried to balance the financial effects between the replacement fund and the operating fund.

Ms. Gladfelter noted it was important to point out that all the operating expenses and capital projects are nearly 100% funded by revenues generated by the fare box and that, among ferry companies, it was an unusual situation.

Mr. Jones asked if staff felt the \$7,000,000 was an adequate surplus for 2019. Mr. Davis replied that the 2018 budget projected a \$7,200,000 surplus and that, in the 2019 budget, staff had tried to anticipate extra steel work for vessels and that the dry dock for a vessel may be moved out a year to swap out other repair projects.

Mr. Jones complimented the presentation, saying it made the budget proposal easy to follow and easy to read. Mr. Davis and Mr. Murphy thanked Mr. Driscoll for his work on the presentation, and Mr. Driscoll noted he would email it to the members for their reference.

Ms. Tierney's Telephonic Participation in the Meeting Is Interrupted:

At 11:00 a.m., it was determined that the telephonic connection with Ms. Tierney had failed. The Members continued with their agenda while Mr. Kenneally attempted to restore the connection with Ms. Tierney.

Approval of Change Order No. 18 for Contract No. 16-2017,  
Woods Hole Reconstruction – Waterside:

Mr. Davis reported that this change order is required because the geotechnical engineer is requiring additional pipe pile lengths for the 16- and 18-inch pipe piles so they will meet the design load capacity. The piles were

purchased based on soil boring data, Mr. Davis said, but once dynamic testing data became available, the engineers determined a longer pipe pile length was required. The contractor was required to cut the bottom tip off the pile and splice the additional pipe length to each pile, 51 in total, and then weld the tip back on. The total value of the change order is \$135,918.88.

Mr. Jones asked if new tariffs placed on goods from China would affect the purchase of pile piling. Mr. Cloutier said the pipe piling was purchased in the United States, but next season's piling is due in December from China. So far, the vendor is not increasing prices and is honoring contracts secured in October 2017, but future prices may well be affected.

**IT WAS VOTED – upon Mr. Jones’ motion, seconded by Mr. Hanover – to authorize the General Manager to execute Change Order No. 18 for Contract No. 16-2017, Woods Hole Reconstruction – Waterside, with Jay Cashman Inc. at a total cost of \$135,918.88, as proposed by management in Staff Summary #GM-703.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

Ms. Tierney’s Telephonic Participation in the Meeting Is Restored:

At approximately 11:07 a.m., Ms. Tierney resumed her telephonic participation in the meeting. She stated that she could hear the meeting but the board was unable to hear her voice. She further stated that she had no questions on either the Proposed 2019 Operating Budget or Proposed 2019 Rate Adjustments

Approval of Change Order No. 45 for Contract No. 09B-2012, Woods Hole Reconstruction Project:

Mr. Davis said this change order requests covers additional work required of the design team for several changes in the contract, including extended design schematic design phase services to study plaza covering options; delay of the

schedule for Phase 5-6 by 2.3 years; and inclusion of and enabling Phase 5A a year prior to terminal construction to facilitate the terminal completion in one construction season. The total cost for the changes is \$237,275.00.

**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Gladfelter – to authorize the General Manager to execute Change Order No. 45 for Contract No. 09B-2012, Woods Hole Terminal Reconstruction – Design & Engineering, with BIA.studio at a total cost of \$237,275, as proposed by management in Staff Summary #GM-704.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Following the vote, Ms. Gladfelter asked for an updated summary of the construction phases, which Mr. Davis said would be provided at the next meeting. Mr. Davis further noted the Authority was scheduling a presentation for the Falmouth community and an open house on Martha’s Vineyard, with both events to occur in October, to let the community see where the Authority is in the design phase of the terminal building.

Report on Port Council’s September 12, 2018 Meeting:

Mr. Huss reported that, at their meeting earlier this month, the Port Council members had discussed all of the matters that the Members had considered that day, including:

- The results of operations and current projects;
- The recommendation to approve the 2019 Summer and Fall Operating Schedules;
- The recommendation to approve the reinstatement of the 10-ride Ferry Pass Cards;
- Reviewing of the Proposed Preliminary Operating Budget for 2019, including a discussion of fuel oil costs and the Authority’s hedging program; and
- The Preliminary Proposed 2019 Rate Adjustments, including a discussion of whether a series of small increases was more appropriate than less frequent, larger increases.

Public Comment

Mr. Joshua Balling from the Nantucket *Inquirer and Mirror* asked if there has been an update from the U.S. Coast Guard into the investigation of the *M/V Iyanough* allision in 2017. Mr. Davis replied there had been no update that he was aware of.

Then, at approximately 11:12 a.m., Mr. Ranney entertained a motion to go into executive session to approve the minutes of the Authority's meeting in executive session on August 28, 2018; to discuss the Authority's strategy with respect to collective bargaining matters; and to discuss potential litigation and the Authority's strategy with respect to potential litigation because discussion of these matters in open session would have a detrimental effect on the Authority's negotiation and bargaining position. The matters include:

- Potential litigation with Senesco Marine LLC regarding Contract No. 15-2016, Mid-Life Overhaul Services of the *M/V Martha's Vineyard*.
- Negotiations with the SEIU Local 888 for a new collective bargaining agreement covering the Authority's reservation clerks and other customer service employees.

Mr. Ranney stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Mr. Ranney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED – upon Mr. Jones' motion, seconded by Ms. Gladfelter – to go into executive session to discuss and approve minutes of the Authority's meeting in executive session of August 28, 2018; to discuss the Authority's strategy with respect to collective bargaining matters; and to discuss potential litigation.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	10 %	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**Documents and Exhibits Used at the  
September 25, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. September 25, 2018 Meeting Memorandum, dated September 20, 2018.
2. Video and Audio Recording Announcement.
3. Minutes of the August 28, 2018 Meeting in Public Session (draft).
4. Business Summary for the Month of July 2018.
5. Staff Summary #OPER-2018-05, dated September 17, 2018, Proposed 2019 Summer and Fall Operating Schedules.
6. Staff Summary #OPER-2018-6, dated September 17, 2018, Approval of the Reinstatement of the 10-ride Ferry Pass Cards with Embarkation Fees.
7. Staff Summary #OPER-2018-7, dated September 20, 2017, Proposed Changes to the Reduced Auto Excursion Rate for Island Residents Requiring Frequent Medical Treatments.
8. Staff Summary #OPER-2018-8, dated September 20, 2018, Proposed New Operations and Communications Center Manager.
9. Staff Summary #A-629, dated September 20, 2018, Preliminary Proposed 2019 Operating Budget.
10. Staff Summary #A-630, dated September 20, 2018, Preliminary Draft of Proposed 2019 Rate Adjustments.
11. Power Point presentation, 2019 Budget/Proposed Rate Adjustments.
12. Staff Summary #GM-703, dated September 20, 2018, Change Order No. 18 for Contract No. 16-2017, Woods Hole Reconstruction – Waterside.
13. Staff Summary #GM-704, dated September 20, 2018, Change Order No. 45 for Contract No. 109B-2012, Woods Hole Reconstruction Project.
14. Minutes of the Port Council's September 12, 2018 meeting (draft).
15. Statement to be read prior to going into executive session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**October 16, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 16th day of October, 2018, beginning at 3:35 p.m., in the Performing Arts Center of the Martha's Vineyard Regional High School, located at located at 100 Edgartown-Vineyard Haven Road, Oak Bluffs, Massachusetts. Five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council Member George J. Balco of Tisbury were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Reservations and Customer Relations Manager Gina L. Barboza; Vineyard Haven Terminal Manager Richard Clark; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Security Larry Ferreira; Director of Marketing Kimberlee J. McHugh; Operations Manager Mark K. Rozum; and Oak Bluffs Terminal Manager Bridget Tobin.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that All Media Productions was taking a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV. Furthermore, Mr. Driscoll was making an audio recording of the meeting.

Executive Session

At approximately 3:38 p.m., Mr. Ranney entertained a motion to go into executive session to approve the minutes of the Authority's meeting in executive session on September 25, 2018; to discuss the possible acquisition of real estate; to discuss the Authority's strategy with respect to collective bargaining matters;



and to discuss potential litigation and the Authority's strategy with respect to potential litigation because discussion of these matters in open session would have a detrimental effect on the Authority's negotiation and bargaining position. The matters include:

- The potential lease or acquisition of real property located at 1251 Route 6A, Cataumet, Massachusetts.
- Potential litigation with Senesco Marine LLC regarding Contract No. 15-2016, Mid-Life Overhaul Services of the *M/V Martha's Vineyard*.
- Negotiations with the SEIU Local 888 for a new collective bargaining agreement covering the Authority's reservation clerks and other customer service employees.

Mr. Ranney stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Mr. Ranney announced that the Members would reconvene in public after the conclusion of the executive session.

**IT WAS VOTED – upon Mr. Jones' motion, seconded by Ms. Gladfelter – to go into executive session to discuss and approve minutes of the Authority's meeting in executive session of September 25, 2018; to discuss the potential acquisition of real estate; to discuss the Authority's strategy with respect to collective bargaining matters; and to discuss potential litigation.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b><u>10 %</u></b>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

At approximately 4:23 p.m., Mr. Ranney reconvened the meeting in public session. Five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford. Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council Member George J. Balco of Tisbury were also present, as were the following members of management: General Manager Robert B. Davis;

Treasurer/Comptroller Gerard J. Murphy; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Reservations and Customer Relations Manager Gina L. Barboza; Vineyard Haven Terminal Manager Richard Clark; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Security Larry Ferreira; Director of Marketing Kimberlee J. McHugh; Oak Bluffs Terminal Manager Bridget Tobin; Operations Manager Mark K. Rozum; and Oak Bluffs Terminal Manager Bridget Tobin.

Video and Audio Recording of Today's Meeting:

Mr. Ranney once again announced that All Media Productions was taking a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV. Making audio recordings of the meeting were Mr. Driscoll, Louisa Hufstader of the Vineyard Gazette and George Brennan of the Martha's Vineyard Times.

Recognition of Public Officials:

Mr. Ranney recognized Dukes County Commissioner Leon Brathwaite, Tisbury Selectwoman Melinda Loberg and Martha's Vineyard Commissioner Josh Goldstein in the audience.

Minutes:

**IT WAS VOTED – upon Mr. Hanover's motion, seconded by Ms. Gladfelter – to approve the minutes of the Members' meeting in public session on September 25, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Davis summarized the results of the Authority's operations for August 2018, as set forth in a business summary for that month that had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers (down 1.1%), more automobiles (up 4.7%) and more trucks (up 2.7%) than it had carried during the same month in 2017, and it parked fewer cars (down 7.1%) in that period. In the first eight months of the year, the Authority had carried fewer passengers (down 0.9%), fewer automobiles (down 1.1%) and fewer trucks (down 0.4%) than it had during the first eight months of 2017. In that same time frame, the number of cars parked was also down 2.0%.

Mr. Davis also reported that, for the month of August, the Authority's net operating income was around \$7,409,000, which was \$740,000 below budget. Total income was about \$17,173,000, around \$87,000 above budget, while total expenses were about \$9,763,000, about \$826,000 above budget. Year-to-date operating revenues and other income were around \$75,118,000, about \$1,224,000 below budget, and year-to-date expenses were \$70,743,000, about \$3,457,000 above budget.

Noting the roughly \$2,500,000 increase in maintenance expenses, Ms. Tierney said the Authority's net operating revenue was down nearly \$7,000,000 compared to last year and asked what was contributing to that change. Mr. Davis said maintenance expenses account for almost all of the increase, with additional credit card fees and the cost for chartering the Seastreak vessels in the spring were also contributing factors.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis presented an update on the Woods Hole Terminal Reconstruction Project, noting that the contractor, Jay Cashman Inc., has begun demolition of the old wharf bulkhead using a hoe ram and crane to demolish the concrete that is sandwiched in between the sheet piles, and trenched the area to clear out an old granite wall where the new sheet piles will be located. The work has forced crews to dig twenty-five (25) feet deep to drive piles up to forty (40) feet deep.

The electrical contractor disabled power to the Slip #3 transfer bridge so that Cashman could remove the bridge gallows. Cashman has also removed the fenders from Slip #3. The site contractor, Lawrence Lynch Corp., was on site to remove the excavated fill materials and debris from the pre-trenched area. They

also trucked in crushed stone for that same area so that the crane used to drive the sheet piles would be adequately supported.

The sheet pile bulkhead will be tied back to a wall called a “deadman” that is approximately fifty (50) feet behind the bulkhead and will be buried underground. Lawrence Lynch will support Cashman with crushed stone as needed. Five (5) truckloads of sheet piles and tiebacks were delivered and Cashman began driving the new bulkhead sheet piles. Jay Cashman Inc. continued with the wharf bulkhead demolition by removing the first layer of sheet piles on the north face. Cashman has set up a turbidity curtain inside the excavation area to contain debris.

In the coming weeks, Cashman will continue demolition of the old bulkhead, including clearing out the west face of the old wharf. Cashman will continue driving the new sheet pile bulkhead and they will install a “deadman wall” and the tie back rods that connect the bulkhead to the deadman wall.

Mr. Davis noted that thirty (30) emails have been sent to the community throughout the length of the project to update them on the status of the work.

Mr. Cloutier then presented a slideshow of photos depicting recent construction work at the terminal site.

Mr. Davis further noted that the Authority held a community presentation on the design development of the terminal building for the Woods Hole terminal at the Falmouth Public Library on Tuesday, October 9, 2018 followed by an open house presentation at the Vineyard Playhouse on Wednesday, October 10, 2018. Through that process, the Authority has heard various comments about the design concept, both favorable and unfavorable, and has continued to receive some written feedback. Management plans to review the comments and look into what can be done to minimize those concerns.

Update on the Independent Review of the SSA’s Operations (Vessel Operations, Fleet Maintenance, Management Structure, Public Communication and Information Technology Systems):

Mr. Davis updated the Board on the independent review of the Authority’s operations by HMS Consulting and Technical, Glostten Associates and Rigor Analytics. Since the video conference call Mr. Davis detailed at the Board’s September 2018 meeting, the Authority’s staff has presented additional data to address open items with the consultants. Management’s understanding is that the HMS team has been discussing weighing the benefits of performing more

interactive reviews against the impact on the schedule for final delivery of the report. Mr. Davis said he has informed the consultants the speed by which the report is issued is far less critical than ensuring the accuracy of the study.

The incidents that the consultants are focusing on are:

- 1) The soft grounding of the *M/V Woods Hole* in March.
- 2) The failed generator issue on the *M/V Martha's Vineyard* in March.
- 3) The May 5th incident with the *M/V Martha's Vineyard* in which the vessel lost power leaving the dock.
- 4) The delay in the *M/V Island Home* coming back into service from its repair period.

Mr. Davis noted the Authority has yet to have an interactive review of the Public Communications and Information Technology. Furthermore, HMS reports that they are heavily into crafting the final report for what is now expected to be an early November release. Mr. Davis said due to time constraints, the Board meeting might be moved to the week after Thanksgiving to allow HMS personnel to travel here for a presentation to the board.

Proposed 2019 Reservations Opening Dates:

Mr. Davis presented the Board with the Proposed 2019 Reservation Opening Dates. He reminded the Members that, in 2018, a system failure brought the reservation system to a virtual standstill during the general internet opening period. Originally, the diagnosis was a hardware failure; however, the problems were later traced to a system configuration issue. Staff have been looking into what steps can be taken to prevent this incident from reoccurring in 2019. The Authority's MIS department will have onsite vendor support during the general internet opening period and will be splitting the reservations openings into two periods, first for Nantucket and the second for Martha's Vineyard. During the general opening periods, staffing will be increased at the Reservation Office to help users who are having problem accessing their account. Additionally, the office will be staffed from 5:00 a.m. to 6:00 p.m. those days.

The proposed reservation opening dates are as follows:

- Headstart/mail & internet only January 8-14, 2019
- Internet General Opening Nantucket January 15-21, 2019
- Internet General Opening Vineyard January 22-28, 2019
- Telephone opening January 29, 2019
- Headstart transfer deadline date May 15, 2019  
(or 30 days prior)
- Fall schedule opening (phone, mail, internet) June 17, 2019

Mr. Davis then reminded the Members about the Authority's Headstart program, the Islander Preferred and Preferred Excursion programs and the need for those with an even-numbered profile number in either of those programs to requalify by December 31, 2018 to be eligible for Headstart.

Mr. Davis also reviewed the 2018 reservation-only dates, which will be:

- May 23-28, 2019;
- Every Friday, Saturday, Sunday and Monday from  
June 21-September 2, 2019;
- July 2, 3 and 4, 2019;
- August 20, 2019;
- September 3, 2019; and
- October 11 and 14, 2019

In response to a question from Mr. Jones, Mr. Davis noted the reservation opening dates would be published on the Authority's website and customers with even-numbered profiles who needed to renew this year would be contacted individually by the Reservations Office.

#### Update on Social Media Policies:

Mr. Driscoll provided an update on the Authority's plans to use social media channels to communicate with its customers. He noted that the Authority would initially focus on two channels, Facebook and Twitter, to increase engagement with the public and provide accurate information. The Authority's Facebook page (<http://www.facebook.com/SteamshipAuthorityMA>) will be used to share preplanned informational updates and operational and travel updates as needed. The Authority's Twitter account (@SteamshipMA or <http://www.twitter.com/SteamshipMA>) primarily will be used to share trip alerts, diversions, delays and cancellations. The Authority's MIS department is working to link the current systems for issuing advisories and email alerts to

allow for automated posting to Twitter; the integration of those systems is anticipated in the fourth quarter of 2018.

Mr. Driscoll will serve as the primary Social Media Administrator and will designate other administrators, as needed, to monitor and respond to posts. After its implementation, the Operations and Communications Center will be responsible for monitoring the Authority's social media channels on the nights, weekends and holidays; until then, Mr. Driscoll and Ms. McHugh will jointly monitor those sites after business hours. Mr. Driscoll will develop a matrix to aid the Operations and Communications Center employees in determining which comments need an immediate response.

In response to a question from Mr. Hanover, Mr. Davis said staff was interviewing for the position of Operations and Communications Center manager and he expected the center to be up and running by the end of the year.

Mr. Davis also noted that management had met with community members on the Vineyard recently and wanted to continue to have those meetings to get different points of view on how the Authority managed its operations. Mr. Davis said Mr. Driscoll would also be working with the Authority's Port Communities to improve communications.

Mr. Davis further noted that the Authority recently had an issue with its communications, including its website, being unavailable due to an issue with the communication data line on Palmer Avenue. To that end, an emergency website will be established that will be cloud-based and can be put up in place of the Authority's website to post simple messages if needed. Mr. Driscoll further noted that he used the Authority's Facebook page to communicate with customers during that period as well.

Request for Authorization to Award Contract for  
*M/V Woods Hole* Dry-Dock and Overhaul Services:

Mr. Davis reported the *M/V Woods Hole* is scheduled for a shipyard period between December 31, 2018 and February 7, 2019 to undergo a required United States Coast Guard hull exam; rudder, propeller and shaft inspections and maintenance, bow thruster inspection, painting of the ship's exterior from the keel to the guard and numerous other minor improvements.

Mr. Davis said the 2019 Operating Budget estimate for this contract was \$553,100. In addition to the items listed above, two items in the 2019 Capital Budget are included in the contract: the installation of two mooring capstans

and remote tank level indicators on the freight deck. These items are estimated in the 2019 Capital Budget at \$115,000.

Mr. Davis said drawings and specifications were sent to eight (8) shipyards; two (2) responsive bids were received. The lowest eligible and responsible bidder was Thames Shipyard and Repair Company of New London, Connecticut, for a total contract price of \$788,853.

**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Gladfelter – to authorize the General Manager to award Contract No. 10-2018, Dry-Dock and Overhaul Services for the *M/V Woods Hole*, to the lowest responsible and eligible bidder, Thames Shipyard and Repair Company of New London, Connecticut, for a total contract price of \$788,853, as proposed by management in Staff Summary #E-2018-11, dated October 12, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Request for Authorization to Purchase Two (2) Diesel Engines Short Block Assemblies and Associated Equipment for the *M/V Iyanough*:

Mr. Davis said No. 3 and No. 4 diesel engines on board the *M/V Iyanough* will be slightly beyond their recommended hours for a major overhaul by the end of 2018. Overhaul of these engines involves removal of the engine room hatch covers, removal of the engines from the vessel, complete overhaul of each engine in a shop and reinstallation of engines and hatch covers.

The Authority’s maintenance staff at the Fairhaven repair facility will perform the removals and reinstallation work with the assistance of an MTU-certified technician. The bid also includes labor for the Nos. 3 and 4 engines to be assembled and tested by certified technicians at an approved facility. Steamship Authority maintenance staff will be overhauling the two EMD engines from the *M/V Island Home* during the repair cycle for the *M/V Iyanough*.



Mr. Davis noted the budget estimate for each engine was \$425,000, for a total of \$850,000. A credit of \$128,575 for return of the used cores is expected. The estimated delivery of the blocks is eighteen (18) weeks.

In response to a question from Ms. Tierney, Mr. Davis noted the cost of two new MTU diesel engines would be approximately \$800,000 each, for a total of \$1,600,000.

**IT WAS VOTED – upon Mr. Jones’ motion, seconded by Ms. Gladfelter – to authorize the General Manager to award Contract No. 12-2018, Supply and Deliver Two (2) MTU 12V4000 Short Block Assemblies and Associated “O” Rings, Bearings and Other Miscellaneous Parts, to the lowest eligible and responsible bidder, Steward & Stevenson Power Products LLC of Marlborough, Massachusetts, for a total contract price of \$979,646.02, as proposed by management in Staff Summary #E-2018-12, dated October 12, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Request to Approve Change Order #16 for Contract No. 16-2017,  
“Woods Hole Reconstruction – Waterways”:

Mr. Davis said the change order is needed to pay for the disposal of fill materials excavated from the wharf area that was characterized by the licensed site professionals as industrial fill but not suitable for use at other sites. Lawrence Lynch Corp. was required to truck this material to the same licensed disposal site in Kingston, Massachusetts, as the contaminated “21E” materials excavated from the wharf. Lawrence Lynch originally planned to stockpile this material at its facility in Falmouth for later use.

In response to a question from Ms. Gladfelter, Mr. Davis noted the change order would not materially affect the original budget for the Woods Hole Terminal Reconstruction Project because the Authority planned on finding more

contaminated material then was actually found; furthermore, the funds planned for 21E material were greater than the cost of this change order.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Jones – to authorize the General Manager to execute Change Order #16 to Contract No. 16-2017, Woods Hole Construction – Waterside, at a total cost of \$241,500, as proposed by management in Staff Summary #GM-705, dated October 12, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Report on Port Council’s October 5, 2018 Meeting:

Mr. Huss reported that, at their meeting earlier this month, the Port Council members had discussed all of the matters that the Members are considering that day, including:

- The proposed 2019 reservation opening dates;
- The Authority’s plans for social media;
- The 2019 budget; and
- The 2019 rate adjustments.

Regarding the budget, Mr. Huss further noted that the Authority’s income is extremely seasonal and can be affected by both the weather and the economy. He also said he was very happy the excursion rate was not proposed to change in 2019. The Port Council also discussed whether the Authority should continue to raise rates only every few years or if they should be increased more incrementally each year. The matter is still under discussion, but Mr. Huss said it should be brought up again.

Mr. Huss also noted that, on Nantucket, more and more seasonal homeowners are buying cars and leaving them on the island, which could affect the number of vehicles the Authority transports. There may be no way to solve that problem, but it should be something the Authority is aware of going forward.

Proposed 2019 Operating Budget:

Mr. Murphy began a Power Point presentation that outlined the proposed 2019 Operating Budget and gave some background as to how the Authority generates revenue, the overall budget process and the seasonal nature of the Authority's expenses and revenue.

In the proposal, operating revenue is expected to total around \$105,870,000 and total operating expenses of around \$105,232,000. After accounting for nonoperating items, the Authority is left with an estimated operating surplus of \$276,000, or 0.3% of operating revenue.

Mr. Murphy said operating expenses are expected to be about \$4,403,000 higher than 2018, or a 4.4% increase. The most significant increases in expenses were fuel (up \$2,018,000, or 31.5%), payroll (up \$1,299,795, or 3.6%), terminal maintenance (up \$411,896, or 33.1%) and vessel maintenance (up \$123,208, or 1.4%). Mr. Murphy noted crude oil was trading at around \$71 a barrel; in the 2019 budget, staff is expecting costs to range between \$61.75 and \$64.50 a barrel, or \$2.52 a gallon to \$2.63 a gallon, with a year-long average of \$2.55 a gallon.

Mr. Murphy noted the biggest change to the budget on the expense side between its preliminary form in September and this meeting was the dry dock of the *M/V Nantucket*, which was moved from 2019 to 2020. The U.S. Coast Guard requires two (2) dry docks every five (5) years, but not more than three (3) years apart, giving time for other priorities to be addressed, such as overhauling both engines on the *M/V Island Home*.

For operating revenue, Mr. Murphy said the Authority is anticipating an overall increase of \$1,430,000 in operating revenue, or 1.4%. Operating revenues are generally projected using the most recent twelve (12) months of actual data, meaning this budget used August 2017 through July 2018. In some cases, however, staff used the average of the last three (3) years to smooth out fluctuations in passenger traffic this year.

Specifically, Mr. Murphy said, the budget anticipates a decrease in automobile revenue (down \$42,000, or 0.1%) but increases in freight revenue (up \$506,000, or 1.8%), passenger revenue (up \$466,000, or 1.4%) and parking revenue (up \$219,000, or 3.0%).

Proposed 2019 Rate Adjustments:

Mr. Murphy then discussed the proposed 2019 Rate Adjustments, which total \$7,000,000 (or 6.7% of total operating expenses) and represent the best estimate of the balance needed to ensure availability of funds to maintain service levels and to meet the Authority's debt service obligations. Mr. Murphy stressed that projecting passenger traffic is not an exact science and that little events can cause severe fluctuations in revenues. Furthermore, vessel dry-dock expenses are projected eighteen (18) months ahead of schedule, and new items can be added to the project and additional steel work and the overall age of the vessels can increase costs.

Mr. Murphy reviewed the rates that are not changing in the proposal, including:

- All passenger rates;
- Bicycle and surf board rates;
- Off-season regular automobile rates;
- All excursion automobile rates, a change from the September proposal;
- Nantucket route parking rates; and
- Vineyard route parking rates during the off-season, shoulder season and Monday-Friday on-season.

Mr. Murphy reminded the board of its policy, in which staff uses the most recent ten (10) years of operating revenues and cost of service for each route to determine if one route is subsidizing the other and, if so, to what extent. That analysis shows that the first \$400,000 of any rate adjustment should come from the Vineyard route. Therefore, the proposal allocates \$4,600,000 of the rate adjustments from the Vineyard route and \$2,400,000 from the Nantucket route as follows:

Martha's Vineyard route

- Automobile revenue: \$2,600,000
- Freight revenue: \$1,500,000
- Parking revenue: \$ 500,000

Nantucket route

- Automobile revenue: \$ 900,000
- Freight revenue: \$1,500,000

On the Vineyard routes, staff is proposing to increase automobile rates by \$12.50 one-way in the on-season for regular rates; a 12.5% increase in freight rates; and a \$5.00 per day increase in parking rates on Saturday and Sundays in the on season.

On the Nantucket routes, staff is proposing a \$25.00 one-way increase in regular, on-season automobile rates; and a 12.5% increase in truck rates.

Mr. Murphy noted the last time the rates had been adjusted were between four and eight years ago and that the proposed adjustments compared favorably to the Consumer Price Index. Furthermore, in most cases, the proposed rates are at or below what they would have been had rates been increased annually with the rate of inflation. In response to a question from a member of the audience, Mr. Davis clarified that the CPI-U (Consumer Price Index for All Urban Consumers) was the source used for the comparison.

Ms. Tierney complimented the presentation, thanking management for presenting the topics in an easy-to-understand manner.

Mr. Murphy noted the Port Council voted to recommend both the Proposed 2019 Budget and Proposed 2019 Rate Adjustments at their October meeting.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Ms. Tierney – to approve the 2019 Operating Budget as proposed in Staff Summary #A-631, dated October 11, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

**IT WAS VOTED – upon Ms. Tierney’s motion, seconded by Ms. Gladfelter – to approve rate adjustments effective January 3, 2019 as proposed in Staff Summary #A-632, dated October 11, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Recognition of the retirement of Bridget Tobin:

Mr. Davis recognized Ms. Tobin in the audience and informed the Members and the audience that she was retiring from the Authority. Ms. Tobin began her career at the Authority in 1974 and served in a variety of capacities before becoming the Oak Bluffs terminal manager in 1996. Ms. Tobin has been known over the years for her warm and friendly demeanor, her professionalism and her service to customers, her coworkers and the community. Mr. Davis lauded Ms. Tobin as the very best the Steamship Authority has to offer. Mr. Davis also noted that Ms. Tobin would return to work for the summer of 2019.

Public Comment:

Mr. Ranney prefaced public comment by informing the attendees that the Board only had use of the room until 6:00 p.m. and asked that everyone be considerate of this when speaking.

Ana Edie<sup>1</sup> commented on the proposed design for the Woods Hole Terminal and noted it has no solar energy, which she called “unacceptable.” Buildings need to release no carbon dioxide for the health of the environment. The only way to avoid climactic disaster is to avoid using fossil fuels, which is entirely achievable. She proposed the design be two one-story buildings with a small gap between that would be south facing to allow photovoltaic panels to generate solar

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<sup>1</sup> Reporter’s note: Whenever possible, names of those speaking at public comment have been checked against available public records; however, it was not possible to verify the spelling of the names of everyone who spoke.

electricity. Such an orientation would also allow for greater visibility of the water from the Crane Street bridge leading to the terminal. Photovoltaic panels could also be placed over the parking lanes and in the standby lines. She also said she was told the town declined to allow solar power panels at the site, but that a solution could be found to present the solar panels in a more aesthetically pleasing arrangement. She said as a public building, the Authority has to set an example for how to operate a facility with as close to zero fossil fuels as possible.

Molly Cabral said she was heartened to hear the Authority was taking public comments on the terminal building design into consideration and she hoped it was true. Her experience with the Steamship Authority is that such promises are not always true and she has been at many meetings where the Authority heard the views of people from Woods Hole and then proceeded as it wanted. She does not think a two-story terminal building is necessary. The Authority recently built a new building in Falmouth with offices, so she does not understand why the terminal building has to be two stories. If the building is thirty-five (35) feet high, then with the additional built-up ground it would sit on, it would be forty-five (45) feet high and entirely block the view of the water from the Crane Street bridge. For Vineyarders, the view while driving down Woods Hole Road is their “welcome home” and to obliterate it would be criminal. The Authority says it is the lifeline to the islands, but she does not think the lifeline should be a noose around Woods Hole’s neck.

Mr. Goldstein thanked the Members for coming to the Vineyard and for moving their meeting to later in the afternoon. He said Mr. Driscoll has been “a breath of fresh air” and a fantastic addition to the Authority’s staff. Regarding the rate increases, as a hotelier Mr. Goldstein said he knows they happen but he would prefer they happen incrementally, if possible annually, to avoid larger jumps every few years. Regarding the terminal building, Mr. Goldstein it needs to be smaller and cheaper. He noted the operating budget seemed to indicate the Authority lost money this year, and many other Vineyard businesses struggled. He said the Authority needed to do more to save money rather than spending money and raising rates.

Niki Patton complimented the Members and staff, saying she knows they work hard and that the job is not a piece of cake. She thanked them for bringing on Mr. Driscoll and noted he has been monitoring various social media channels, including the “Islanders Talk” page on Facebook, where she has had conversations with him. She said it is an important place to listen to what people are saying about the Authority. Ms. Patton also said that, despite popular belief, the retail, hospitality, construction and real estate industries make up less than half of the economy on the Vineyard. She represents the other half, and she had an awful summer due to the high amount of traffic, people and traffic jams on

the island, even in West Tisbury. She said the Authority needs to meet with other business people on the island, because some of them are “freaking out” and that it is important they be heard. Ms. Patton said the Authority has been accused of being tone deaf in the past and that it is ironic that microphones were not always being used during today’s meeting. She asked that email continue to be used to communicate in addition to social media channels. She said the Authority should communicate every bit of information it has, even if it is to people who may not need to know all of it, so everyone knows what is going on.

Harriet Barrow said she was confused to see a second floor was necessary on the Woods Hole terminal building design for lockers, management and workers, when none of the three require a second floor and that the Palmer Avenue headquarters was built to accommodate managers. Having a very tall, glass expanse, therefore, does not make any sense and seems to be quite expensive. Solar panels also make a great deal of sense for the building. Ms. Barrow also said it seemed odd for the Board to have a discussion and vote and that the public was not allowed to say anything before the vote was taken. Several people in the audience were “sneering” following the votes on the budget and rate adjustments and, while she is unsure what the procedure is, to be unable to say anything seemed odd.

Dean Rosenthal of Edgartown noted that the addition of Mr. Driscoll to the Authority’s staff had been successful so far. Mr. Rosenthal said he understands that the Authority is the lifeline to the islands and that presents a lot of challenges for the Authority. Mr. Rosenthal asked if the Board thinks the island has a limited infrastructure and services, to which Mr. Hanover responded in the affirmative. Mr. Rosenthal responded that, every year, he reads that more cars are coming as are more visitors and he asked what is too much for the Authority and the island. There is a limit to what can be handled, and he does not know for how much longer the growth can go on. As Ms. Patton said earlier, in the summer time, residents do not have an island they can use.

Ms. Tierney asked if the traffic was an island problem or a Steamship Authority problem, and Mr. Rosenthal responded there have to be solutions. He does not know what they are, but the situation cannot go on forever. When will it stop, and who will be responsible for making it stop? Ms. Tierney replied that, if Martha’s Vineyard wants to control its growth, it is a political issue for Martha’s Vineyard. The Authority accommodates the transportation demand to the island and cannot put a limit on that. Mr. Rosenthal countered that there is a limit and that it is not the island’s responsibility for drawing that limit. Mr. Hanover said the Authority does not have the right to limit traffic; he would like to find a solution, but it has to come from the island.



Rez Williams of West Tisbury asked if the Authority has considered, in light of building a third slip in Woods Hole that will accommodate more cars and trucks coming to the island, a Seastreak model of bringing over more foot passengers, which would allow visitors to come to the island and spend money, but force them to use the island's bus system and reduce congestion on the roads. Regarding the proposed Woods Hole terminal design, he asked if the Authority had considered moving the building to the northeast corner of the property under the Crane Street bridge, which would move the building out of sight and out of the traffic flow on the property. The way it is situated now, the building is in the middle of both the view and the traffic flow on the terminal property. Alternatively, he asked if the Authority had considered moving the building where the freight shed currently stands.

Mr. Brathwaite said he agreed there are too many cars on the island in the summertime but, as a former member of the Massachusetts Commission Against Discrimination, he does not believe that the Authority could choose one group of people to be screened from coming to the island. The Authority is a conveyance of moving vehicles between Woods Hole and Martha's Vineyard and there is no way, he feels, to limit that traffic legally. There are a lot of cars coming to the island, he said, but he does not see a way to stop that in the near future. Mr. Brathwaite also thanked the Authority for reinstating the 10-ride Ferry Pass card, saying being able to buy one ticket for a group of travelers is a good thing.

Fred Condon<sup>2</sup> asked the Members how they could have a meeting at which they ostensibly want to hear from the public but that has a stop time predetermined and has public comment at the end of the agenda. He noted he would be very embarrassed if he were a member of the Board. He said many of the Authority's problems start at the top and noted that, while Mr. Ranney introduced the Members sitting at the table, he did not introduce the staff members also sitting there. Mr. Condon said the Authority only gets concerned about the public's input when it has to raise rates and that, by bringing more cars and more people, it is "killing the goose." The people who come to the island by plane to stay in their summer homes will go somewhere else because they will not put up with the levels of traffic in the summer time. While the traffic is not the Authority's fault, it should be instigating conversations about the traffic and presenting its 10-year plan for how many trucks and vehicles it will be taking to the island in that time. Mr. Condon noted that no one likes surprises, especially negative surprises, and that the Authority was not doing its job.

Mr. Condon also asked about why the Authority needs training space on the second floor of the new Woods Hole terminal building and why it did not

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<sup>2</sup> Mr. Condon did not identify himself at the meeting; however, he is known to Authority staff.

include such space at its new headquarters. He also mentioned metrics and asked how the Authority judges its performance and what its burden was to prove it was doing its job in a cost-effective manner. He asked what Mr. Davis would have rated himself on his recent evaluations and what his objectives were for the upcoming year and how he would measure those. Mr. Condon said he believes Mr. Davis' goals are unmeasurable, there is no accountability for them and that management does not know how to run an organization. The Authority is a \$100,000,000 organization and needs some leadership.

Carol from Oak Bluffs said she supported the comments about reevaluating the design and location of the Woods Hole terminal building, saying it was unconscionable to building something that was not efficient, that destroys the view and ignores the abutters in Woods Hole and Falmouth. She said the Authority could not blame people owning cars for loss of revenue; it has to do with efficiency and lack of planning as well.

She asked a question about maintenance costs for the *M/V Woods Hole* and if that was regular maintenance, to which Mr. Davis indicated in the affirmative. She said the cost seemed "out of the park." She also argued for a gradual increase to fares instead of dumping increases on everyone at once without justification and proving the organization's cost effectiveness. She also said there has been no response to developing a plan for a Seastreak-model high-speed ferry service to the island. She asked that the Authority listen to residents, talk to them and run a more efficient and responsive organization.

A resident said she was told the Authority's advertising budget is \$1,500,000 and that the island does not want to attract more visitors, so why is the Authority advertising at all? She asked if it was pressure from the Chamber of Commerce to increase business on the island and, if so, that the ratepayers are paying for advertising the business community should be doing on its own. Mr. Hanover said the figure was inaccurate; Mr. Davis noted the budget for advertising was \$1,300,000 and that the Authority does have competition from other carriers to the island and to Nantucket.

Trina Manning from Aquinnah thanked the Authority, noting that she has been a user of the boat line for 70 years and has worked closely with many staff members over the years.

Then, at approximately 6:02 p.m., Mr. Ranney entertained a motion to adjourn the meeting.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Ms. Tierney – to adjourn the meeting in public session.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**Documents and Exhibits Used at the  
October 16, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. October 16, 2018 Meeting Memorandum, dated October 12, 2018.
2. Video and Audio Recording Announcement.
3. Statement to be read prior to going into executive session.
4. Minutes of the September 25, 2018 Meeting in Public Session (draft).
5. Business Summary for the Month of August 2018.
6. Power Point presentation, photos from construction at Woods Hole terminal.
7. Staff Summary #RCR-01-2018, dated October 11, 2018, Proposed 2019 Reservations Opening Dates.
8. Staff Summary #COMM-2018-01, dated October 12, 2018, Update on the Authority's Plans to use Social Media for Customer Communications.
9. Staff Summary #E2018-11, dated October 12, 2018, Contract 10-2018 Dry-dock and Overhaul Service for the *M/V Woods Hole*.
10. Staff Summary #E2018-12, dated October 12, 2018, Contract 12-2018, Supply and Deliver Two (2) MTU 12V4000 Short Block & Associated "O" Rings Bearings and Other Miscellaneous Parts.
11. Staff Summary #GM-705, dated October 12, 2018, Approval of Change Order #16 for Contract No. 16-2017, Woods Hole Reconstruction – Waterside.
12. Minutes of the Port Council's September 12, 2018 meeting (draft).
13. Staff Summary #A-631, dated October 11, 2018, Proposed 2019 Operating Budget.
14. Staff Summary #A-632, dated October 11, 2018, Proposed 2019 Rate Adjustments.
15. Power Point presentation, 2019 Budget/Proposed Rate Adjustments.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**November 20, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 20th day of November, 2018, beginning at 3:00 p.m., in Room 103 of the Authority's administrative office building, located at 228 Palmer Avenue, Falmouth, Massachusetts. All five Members were present: Chairman Robert F. Ranney of Nantucket (who participated via telephonic conference call); Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford (who also participated via telephonic conference call).

The following members of management were also present: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Counsel Steven M. Sayers; Communications Director Sean F. Driscoll; Director of Marketing Kimberlee J. McHugh; and Operations Manager Mark K. Rozum.

Recognition of Public Officials:

Mr. Jones recognized James Barker, president of Seastreak LLC; John Silvia, general manager of Seastreak LLC; R. Murray Scudder Jr., vice president/operations with Hy-Line Cruises; and R. Murray Scudder III and Martin Reilly, also with Hy-Line Cruises, in the audience.

Remote Participation by New Bedford Member Moira E. Tierney and Nantucket Member Robert F. Ranney:

Mr. Jones announced that he had been notified by Mr. Ranney and Ms. Tierney that they each desired to participate remotely in today's meeting because their physical attendance today would be unreasonably difficult. Mr. Jones stated that he agreed with Mr. Ranney and Ms. Tierney and had determined that their physical attendance today would be unreasonably difficult and that, therefore, they may participate remotely in this meeting, which includes voting on all matters as well. Mr. Jones also stated that Mr. Ranney and Ms. Tierney would be participating in the meeting by telephone conference call, that they would be clearly audible to the Members, and that the Members would be clearly audible to them. Mr. Jones also noted that, as a result of Mr. Ranney's and Ms.

Tierney's remote participation in this meeting, all votes taken by the Members that day would be by roll call vote. Furthermore, Mr. Jones noted that, in his role as vice chairman, he would be presiding over the meeting.

Video and Audio Recording of Today's Meeting:

Mr. Jones announced that All Media Productions was taking a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV, and that Mr. Driscoll was making an audio recording of the meeting.

Seastreak's Proposed Service Between  
New Bedford and Nantucket for the Period of  
Friday, November 30, 2018 through Monday, December 3, 2018:

Mr. Davis said Seastreak LLC had requested permission to operate its high-speed passenger-only ferry from New Bedford to Nantucket in connection with the 45th Annual Chamber Christmas Stroll on Nantucket. Mr. Davis noted that, after he had been notified by Seastreak of their desire to provide the service about a week ago, he had reviewed the Authority's licensing policy to see if such matters had previously been delegated to the general manager. Mr. Davis stated that, based upon his review of the policy and previous votes of the Members, he felt the issue was more appropriately a policy decision for the Board because, at this time of year, Seastreak is not running any service. Mr. Davis said he appreciates the Members taking the time to address these issues.

Mr. Davis said the request is for two daily round trips between New Bedford and Nantucket on Friday, November 30, Saturday, December 1, and Sunday, December 2, 2018, and a single round trip on Monday, December 3, 2018. The trips would be treated as additional licensed trips on Seastreak's existing license; therefore, the current license fee schedule would apply to the service. Mr. Davis also stated that the staff was recommending approval of the request.

Mr. Barker said he appreciated the meeting being called today and that it was not his intention to bring the Members together two days before the Thanksgiving holiday. He said he had a tough summer and had been hospitalized and should have thought of this issue sooner than he did. Further, Mr. Barker said, when he and his staff started discussing the matter, he called Mr. Davis not realizing it would require Board approval. He stated that he now has a better understanding of the approval process and thanked the Members for their consideration. He said the company likes to keep its employees working as long

as possible and these trips would provide the opportunity to offer their employees work while also helping the islands generate more business during the holidays.

Mr. Ranney said, with the late request by Seastreak, the proposal had not had a chance to be vetted by the Port Council as would typically be the case and that none of the Members had seen the request until a few days ago. He said it is unfair to other licensees who have gone through the whole process and gotten a full vetting prior to the Members considering such a request. He said he feels the request puts the Members in a bind that he finds unreasonable.

Mr. Ranney asked what size of vessel would be used for the service. Mr. Silvia replied it would be the *M/V Martha's Vineyard Express*, a 95-foot vessel that carries 149 passengers. Mr. Ranney also asked what the company's plan was for handling its passengers in the event its return trips from Nantucket have to be cancelled due to bad weather. Mr. Silvia replied the company would follow its protocols and get the passengers back through whatever means possible, whether onboard an Authority vessel, a Hy-Line vessel or by motor coach.

Ms. Tierney noted the mutually beneficial relationship the Authority has had with Seastreak and their willingness to help out several times when asked, specifically when they provided fast ferry service during the Authority's service disruptions in the spring. She acknowledged the request was late but said she understood Mr. Barker was in the hospital and she asked the Members to approve the request in light of the Authority's positive relationship with Seastreak.

Ms. Gladfelter said when Hy-Line has run service into Edgartown in the past, it was at the request of the town's Board of Trade; she asked if Seastreak has reached out to the Nantucket Chamber of Commerce about the request. Mr. Silvia confirmed the company had but discussions had not proceeded much further than that.

Mr. Silvia further noted that Seastreak has never left a person behind on one of its trips and, should it encounter service disruptions, it would find its passengers accommodations on the island and get them off Nantucket by whatever means necessary.

Mr. Jones noted that, when Seastreak first applied for its license, it was going to run two vessels year-round, which later became one vessel due to low demand. He asked Mr. Silvia when Seastreak's season ended now, to which Mr. Silvia replied Columbus Day. Mr. Silvia said the company was trying to get its business back to where it was in small increments and attempt to keep the Seastreak brand strong.

Mr. Jones said that, whatever the Members decided, he was considering not only what the impact would be today with the other carriers, including the Authority, but what the impact would be for the future should this request be granted. Ms. Tierney said she felt the Board should make accommodations for the Authority's top licensees, as it did for Hy-Line when that company needed to reduce its schedule due to mechanical issues with its fleet.

Mr. Ranney said emergencies were one thing but this event has been taking place for more than 30 years so he does not understand why Seastreak had to come in at the last minute and push for a special meeting. He said he does not want to set a bad precedent and, since it is a policy issue, the policy is for such requests to be vetted by the Port Council and staff. Mr. Ranney observed that the extra service may be a good idea or it may not, but the Members do not know when they only have two days to review it.

Mr. Barker clarified that, when he approached Mr. Davis, he did not know it had to go to the Board and, had he known, he probably would not have gone through with the request.

Mr. Davis said he has been on record expressing his gratitude to Seastreak responding to a request in the middle of the night to provide a boat when needed this spring. In that regard, Mr. Davis said, Seastreak has been a good partner, as have other carriers. Mr. Davis said the request was made after the Port Council had met but he needed time to examine the matter and determine if it was a matter for him or the Board to decide. He later determined that the matter was a policy decision in the same vein as Hy-Line Cruises' request to run service to Edgartown for the Christmas in Edgartown event.

Regarding the impact on the Authority's service, Mr. Davis said that its high-speed service to Nantucket is traditionally full on this weekend, so the impact would come in whatever passengers the Authority might take on its traditional ferries, and that the Authority has already planned to have the *M/V Woods Hole* on the route for additional capacity.

Mr. Hanover said he agreed with Ms. Tierney and suggested the Members approve the request with the understanding that Seastreak go through the full process next year. He said, regarding Seastreak's subsequent request for the Edgartown Christmas Stroll, he has spoken with the Edgartown Board of Trade and they are very excited about it. He also noted that he has no issues with the requests and think they will benefit both islands.

Ms. Gladfelter said the potential benefits of the service would include bringing passengers from Southeastern Massachusetts, New York and New Jersey



who otherwise would not be riding aboard the Authority or Hy-Line vessels to these events. She also noted she was glad to hear from Mr. Hanover that the Edgartown Board of Trade was excited about the potential extra service.

Mr. Ranney said he did not have a problem with the extra service but, rather, with the policy implications of the short notice. He said other licensees had been “held to the fire” and, just because Seastreak did the Authority an emergency favor, that should not be thrown out the window.

Mr. Scudder Jr. said he, too, had just heard about Seastreak’s request and, like Mr. Ranney, he did not have a problem with the concept. His issue is also with the timing and noted that he and Mr. Davis have been having preliminary discussions about adding additional service and, had he known he could call an 11th hour meeting, he might have done so. He noted, regarding the Christmas in Edgartown event, that Hy-Line had a hard time getting the service off the ground last year, although poor weather was a likely factor. His objections regarding the timing notwithstanding, Mr. Scudder said he felt the Seastreak service would be well received by both islands in the future.

Mr. Jones noted the Authority has had numerous requests from boat lines to extend their service a few days and to move trips around, and that any executive is going to try to maximize their service, which ultimately helps the Authority’s passengers. He said the question remains if there is a need for the additional trips, and he does not know.

In response to a question from Mr. Ranney, Mr. Sayers noted that on at least one prior occasion, the Authority had held a special meeting for Island Commuter Corp. to approve its request to provide additional service, and that request similarly had not been vetted by the Port Council. Mr. Sayers also noted that the Authority did not hold a full public hearing on Hy-Line’s previous request to provide service for the Christmas in Edgartown event. Mr. Sayers further noted that those issues have gone straight to the Board and, for the most part, the matters have proved not to be controversial.

**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Gladfelter – to approve Seastreak’s request to provide high-speed passenger service between New Bedford and Nantucket from November 30, 2018 through December 3, 2018, as requested and described in Seastreak’s emails, with the understanding that all other terms and conditions of its current License Agreement remain the same, as proposed by management in Staff Summary #GM-706, dated November 19, 2018; provided, however, that the approval is a one-time exception to the Authority’s usual policy of requiring such requests to be first considered by the Port Council before being presented to the Board and that Seastreak shall be required to comply with that policy if it submits a request to provide this service again in the future.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>		<b>35 %</b>
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>65 %</b>	<b>35 %</b>

Seastreak’s Proposed Service Between  
New Bedford and Edgartown for the Period of  
Thursday, December 6, 2018 through Sunday, December 9, 2018:

Mr. Davis reported that Seastreak was requesting permission to operate a high-speed passenger service between New Bedford and Edgartown for the 37th Annual Christmas in Edgartown, which will take place between December 6, 2018 and December 9, 2018, and that Seastreak is proposing to operating two daily round trips on each of those days. Mr. Davis noted that, instead of using the Authority’s slips, it would proceed straight to Edgartown, which would require coordination with the Edgartown Harbormaster.

Noting that the schedule calls for, in some cases, a two-hour layover in between trips, Mr. Ranney asked if the Seastreak vessel would berth at the dock or transit to another point. Mr. Silvia said the vessel would either lay up at the dock and wait for its return trip or leave the dock and wait to return. Mr. Ranney further asked if the times were flexible, as one arrival was scheduled within 10

minutes of a Hy-Line Cruises vessel. Mr. Silvia said Seastreak's captains will coordinate with Hy-Line's captains to ensure that there are no logistical issues.

Mr. Ranney said he did not see Seastreak as direct competition for the Authority but he, again, objected to the process and reiterated that he did not like skirting the Authority's normal policies for a one-time event. Mr. Silvia told the Members that, when they were considering next year if they would repeat the service again, they would come to the Authority in time for its regular approval process to unfold.

Regarding the scheduling of the Seastreak trips, Mr. Hanover said he wanted Hy-Line vessels to have priority. Mr. Sayers said, under the terms of Seastreak's license agreement, the Edgartown harbormaster would have the authority to coordinate the ferry traffic.

Mr. Scudder Jr. said his only concern was that his vessel and Seastreak's vessel would not cause conflicts in the harbor due to their arrival times being scheduled very close to each other, but that he was sure the two companies could work together to prevent that from happening. Mr. Barker said Seastreak would change its schedule, if necessary, to accommodate Hy-Line's vessels. Ms. Tierney thanked Mr. Scudder Jr. for being so gracious toward New Bedford's licensing request.

**IT WAS VOTED – upon Ms. Gladfelter's motion, seconded by Ms. Tierney – to approve Seastreak's request to provide high-speed passenger service between New Bedford and Edgartown from December 6, 2018 and December 9, 2018, as requested and described in Seastreak's emails, with the understanding that all other terms and conditions of its current License Agreement remain the same, as proposed by management in Staff Summary #GM-707, dated November 19, 2018; provided, however, that the approval is a one-time exception to the Authority's usual policy of requiring such requests to be first considered by the Port Council before being presented to the Board and that Seastreak shall be required to comply with that policy if it submits a request to provide this service again in the future.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>		<b>35 %</b>
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>65 %</b>	<b>35 %</b>

Update on the Independent Review of the SSA's Operations (Vessel Operations, Fleet Maintenance, Management Structure, Public Communication and Information Technology Systems):<sup>1</sup>

Mr. Davis updated the Board on the independent review of the Authority's operations by HMS Consulting and Technical, Glostten Associates and Rigor Analytics. Mr. Davis stated that the staff have been informed that the report will not be fully finalized in time for the regularly scheduled Board meeting on November 28, 2018 and that, while HMS Consulting and President John Sainsbury offered to give the Board a presentation at that meeting without the report being finished, he and Mr. Sayers agreed that it was more important for the Board to receive the full report in advance of the presentation so that they can be prepared to discuss it with Mr. Sainsbury at that time. Therefore, Mr. Davis asked if the Members would rather schedule the presentation for its regularly scheduled December meeting or schedule an additional meeting in December at which the report would be the sole agenda item. Mr. Sayers said he anticipated the report would take a while to discuss fully and, noting that the December meeting was scheduled for the morning and in Hyannis, staff may be asking for an additional date for the report to be presented.

Mr. Jones said he agreed that he would not want to have a meeting where the report was not complete. Ms. Gladfelter asked when the report would be ready; Mr. Sayers said, based on information he received before the meeting, the staff expected it by the second week in December. However, Mr. Sayers said, that is predicated on a video conference call taking place on November 21, 2018 as scheduled, which has not been confirmed as of yet. Mr. Sayers observed that, if the video conference call is delayed, the report's release could be delayed, in turn, until the third week in December.

Mr. Ranney asked about the scheduling of the November 28, 2018 meeting and the subsequent December meetings. Mr. Davis said the November meeting

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<sup>1</sup> Reporter's note: This item was unanticipated by the chairman prior to the meeting.

would be held as scheduled; the December special meeting would be held around the date of the regularly scheduled meeting, or perhaps late the week before. He further stated that the Falmouth Public Library or a similar venue would be used again, and that the meeting would probably would be held in the late afternoon or early evening.

Mr. Jones noted that, in 2019, he wanted the Board to get back to morning meetings because having meetings in the middle of the day disrupts the whole day and makes it more difficult for the Members to attend the meetings. Mr. Hanover also noted that he has been asked to hold at least one night meeting on Martha's Vineyard per year to allow residents to attend after their workday.

At 3:52 p.m., Ms. Tierney ended her telephonic participation in the meeting.

Mr. Davis said he would make plans with HMS to present the report at a special meeting in December, which would be scheduled after the staff receives confirmation of when the report will be issued.

Then, at approximately 3:54 p.m., Mr. Jones entertained a motion to adjourn the meeting.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Hanover – to adjourn the meeting in public session.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<u>        </u>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**Documents and Exhibits Used at the  
November 20, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. Video and Audio Recording Announcement.
2. Remote Participation Announcement of Mr. Ranney and Ms. Tierney.
3. Staff Summary #GM-706, dated November 19, 2018, Seastreak LLC's Request for High-Speed Passenger Service Between New Bedford and Nantucket for the 45th Annual Nantucket Christmas Stroll, 11/30/2018-12/03/2018.
4. Staff Summary #GM-707, dated November 19, 2018, Seastreak LLC's Request for High-Speed Passenger Service Between New Bedford and Edgartown for the 37th Annual Christmas in Edgartown, 12/06/2018-12/09/2018.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**November 28, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 28th day of November, 2018, beginning at 10:00 a.m., in the first-floor conference room (Room 103) at the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. Five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford (who participated via telephonic conference call).

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council Member George J. Balco of Tisbury were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Counsel Steven M. Sayers; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Security Lawrence S. Ferreira; Director of Marketing Kimberlee J. McHugh; Operations Manager Mark K. Rozum; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that All Media Productions was taking a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio recording of the meeting, as were several members of the audience, including: Woods Hole resident Nat Trumbull; Louisa Hufstader of the *Vineyard Gazette*; Rich Saltzberg of the *Martha's Vineyard Times*; Ethan Genter of the *Cape Cod Times*; and Haley Fager of WCAI.

Remote Participation by New Bedford Member Moira E. Tierney:

Mr. Ranney announced that he had been notified by Ms. Tierney that she desired to participate remotely in today's meeting because her physical attendance today would be unreasonably difficult. Mr. Ranney stated that he

agreed with Ms. Tierney and had determined that her physical attendance today would be unreasonably difficult and that, therefore, she may participate remotely in this meeting, which includes voting on all matters as well. Mr. Ranney also stated that Ms. Tierney would be participating in the meeting by telephone conference call, that she would be clearly audible to the Members, and that the Members would be clearly audible to her. Mr. Ranney also noted that, as a result of Ms. Tierney's remote participation in this meeting, all votes taken by the Members that day would be by roll call vote.

Minutes:

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Hanover – to approve the minutes of the Members’ meeting in public session on October 16, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Davis summarized the results of the Authority's operations in September 2018, as set forth in a business summary for that month that had been provided to the Members and the public. Mr. Davis reported that the Authority had carried more passengers (up 8.6%), automobiles (up 12.2%) and trucks (up 9.8%) than it had carried during the same month in 2017, and also had parked more cars (up 9.9%); however, Mr. Davis noted that the Authority's operations were negatively impacted by Hurricane Jose in September 2017. In the first nine months of the year, the Authority had carried more passengers (up 0.3%), automobiles (up 0.6%) and trucks (up 0.7%) than it had during the same period in 2017. The number of cars parked was down 0.3% for the same period.

Mr. Davis also reported that, for the month of September, the Authority's net operating income was around \$3,603,000, which was about \$529,000 above budget. Total income was around \$12,234,000, which was approximately



\$294,000 above budget, while total expenses were around \$8,632,000, which was about \$235,000 below budget. Year-to-date operating revenues and other income for the first nine months of the year were around \$87,352,000, around \$930,000 below budget, while year-to-date operating expenses were around \$79,405,000, around \$3,252,000 above budget.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis presented an update on the Woods Hole Terminal Reconstruction Project, noting that the contractor, Jay Cashman Inc., has continued excavating the wharf area and cleared buried debris for the next leg of the new sheet pile bulkhead. Lawrence Lynch Corp. continues to remove the excavated materials from the site. The monopiles and the associated falsework did not arrive as anticipated because of poor weather conditions and they were redirected to New Bedford Harbor.

Mr. Davis then apologized for a situation that occurred the previous week in which debris being excavated from the site caused an extremely unpleasant odor. The smell emanated from rotting organic materials and the creosote-treated piles that were being excavated from the site. Green Environmental, the Authority's Licensed Site Professional, evaluated the odors for a health hazard; the evaluation showed there are no health concerns from the site.

Thus far, the Authority has sent out thirty-six (36) community emails on what to expect in the coming weeks.

Related to this project, Mr. Davis said the Authority has been reviewing the comments received following community presentations at the Falmouth Public Library and at the Vineyard Playhouse regarding the design development of the terminal building and seeing what can be done to minimize concerns articulated by the community.

Mr. Sayers, who has been serving as the Authority's point person on the interactions with the community on the terminal design, said he has reviewed comments received by staff following the October 9 presentation at the Falmouth Public Library, which he reiterated was only the beginning of the public feedback process. Furthermore, he has reviewed the more than four hundred (400) signatures on a petition objecting to the proposed design of the terminal building and, additionally, has read comments left by some of those signatories on the petition. Mr. Sayers has produced a draft document collating the comments in an attempt to work with the community to respond to each one of them.

Mr. Sayers further noted that, following the October 9, 2018 presentation, Catherine Bumpus, co-president of the Woods Hole Community Association, asked for a meeting with staff regarding the terminal design. State Sen. Viriato M. deMacedo, R-Plymouth, and State Rep. Dylan Fernandes, D-Woods Hole, also asked the Authority to meet with the community in a letter following the forum, which the Authority had already intended to do. Staff had an initial meeting, which Mr. Sayers described as “constructive,” with Ms. Bumpus and Eric Turkington (both representing the Woods Hole Community Association) and Beth Colt and Kevin Murphy (both representing the Woods Hole Business Association). Staff have had a subsequent meeting with Ms. Bumpus, Mr. Turkington and David Martin and have presented some initial ideas for reducing the height of the building. Staff are reviewing the building’s program needs again and have met with the project’s architects to discuss the building design. Another meeting had been scheduled with Woods Hole Community Association representatives, after which the design process would potentially be opened up to the larger community. Mr. Sayers said the Authority could respond to various comments in writing, but said that was not an interactive process. The goal was to keep the meetings informal and, Mr. Sayers noted, the Authority was excited about the process that was to unfold.

Mr. Sayers said the Authority understands that the Woods Hole Community Association representatives want a one-story building, and staff have made it equally clear that they believe it to be impractical and counterproductive for what they are trying to do at the terminal site. Both parties have agreed that they are committed to having a dialogue while recognizing that one party, both parties or neither party may change their positions. Mr. Sayers said he intended to begin the broader community process in December and have it continue into 2019.

Mr. Sayers noted that people new to this process may not realize the Authority had similar events in 2013 at which multiple conceptual plans were presented to the community. That process resulted in the terminal’s program needs being cut back considerably. At that point, the Authority was only representing the placement of the terminal building, the building’s footprint and the fact that it was going to be two stories. Everyone involved agreed to those points, which did not include the building’s design. With the Authority’s Chapter 91 license from the Massachusetts Department of Environmental Protection in place, and which includes the terminal in that orientation, it is too late to change that aspect of the terminal layout. While the process may ultimately result in an impasse, Mr. Sayers nevertheless believes it will be an improvement on the design concept that was initially presented in October 2018.

Ms. Bumpus then thanked Mr. Davis and Mr. Sayers for being willing to sit down and talk with community members and she acknowledged the process the Authority was undertaking was not an easy one. Ms. Bumpus said she continues to hear a certain amount of frustration from the community about the terminal project but wanted to clarify that there could still be a certain amount of frustration even with a positive conversation. She further clarified that the Woods Hole Community Association has not endorsed any design of the building and that, following the meetings stemming from the 2013 process that centered on the terminal's conceptual plans, there were no further meetings scheduled to solicit community input on the design phase of the terminal. It was not until the October 2018 meeting that the community saw the design, so it came as a surprise. Ms. Bumpus said the community feels "strongly and overwhelmingly" that the terminal building should be low to fulfill its mission to sell tickets to passengers and that the second-story uses should be moved aside. She said the village is owed accommodation for putting up with the Authority and, since Falmouth is the town that will have to live with the building, she said she hoped the Authority would listen to the community and its opinions.

Ms. Gladfelter said she also meet with the Woods Hole Community Association and they made it clear they wanted a one-story building. Ms. Gladfelter noted that the organization does not represent all of Falmouth; for example, representatives from the Woods Hole Business Association like the design of the building, and she has been contacted by others in Falmouth who feel the same way. Ms. Gladfelter also noted the Authority is reviewing with architects what the exterior of the building will look like and that she has publicly questioned the amount of glass in the building at prior meetings. She said she suspected the final design will have less glass, which Mr. Sayers confirmed.

Mr. Sayers further noted that, with respect to the stone materials in the building's design, the attempt was to mirror other stone buildings in Woods Hole but the rendering did not do justice to the ultimate use of the material. Stone is also an integral part of the building's flood proofing, noting that, even at its 13-foot elevation, the measures are necessary to get a variance on the state building code. Nevertheless, the Authority was reviewing if the building could be part stone, part cedar shingles, and other options for the exterior.

Falmouth Selectman Doug Jones noted that the town was having the dialogue about the terminal and that the Board of Selectmen, as the executive body of the town, should be approached with the designs. Selectmen have not been approached at all, he said, and added that the only way he knew about the design was through attending meetings of the Woods Hole Community Association. Mr. Sayers replied that the Authority will be sure to meet with Falmouth selectmen about the project as it moves forward.

Update on the Independent Review of the SSA's Operations (Vessel Operations, Fleet Maintenance, Management Structure, Public Communication and Information Technology Systems):

Mr. Davis updated the Board on the independent review of the Authority's operations by HMS Consulting and Technical, Glostten Associates and Rigor Analytics. Late last week, staff was informed by HMS that they anticipated a further delay, as the public communications portion of the report had not yet been vetted. Following discussions with HMS Consulting President John Sainsbury, it was determined to excise that part of the study, either temporarily or permanently in order that the remaining pieces can be finalized and presented. HMS reports that they are heavily into crafting the final report for what is now expected to be a December release.

Mr. Sayers noted that he has been shepherding the study through the Authority, as he is no longer a full-time employee. He further reported that the study, minus the public communications portion, should be presented to management on or around December 7, 2018. Since the report is completely independent, no one knows what it will say. However, staff's role at that point will be to ensure the facts in the report are correct, as the recommendations will only be as good as the facts upon which they rely.

Mr. Sayers said a special meeting of the Board has been scheduled for 4:00 p.m. on Monday, December 17, 2018 at the Falmouth Public Library, at which time Mr. Sainsbury will present the report for public discussion. Mr. Sayers said he believed it was in the best interests of the Authority and the public to make the report publicly available prior to the meeting, but he noted that the document would not be a public record immediately upon its receipt. Messrs. Driscoll and Kenneally, in their roles as the Authority's records access officers, will need to review the report to ensure there are no details that would require redaction under the Massachusetts Public Records Act but that the presumption is that as much of the report as possible will be made public.

Mr. Sayers noted that the public communications portion of the study would not be included in the report, and said staff regrets that. When the Board awarded the contract to HMS in June, HMS specified how it would perform its analysis, including developing a project plan, performing a site visit and then preparing its "root cause analysis" of specific incidents in an attempt to determine why that happened and what could have been done differently to prevent those incidents. Following a site visit in July and follow-up interviews in August, the next stage was to perform client reviews with Authority personnel, who could comment on the preliminary factual findings. The goal of those sessions, which were conducted by video conference, was to gather key managers

and employees involved and to reach general acceptance on the facts of each incident being reviewed by HMS. Such a review was held September 4, 2018 covering fleet maintenance, vessel operations and management structure; a subsequent call was held on November 8, 2018. The first meeting included fourteen (14) employees and resulted in a vibrant discussion in which staff were able to correct some inaccuracies in HMS' preliminary findings.

One of the events HMS picked to review, the failure of the control panel on the *M/V Woods Hole* at the end of March, had to be dropped from the study because HMS personnel did not conclude that any Authority staff were at fault for the incident. Therefore, that incident was dropped from the report and another added, which resulted in a delay.

Meanwhile, Mr. Sayers said, the Authority was trying to schedule a similar video conference for the public communications and information technology portions of the study. The first request to schedule such a conference was made in August 2018 and went unanswered for months, Mr. Sayers said, adding that it was due to the unavailability of a subcontractor due to a personal situation with one of the company's principals. In October 2018, a video conference was scheduled for November 2, 2018; on November 1, 2018, the Authority was informed it would need to be rescheduled. It was then set for November 13, 2018 but prior to the call Mr. Sayers said he was informed it would only cover the information technology portion of the study. The public communications review was then scheduled for November 21, 2018, but was canceled on the evening of November 20, 2018 after the subcontractor had not communicated his availability to HMS. At that point, Mr. Sayers said, it was staff's preference to not further delay the release of the report so as to not further delay key hiring decisions, including a human resources director and port captain, to review what is included in HMS' recommendations on management structure. HMS agreed, and the consensus was that the public communications portion of the study could be released later.

Mr. Sayers noted that, in its proposal, HMS noted the purpose of the public communications aspect of the review was, in part, to help the Authority's public communications officer get up-to-speed quickly on past events, but Mr. Driscoll was aware of those events when he was hired in June 2018. The Authority has also moved forward with plans to create its Operations and Communications Center, although it may have benefitted from HMS' input in doing so. Ultimately, the Authority still wants the advice that would be contained in the public communications portion of the study, but also believes it is imperative to get the rest of the report out and begin to move forward.

Ms. Gladfelter said the Members and many of the Authority's employees have said they are looking forward to this report and she feels the suggestions it contains and the discussion that will follow will make the Authority a better organization. Ms. Gladfelter said she wished to give some historical perspective to the study, recounting that at a Board meeting in March 2018, the Board voted to create the position of communications director that was later filled by Mr. Driscoll. Ms. Gladfelter noted that Mr. Driscoll had received praise for his work in at least two public meetings, most recently in October 2018 on Martha's Vineyard. Mr. Davis also reported at that meeting that he was reaching out to outside consultants to have a study done that would look at marine operations and maintenance, as those areas were problematic in February and March 2018 on the Martha's Vineyard route. At that meeting, Mr. Hanover passed out a two-page proposal to study a number of areas of the Authority's operations. At the time, Ms. Tierney pointed out that the expenditure of such a sum of money would be best handled through a request for proposals ("RFP"), and the Board subsequently decided to go that route. Ms. Gladfelter noted that the Members subsequently approved the creation of the Operations and Communications Center to coordinate and disseminate information between the vessels, terminals and the public.

After receiving eight (8) bids in response to the RFP, Ms. Gladfelter said only two (2) bids were deemed acceptable after an evaluation by the Members. The Members had some confidence that the two (2) bids would provide the Authority with information on the five (5) areas identified for review. Based on their price, HMS was chosen for the work. At their site visit, HMS personnel conducted hundreds of hours of interviews and were able to observe all of the Authority's terminals. They also requested and received many records and other data from the Authority. Unfortunately, Ms. Gladfelter said, one of the subcontractors was delayed but the other sections of the report are finished and the Members and the Authority want to move forward. Ms. Gladfelter said she has been contacted by a number of individual employees who are anxious to get the report released and to move forward. Whether or not the public communications portion of the report is warranted is something for the Board to evaluate given Mr. Driscoll's hiring and the establishment of the Operations and Communications Center. Ms. Gladfelter further noted that the Members are all looking forward to the report being released.

Mr. Hanover said he was disappointed that the public communications portion of the study was not forthcoming as the Board asked for a comprehensive review of the Authority's operations. He said he will be interested to see the results of the study and how well the other facets are covered. Given that the report's release has suffered two (2) delays, he said he hopes the Authority receives something substantial.

Approval of Proposed License Agreement with  
Island Commuter Corporation (M/V Island Queen):

Mr. Davis said, for the past five (5) years, the Authority has entered into one-year license agreements with the Island Commuter Corp. that have allowed the company to operate the *M/V Island Queen* during its summer schedule one week earlier than it would otherwise be able to under the Authority's Enabling Act. Island Commuter Corp. has again approached the Authority about running an additional trip between Falmouth and Oak Bluffs on Mondays and Thursday during the 2019 spring and fall schedules and to begin its 2019 summer schedule one week early.

Specifically, on October 16, 2018, the Island Commuter Corp. requested:

- To run one additional round trip between Falmouth and Oak Bluffs on Mondays through Thursdays during its 2019 spring schedule (May 24 through June 13, 2019) and its fall schedule (September 9 through October 14, 2019); and
- To begin its 2019 summer schedule one week earlier (June 14 through June 20, 2019).

Mr. Davis noted the staff is of the opinion that it is appropriate to again license the additional trips by the *M/V Island Queen* requested by Island Commuter Corp., particularly during its spring and summer schedules. Without the additional licensed round trip on Mondays through Thursdays during those times of year, the *M/V Island Queen* would have no afternoon trips from Falmouth or morning departures from Oak Bluffs.

Furthermore, Mr. Davis said Island Commuter Corp would pay license fees equal to fifty percent (50%) of the Authority's average revenue per passenger on the Martha's Vineyard route in June 2018 for each passenger carried on each of those additional trips, as has been the arrangement in previous one-year license agreements. Mr. Davis noted the license fee started at \$4.39 per passenger in 2014; \$4.39 in 2015; \$4.84 in 2016; \$4.95 in 2017; and \$4.98 in 2018. For 2019, the fee will be \$5.05 per passenger.

At its November 7, 2018 meeting, the Port Council voted unanimously to recommend that the Authority enter into a new license agreement with Island Commuter Corp. allowing it to operate the additional trips by the *M/V Island Queen* in 2019.

**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Gladfelter – to authorize the General Manager to execute a license agreement with Island Commuter Corp. allowing it to provide the additional trips highlighted on the attached schedules, provided that Island Commuter Corp. pays the Authority license fees equal to fifty percent (50%) of the Authority’s average revenue per passenger on the Martha’s Vineyard route in June 2018 for each passenger carried on each of those additional trips. The general manager is further authorized to take all necessary and appropriate actions to carry out that license agreement and fulfill the Authority’s obligations thereunder, as recommended in Staff Summary #L-482, dated November 21, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Approval of Proposed Transportation Agreement with the Martha’s Vineyard Regional High School District:

Mr. Murphy presented a request to renew the transportation agreement with the Martha’s Vineyard Regional High School District for school-related approved transportation. The Authority enters into this agreement annually to establish a fixed-price contract for the transportation of student groups, teachers, administrators and game officials for the district’s upcoming fiscal year, which, in this case, is 2019-2020. The current agreement establishes a fixed price of \$55,000 for the fiscal year, payable in ten (10) monthly installments of \$5,500 commencing September 1, 2018 and ending on June 1, 2019. The Authority is recommending keeping the fixed-price contract at \$55,000 for the



next fiscal year, which would, according to the average, approximate the fifty percent (50%) discount normally given to island schools.

Mr. Murphy noted that, in the past year, the school district had a decrease of nearly twelve percent (12%) in the number of services it used; in the past four years, the district has averaged just under \$110,000 in travel annually.

At its November meeting, the Port Council voted unanimously to recommend that the transportation agreement with Martha's Vineyard Regional High School be adopted as proposed, Mr. Murphy said.

Mr. Jones noted that, although he did not get a copy of the Staff Summary in his meeting packet, he was familiar with the arrangement and had no problem voting in favor of it.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Hanover – to authorize the General Manager to execute a new transportation agreement with the Martha’s Vineyard Regional High School District for school-related approved transportation for a fixed price of \$55,000 for the period July 1, 2019 through June 30, 2020, as recommended in Staff Summary #A-633, dated November 19, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Request for Authorization to Purchase  
Two (2) Complete Sets of Fuel Injectors, Wiring Harnesses  
and Gaskets for MTU Diesel Engines:

Mr. Davis asked the Members for authorization to award Contract No. 15-2018 to supply and deliver two (2) complete sets of fuel injectors, wiring harnesses and gaskets for MTU diesel engines. The parts specified in the contract will be installed on the No. 1 and No. 2 main engines aboard the *M/V Woods Hole*. The total contract price is \$141,099.15, but Mr. Davis noted that the

Authority will receive credit for \$28,250 in core charges, making the final cost of the contract \$112,749.15. Furthermore, Mr. Davis noted the 2018 Operating Budget estimate was \$125,000.

Mr. Hanover noted the *M/V Woods Hole* is the Authority’s newest boat and asked if it was normal to replace these items at this time. Mr. Walker replied that, for the fuel injectors, it is based on the number of hours the vessel has accrued in its service thus far. The wiring harnesses represent an upgrade over the existing system, Mr. Walker said, noting that staff have experienced some trouble with connections on the injectors that resulted in missed trips last year.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Jones’ – to authorize the General Manager to award Contract No. 15-2018, Supply and Deliver Two (2) Complete Sets of Fuel Injectors, Wiring Harnesses and Gaskets for MTU Diesel Engines, to the lowest responsible and eligible bidder, Steward & Stevenson Power Products LLC of Marlborough, Massachusetts, for a total contract price of \$141,099.15, as recommended in Staff Summary #E 2-18-13, dated November 21, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Request for Authorization to Purchase Spare Parts for Two (2) EMD 710 Diesel Propulsion Engines:

Mr. Davis said the engine parts and spares would be suitable for service in two (2) engines for the *M/V Island Home*. The Fairhaven maintenance staff will use the EMD parts to overhaul two (2) of the vessel’s engines during the upcoming repair cycle. The total contract price is \$396,819.26 but, after receiving credit for core charges, the final cost will be \$317,310.14. The 2018 Operating Budget cost estimate was \$292,000.

**IT WAS VOTED – upon Mr. Jones’ motion, seconded by Mr. Hanover – to authorize the General Manager to award Contract No. 17-2018, Supply and Deliver Spare Parts for Two (2) EMD 710 Diesel Propulsion Engines to the lowest eligible and responsible bidder, Marine Systems Inc. of Chesapeake, Virginia, for a total contract price of \$396,819.26, as recommended in Staff Summary #E 2018-14, dated November 20, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Report on Port Council’s November 7, 2018 Meeting:

Mr. Huss reported that, at their meeting earlier this month, the Port Council members had discussed all of the matters that the Members are considering that day, including:

- Reviewing the business summary and manager’s report;
- The Authority’s fuel hedging program, during which discussion they were told that hedges had been obtained through the third quarter of 2019 and that hedges for the full year were nearly complete;
- The proposed design for the Woods Hole terminal building and what could be done to alleviate the community’s concerns;
- The new “permanent temporary” tents at the terminal site, which should be installed by Christmas to allow for protection for people waiting in line to board the boats;
- Agreements with the Island Commuter Corp. and the Martha’s Vineyard Regional School District, both of which were recommended for approval; and
- The thirty (30) day time frame for excursion rates and whether or not it could be extended to include island residents who travel for a month and a half during the winter months.

Mr. Huss said he has heard feedback from commuters concerning the bus that the Authority borrowed from the Martha’s Vineyard Transit Authority, which

has been well-liked because of the low entrance to get on the vehicle. Mr. Huss said he has received comments from commuters who were impressed that an Authority staff member was riding the bus with them and getting feedback on the experience; in one case, a staff member called a passenger after hours and engaged in discussion for about half an hour. Mr. Davis added he would be remiss in not thanking Angela Grant from the VTA for allowing the Authority to borrow the bus and see how it performs on the Authority's routes. The Authority also plans to borrow an electric bus in the future, as it is in the Authority's plans to see how electric buses can fit into its operations.

Public Comment:

Dukes County Commissioner Leon Brathwaite asked Mr. Sayers if it was his impression that the public communications portion of the HMS study was going to focus on external or internal communications. Mr. Sayers replied that, while the section was labeled "public communications," it had aspects of internal communications as well, including identifying difficulties getting correct information from the terminal sites to the vessels and passengers.

Mr. Trumbull<sup>1</sup> formally presented the aforementioned petition regarding the Woods Hole terminal design and told the Members to expect more input. He asked the Members to spend time reading the comments as, in his view, they are quite revealing. Mr. Trumbull proceeded to read a selection of the comments aloud. Mr. Trumbull noted that about a third of the signatories are from Woods Hole, a third are from Martha's Vineyard and a third are from other points in Massachusetts and across the country. Mr. Trumbull said what he has heard about the process is encouraging, but noted that the track record on the process thus far leaves a lot to be desired.

Mr. Trumbull asked if the comments included in multiple letters to the editor in local media were included in Mr. Sayers' summary. Mr. Sayers responded that he had reviewed those letters with Mr. Driscoll and they both believed that the outline included all comments received to date, but he encouraged Mr. Trumbull to alert him if something was missed.

Mr. Trumbull noted that the Authority often cites its work with the Woods Hole Business Association and Woods Hole Community Association, but he does not believe any of their leadership are among the four hundred and twenty-five (425) signatories to the petition. He told the Authority it needs to expand its base

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<sup>1</sup> Reporter's note: Ms. Tierney's telephonic participation in the meeting was briefly interrupted at approximately 11:10 a.m. during Mr. Trumbull's remarks.

of community involvement beyond those organizations. In response, Mr. Sayers noted that the specific steps to the process are dynamic and discussions with those organizations represent only the initial phases of the process.

In closing, Mr. Trumbull said a dynamic process sounds good, but, based upon what he had heard at the meeting, the Authority remains committed to a two-story building and seems unwilling to change that stance. Mr. Trumbull noted the site is very constrained and that on every inch of it something is going on. Furthermore, if a one-story building at that elevation will block the view, then why not make it a building that is half as long, but multiple stories to open up the view. Mr. Trumbull said he and other community members want to have those discussions with the Authority and their architects.

Mr. Jones said that, as a Member of the Board, he and his fellow Members all represent different communities, but they all strive to protect all the communities served by the Authority. Mr. Jones said he has read many of the letters to the editor, as well as an editorial in the *Falmouth Enterprise* that he called a fair evaluation of the situation. He assured Mr. Trumbull and the community that the Members were listening and that, contrary to what he has read, they are not trying to force anything on anyone. While he believes universal consensus will not be reached, Mr. Jones said everyone would do their best and consider all options. He asked that everyone keep the dialogue open and keep it friendly.

Ted Fitzelle said residents the town of Falmouth are skeptical about the process regarding the terminal design given the Authority's response to the early-morning freight boats at the Woods Hole terminal.

A Falmouth resident asked about the square footage of the proposed terminal building; Mr. Sayers said he did not have the figure, but said he is asking for comparisons of the proposed terminal's square footage with the Vineyard Haven and Hyannis terminals. He said the Authority is learning from its experiences in other terminals in determining the space needed for certain aspects of the terminal, including employee lockers, waiting areas and rest areas. The resident also asked the elevation of the Vineyard Haven terminal; Mr. Cloutier said the flood plain elevation was nine (9) feet when it was built, and the terminal is around thirty-five or thirty-six (35-36) feet high. The flood plain elevation is now fifteen (15) feet, plus another two (2) feet required by the state Coastal Zone Management regulations to account for projected sea level rise.

The resident said she has visited the temporary terminal office and has never seen lines or crowds at the ticket booths or restroom, making her wonder how a single story, 3,600-square-foot building can be adequate even during the

peak summer months. The new building seems unnecessary and unwelcome; not only does the village lose out, but the islanders and visitors also will pay for the folly by raised fares and parking costs. She said fiscal and moral responsibility should be a part of the Authority's decision-making process.

Then, at approximately 11:34 a.m., Mr. Ranney entertained a motion to go into executive session to approve the minutes of the Authority's meeting in executive session on October 16, 2018; to discuss potential litigation and the Authority's strategy with respect to potential litigation; to discuss the Authority's strategy with respect to collective bargaining matters; to discuss matters related to security; and to discuss contract negotiations with a specifically named employee because discussion of these matters in open session would have a detrimental effect on the Authority's negotiation and bargaining position. The matters include:

- Potential litigation with Senesco Marine LLC regarding Contract No. 15-2016, Mid-Life Overhaul Services of the *M/V Martha's Vineyard*.
- Potential litigation with D.D.S. Industries, Inc., G&R Construction, Inc., and/or Berkley Insurance Company regarding Contract No. 16-2016, Construction of New Administrative Offices
- Negotiations with SEIU Local 888 for a new collective bargaining agreement covering the Authority's reservation clerks and other customer service employees.
- To discuss the employment of security personnel or devices, and strategies with respect thereto.
- To conduct a strategy session in preparations for negotiations with Treasurer/Comptroller Gerard J. Murphy and to conduct contract negotiations with him.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Hanover – to go into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on October 16, 2018; to discuss potential litigation; to discuss the Authority’s strategy with respect to collective bargaining matters; to discuss matters related to security; and to discuss contract negotiations with a specifically named employee.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**Documents and Exhibits Used at the  
November 28, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. November 28, 2018 Meeting Memorandum, dated November 21, 2018.
2. Remote Participation Announcement.
3. Video and Audio Recording Announcement.
4. Minutes of the October 16, 2018 Meeting in Public Session (draft).
5. Redlined version of the minutes of the October 16, 2018 Meeting in Public Session showing changes made following an earlier draft.
6. Business Summary for the Month of September 2018.
7. Staff Summary #L-481, dated November 21, 2018, Proposed License Agreement with Island Commuter Corporation (*M/V Island Queen*).
8. Staff Summary #A-633, dated November 19, 2018, Proposed Transportation Agreement with the Martha's Vineyard Regional High School District.
9. Staff Summary #E2018-13, dated November 20, 2018, Supply and Deliver Two (2) Complete Sets of Fuel Injectors, Wiring Harnesses and Gaskets for MUT Diesel Engines.
10. Staff Summary #E2018-14, dated November 21, 2018, Supply and Deliver Spare Parts for Two (2) EMD 710 Diesel Propulsion Engines.
11. Minutes of the Port Council's November 7, 2018 meeting (draft).
12. Citizen Petition to the Steamship Authority provided by Mr. Nathaniel Trumbull during public comment.
13. Statement to be read prior to going into executive session.



**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**December 17, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 17th day of December, 2018, beginning at 3:45 p.m., in the auditorium at Falmouth High School, located at 874 Gifford Street, Falmouth, Massachusetts. Four Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth. Member Moira E. Tierney of New Bedford was absent.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council Members George J. Balco of Tisbury, Robert S.C. Munier of Falmouth (who arrived during the discussion of the HMS Consulting report), Frank J. Rezendes of Fairhaven, and Eric W. Shufelt of Barnstable were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Security Lawrence S. Ferreira; Director of Marketing Kimberlee J. McHugh; Assistant Port Captain Charles Monteiro; Operations Manager Mark K. Rozum; and Director of Engineering and Maintenance Carl R. Walker. Additionally, many other members of the Authority's staff were present in the audience.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that All Media Productions was taking a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio recording of the meeting, as were several members of the audience.

Introduction of Public Officials:

Mr. Ranney introduced several public officials who were in the audience, including Falmouth selectmen Samuel H. Patterson and Douglas C. Brown and Dukes County Commissioner Leon Brathwaite.

Announcement:

Mr. Ranney announced to the attendees of the meeting that, following the presentation by HMS Consulting President John Sainsbury, he would open the floor to public comment. He asked those in attendance to hold their questions and comments until after the conclusion of Mr. Sainsbury's presentation and furthermore asked questioners to use one of the microphones in the audience so everyone could hear their question. Furthermore, he asked that questions be limited to the scope of the HMS Consulting report and directed at Mr. Sainsbury.

General Manager's Report:

Mr. Davis said the purpose of the meeting was to present the report produced by HMS Consulting, Glosten Associates and Rigor Analytics, which was in response to a May 2018 Request for Proposals of a comprehensive review of the Authority's operations. The review covered five topics: vessel operations, fleet maintenance, management structure, information technology systems and public communications. Mr. Davis noted that the public communications portion of the study would follow in a supplemental document and that Mr. Sainsbury would have further information in that regard.

Mr. Davis said the Authority is an organization that always strives to improve its operations and service to the public, and the report produced by HMS Consulting and their partners will only help the staff in that regard. Mr. Davis thanked the team behind the report for their thorough work and professionalism through this process and said the Authority's staff looks forward to continuing to use the report as a guide for the future.

Mr. Davis noted that, in reviewing the report, he was encouraged to see HMS recognized the Authority's commitment to provide reliable transportation service and the dedication exhibited by its employees every day from top to bottom. He said he was also gratified that the report noted the Authority's unique funding structure, in that the Authority does not rely on annual government subsidies and that its roughly \$100,000,000 budget is supported nearly entirely by fares. Since 1962, Mr. Davis said, the Authority has had only four annual operating deficits, all of which have been covered by its reserve fund, and it has not had to assess its port communities for monetary support since 1963.

Regarding one of the report's findings, Mr. Davis said the Authority's dedication to fiscal responsibility has been a source of pride for its employees but has not led to a lack of resources for crucial areas such as maintenance and training. In the last three years, for example, the Authority has spent an average

of \$9,950,000 per year (excluding labor costs, which averaged nearly \$4,850,000 a year) on maintenance and an average of \$337,000 per year on training our employees. As Mr. Sainsbury would point out, Mr. Davis said the Authority's fiscal strategy has affected its operations has been in not adding resources where needed, especially in its management structure.

Presentation by Mr. Sainsbury:

Mr. Davis informed the audience that Mr. Sainsbury's Power Point presentation would be available on the Authority's website following the meeting.

Mr. Sainsbury thanked the Members for their time during the study and for allowing him to make the presentation. He also thanked the public for attending and, finally, thanked the Authority staff, whom he said were forthcoming with information and accommodating to the team's many requests.

Mr. Sainsbury noted that the team that conducted the study, which was a comprehensive review of the Authority's operations, included marine engineers and representatives from marketing and information technology firms. He noted that, while driving to Falmouth from Boston that morning, he was talking to one of his team members who read an article in the *Boston Globe* that characterized the report as "scathing." Mr. Sainsbury said that is not the case and that he would let the audience be the judge of the report's tenor as he proceeded through the presentation.

Mr. Sainsbury reviewed the circumstances that preceded the Request for Proposals, specifically the multiple incidents in Spring 2018 – including ones involving mechanical breakdowns of the Authority's vessels, its information technology and its public communications – that had a cascading effect on its ability to serve the public. The Authority, through its RFP, charged HMS with examining those incidents to see what could be learned from them and what could be done to prevent them from happening in the future. By the nature of the report, HMS is looking at what the Authority did wrong or what it did not do at all, which led to a process that was, by its nature, critical of the Authority.

Mr. Sainsbury further noted that the Authority is unique, as every ferry service is. It is also very complex and, compared to other ferry services in the country, rates high in its complexity for a number of reasons. Mr. Sainsbury said what the Authority can accomplish with the resources it has is "pretty extraordinary." While the report is, by its nature, critical, Mr. Sainsbury said he wanted to make clear that the study team was looking at what could be done to improve a "pretty good system" that is already in place. While there are areas to

improve, the Authority does a “pretty good job” with what it does and how it does it given the limited resources on hand. What it does not do a good job of, he said, was relating its message to the public, although the Authority was already improving in that regard. Mr. Sainsbury further noted that the public perception does not give the Authority enough credit for what it accomplishes.

Mr. Sainsbury said the report looks at the incidents when they happened and does not address what is currently being done to address those issues. While the study team tried to acknowledge that work as it can, it was difficult for the purpose of the report because improvements are in the process of being made or efforts are under way to find funding for those changes. Furthermore, most of those efforts by the Authority are focused on the short-term; the HMS study focuses on longer-term changes that need to be made.

Mr. Sainsbury also noted the role of the U.S. Coast Guard, which he said is limited to ensuring maritime operators meet various regulatory requirements. The organization does not oversee quality control or make judgements on how an operator chooses to run its system. Mr. Sainsbury noted that the Coast Guard is often put in a position of rendering judgements about a maritime operator but, he emphasized, it is not the organization’s role.

Mr. Sainsbury then reviewed the six-step methodology used for the study.

**Step 1 – Project Plan:** established in conjunction with the Authority to define the scope of work, schedule and processes by which the team conducted its work. Mr. Sainsbury referred to this step as establishing the “guidelines and ground rules” for the study.

**Step 2 – Data Requests:** HMS submitted hundreds and hundreds of document requests to the Authority, which responded at a scope at or often beyond what had originally been requested, Mr. Sainsbury noted.

**Step 3 – Site Visits:** The study team visited the Authority in July and met with as many people as possible, including interviews with employees, the Members and members of the Port Council, and made general observations of their own.

**Step 4 – Root Cause Analysis:** the purpose of which is to get beyond the intermediate cause and to examine what issues led to that point and exposed that vulnerability. Humans make mistakes and mechanical equipment breaks, Mr. Sainsbury said, adding that a maritime operation cannot completely control those matters. Rather, root cause analysis is focused on examining management systems and determining how

operators can reduce the likelihood of circumstances such as human error and mechanical failure from creating an accident.

Mr. Sainsbury noted that, in some cases, the team was unable to determine the intermediate cause of an incident under review; however, the process does not necessarily require that because of its focus on the failure's effect on the organization.

Mr. Sainsbury said root cause analysis was performed on seven (7) incidents ranging from the soft grounding of the *M/V Woods Hole*; mechanical issues on the *M/V Martha's Vineyard* that led to a blackout of the ship; the delay in returning the *M/V Island Home* to service following a repair period; and various issues surrounding the Authority's information technology system, namely a website slowdown and the delay of trip alerts being received by customers.

**Step 5 – Review with the Authority:** The factual bases for the root cause analyses were reviewed with Authority staff in a series of video conferences to ensure their accuracy and, if necessary, obtain additional information to correct or clarify the factual findings.

**Step 6 – Final Recommendations:** The root cause analysis process led to a list of a few hundred recommendations, or solutions, most of which were intermediate in nature and had to be done but were short-term fixes. Mr. Sainsbury said. Instead of focusing on the intermediate causes, the study team's recommendations were focused on the long term, with fixes to short-term problems being achieved along the way. The final recommendations apply globally, Mr. Sainsbury said. They are not focused on one area unless specifically noted in the report.

In determining the ten (10) final recommendations, the consultants considered the impact the recommendation would have on the organization and the ease of implementation, Mr. Sainsbury said. All of the final recommendations were high-impact items, he said, many of them were not easy and would take a lot of effort to complete.

The final recommendations fell into one of four categories: Process-based Management, Vision, Organizational Structure and Management Recruiting and Accountability. The categories are not ranked by importance, Mr. Sainsbury said, and it will be up to the Authority and the Board to determine in what order the final recommendations should be addressed.

The study's final recommendations were as follows:

**Process-based management**

**i. Adopt a Safety Management System:** Mr. Sainsbury emphasized that the Authority does not operate in an unsafe manner. In fact, the Authority's employees and crews are very safety-conscious and, for the most part, there are few safety issues with its operations. Mr. Sainsbury noted he has been involved in a lot of ferry systems and, in his opinion, the Authority does a good job when it comes to safety. However, there is a way to make their work more effective and more efficient.

Safety management systems are required under internal maritime safety codes but are not required in the United States, Mr. Sainsbury said. Regardless, HMS views it as a best practice. It requires extensive documentation by maritime personnel, the establishment of policies and procedures for completing safety-related tasks and determining who is responsible for said tasks. It also serves as a communications feedback process, allowing a crew member who identifies a safety hazard to send that matter up the chain of command so it can be addressed. The system requires a manager (a "designated person") to oversee it and external auditing on an annual basis.

The recommendation was rated as having a high impact but a low ease of implementation.

**ii. Adopt a Quality Management System:** this is similar to a Safety Management System but focuses on client service expectations, Mr. Sainsbury said.

The recommendation was rated as having a high impact but a low ease of implementation.

**iii. Adopt a Learning Management System:** Mr. Sainsbury said the study team saw multiple training materials and programs during their visit to the Authority but the materials are not all in one system. A learning management system software program would allow for a centralized housing of all training materials and tracking which employees required what training, who has completed said training and where training gaps may exist.

The recommendation was rated as having a high impact but a low ease of implementation.

## **Vision**

**iv. Mission Statement and Objectives:** Mr. Sainsbury likened these next two steps to a ship's voyage plan, noting that such a plan identifies how one gets from "Port A" to "Port B." While some course corrections may be necessary along the way, there is still a plan for getting to the destination. The vision is the destination for the Steamship Authority, he said, and a mission statement is the plan for how to get there.

Mr. Sainsbury noted a mission statement is part of the Authority's Enabling Act and is present on its website; however, those mission statements are not communicated to the public and its employees and they are not consistent. Furthermore, if the Authority does not communicate its mission statement to the public, then it is left up to interpretation where the organization is trying to go.

As part of the process, Mr. Sainsbury said developing specific performance objectives, which he likened to "waypoints," will help everyone in the Authority keep track of its progress on its mission statement. The important part of the process will be going back to the mission statement on an annual basis to monitor progress and, if necessary, make course corrections.

The recommendation was rated as having a high impact and a high ease of implementation.

**v. Strategic Planning:** Along with a mission statement, developing a strategic plan will give the Authority a plan to align its goals and ensure proper resources are available, Mr. Sainsbury said. Strategic planning has a trickle-down effect that will force departments to develop their own strategic plans to achieve the organization's goals. The process requires broad organizational involvement at all levels as well as regular review and adjustments.

The recommendation was rated as having a high impact and a medium ease of implementation.

## **Organizational Structure**

Mr. Sainsbury noted that the study team did not examine every department within the Authority but did identify three recommendations that the team believes will help the Authority be more efficient and

addresses issues that already exist. The recommendations take two paths: addressing resources or addressing structure.

**vi. Engineering Resources:** Mr. Sainsbury said a lot of the issues in the spring were due to a lack of time and resources; therefore, the team recommended adding three (3) positions to the Engineering and Maintenance Department: a second port engineer, a second assistant port engineer and a project engineer.

Mr. Sainsbury said the Authority relies very heavily on its port engineers, who wear two hats: fleet support and planning. The two disciplines are very different, Mr. Sainsbury noted, and not many people are able to go back and forth on a consistent basis. If a port engineer gets a call from one of the vessels, that takes priority and then have to try to resume their planning afterward. The recommendation calls for splitting those responsibilities to avoid such distractions.

The recommendation was rated as having a high impact and a low ease of implementation, primarily due to the cost involved.

**vii. Health, Safety, Quality and Environmental Management:** The study recommended the Authority employ a Health, Safety, Quality and Environmental Management (HSQE) officer who, ideally, would be using a safety management system as a tool to do their job. Even without such a system, however, Mr. Sainsbury said it is a critically needed position. The HSQE officer will need a lot of authority and the ability to override conflicts of interest between personnel to ensure proper safety and environmental procedures are followed. Mr. Sainsbury said the team recommended the position be outside of the chain of command and report only to the General Manager to make sure those priorities are met.

The recommendation was rated as having a high impact and a low ease of implementation.

**viii. Vessel Operations:** Mr. Sainsbury said the Authority currently has separate operations and engineering functions that result in two chains of command coming from the vessels. The vessel crews report to the master, but the engineers report to the port engineer. The engineering department is treated like a line function (one that directly advances an organization in its core work and has the authority to make decisions, as opposed to a staff function, which provides advisory and support functions) with the authority to make decisions. That creates immediate conflict, Mr. Sainsbury said, and creates confusion for the crew. The engineering



department should be a staff function that exists to support the organization and give it the tools needed to do the job.

Mr. Sainsbury further noted that vessel operations is the primary, or core, function of the Authority and that most of the other departments support that primary function. Currently, the Authority does not have anyone at the executive level representing vessel operations, which further diminishes vessel operations' decision-making capacity. Therefore, the study team recommended adding a director of marine operations who focuses directly on vessel operations, which would provide a voice for vessel operations at the director level. The study team further recommended adding a chief operating officer, with all core operations falling under that individual. The Authority's current management structure is flat, Mr. Sainsbury said, with several department heads reporting directly to the general manager. Such a structure usually comes into place due to financial reasons, but the result is managers competing for time with each other. The recommendations provide some hierarchy and take some of the burden off the general manager, he said.

The recommendation was rated as having a high impact and a low ease of implementation.

### **Management Recruiting and Accountability**

**ix. External Recruitment:** The Authority's practice has been to promote from within, which Mr. Sainsbury said is not an inherently bad practice and carries many advantages, including giving employees a path to advancement and allowing knowledge to be retained within the organization. But it also carries several negatives, Mr. Sainsbury noted, including a lack of new perspectives and new ideas coming to the organization. Therefore, the study team recommended utilizing outside searches for the recruitment of key managers, which will help find candidates who have been exposed to process-based management systems and who can potentially bring great benefit to the Authority.

The recommendation was rated as having a high impact and a medium ease of implementation.

**x. Performance Objectives/Accountability:** As mentioned in the recommendation concerning the development of a mission statement, Mr. Sainsbury said developing individual performance objectives that tie into the Authority's performance objectives will keep employees motivated toward achieving both sets of goals. But employees need to be held

accountable to those goals, he said, and if they are not performing, the employee will need to be coached or dismissed. This recommendation will require policy changes within the organization and likely will be met with resistance, but the change is important so that employees are not guessing at what their objectives should be.

In conclusion, Mr. Sainsbury noted that, in interviews, multiple staff members of the Authority noted that the organization has “always operated this way” and that the events of the spring were a “perfect storm” and coincidental and were unlikely to reoccur. Mr. Sainsbury said that conclusion was not true and, in the opinion of the study team, would continue to happen if the Authority does not mitigate its risk, which is the focus of the report’s recommendations.

Mr. Sainsbury said, while the Authority staff have done and continue to do a great job adapting to their operating environment, if they want to get better some changes are necessary. Process-based management started in the maritime industry about 20 years ago and many organizations are still struggling to adopt it, he said, because it takes significant resources. Mr. Sainsbury reiterated that the recommendations contained in the report will not be easy or cheap and that they will upset people, but there are no half-measures. If the Authority wishes to adopt these recommendations, it should do them completely and properly, which will require strong leadership from the Board and management.

Regarding the report’s comments on the Authority’s “frugality” and financial responsibility, Mr. Sainsbury said the Authority has done a great job providing reliable service on a budget for years and years. It does not receive subsidies as most ferry operators do and, nevertheless, have figured out a way to make the service work. But that has also been counterproductive and not allowed the Authority to achieve what it wants to achieve or to adapt to a changing maritime management environment. If the Authority’s customers give the organization more revenue, it will give the customers much more back via added efficiencies and reduced risks. That kind of investment, Mr. Sainsbury said, is what will keep incidents such as what occurred in the spring from reoccurring.

Board comments:

Mr. Jones thanked Mr. Sainsbury for his “enlightening” presentation and noted that, based upon his reading of the report, he could see why the *Boston Globe* called it “scathing.” Mr. Jones said that is also how he interpreted it and

he was displeased with it until Mr. Sainsbury's presentation, which left him more amenable to the recommendations it contained.

Mr. Jones noted that, while Washington State Ferries was often held up as an example the Authority should emulate, that organization had seven (7) of its twenty-two (22) ferries off line at one point in October. The organization also had a soft grounding with one of its vessels, Mr. Jones noted. Even though the system has adopted most of the systems discussed in the report, it has had its share of difficulties as well, which Mr. Jones said he sympathizes with.

Mr. Jones said he believes the 10 recommendations will be taken to heart by the Members when they start pulling together their plans for adopting them. Mr. Sainsbury said he highly recommends engaging in external assistance on many of the recommendations. He further noted that, while he did reference Washington State Ferries multiple times, the organization struggles with issues just as the Authority does. But as a public organization, it is very transparent and it is easy to get information about its operations, which provides the bases for both positive and negative examples of ferry operations.

Ms. Gladfelter thanked Mr. Sainsbury for his presentation and for the report, which she said contained a lot of good suggestions. Ms. Gladfelter said this is a time of transition for the Authority and she hopes the Members view it in positive terms and as a way to achieve a goal of improving the Authority as a whole. Ms. Gladfelter noted that one emphasis she saw in the report was the focus on the Authority as a whole and not just one constituent community. The organization provides vital transportation service to the Commonwealth and is one of the very few that operates only on the revenues it receives from its fares. That decision, she said, was a clever move on the part of the state when it created the Authority to remove itself from the financial equation and to, instead, put the burden on the Authority, its passengers, its vehicular and freight customers and the communities it services. If every Member was to vote solely in their own community's best interests, the Authority would be dysfunctional, she said, noting that even the stakeholders within those communities have conflicting goals.

The organization has changed and will continue to change, Ms. Gladfelter continued, and the Board will work together to fulfill its mandated role, which is to get goods and people to and from the islands. She noted that, when that role is fulfilled in the winter, it is done so at a significant loss to the Authority. Ms. Gladfelter recalled when she met with Mr. Sainsbury and his colleagues, she pointed out two factors they should consider in their review: one, that every route the Authority serves has its own challenges and opportunities; and two, that the Authority has a diverse and complex set of stakeholders, including residents of

the islands, gateway communities, commuters, seasonal customers, and commercial and business interests.

Ms. Gladfelter highlighted the recommendations she viewed most favorably: to produce a mission statement, to develop a formal strategic plan (which, she noted, exists in many separate elements but should be brought together under one document) and to change the organizational structure. Ms. Gladfelter said she would appreciate more guidance on the remaining recommendations and a ranking from HMS on what order they should be addressed and what the qualifications for the new positions should be.

Ms. Gladfelter said she wanted to reiterate that the report, as a whole, contained much valuable information and that the organization will embrace whatever changes are to come and will continue to successfully fulfill its state-mandated mission. Ms. Gladfelter said it is easy to say cavalierly that the Authority has been devoting too much energy to its finances and not enough energy on marine operations, but it is important for every person to recognize that passengers and vehicles, or the constituent communities, directly bear the costs of those operations. To make the Authority a better organization, she said, will require raising additional funds.

Mr. Jones asked if the HSQE management position recommended in the report would be one position, to which Mr. Sainsbury answered in the affirmative, with some staff support. Mr. Jones said those tasks do not seem likely to be found in one individual. Mr. Sainsbury said it was a good observation and further noted that hiring for that position without developing the safety and quality programs, which use the same processes, does not make a lot of sense. Otherwise, the position would be difficult to manage, he said.

Mr. Hanover thanked Mr. Sainsbury and said he and his study team have done an admirable job. While he does not agree with all of the report, it has given the Members and the Authority a road map and a place to start. Mr. Hanover said he believed the Authority would see marked improvement within the next year.

Public comment:

Mr. Brathwaite thanked the Authority for doing the report. He said he is personally looking forward to working with the organization on its improvement plans and offered whatever help he could provide. He said he feels the Authority is on the right track.

Mr. Bob Morris of Woods Hole said the mission of the Authority should be as defined in the Enabling Act, which is to provide adequate transportation and the necessities of life to the islands. However, the Authority is helping develop the islands and he thinks Martha's Vineyard is getting less and less happy with that. In the report, he noted that a terrible ferry accident in Britain about 30 years ago<sup>1</sup> that is apparently a benchmark incident. Mr. Morris said he said what is needed today from the Authority and its Board is the motivation for enacting the recommendations suggested in the report. Mr. Morris noted that Mr. Sainsbury was drawing an analogy that a similar accident could happen here and, in fact, may be even more likely because Authority staff are denying sloppy work habits. Mr. Morris said the stakeholders in the Authority's operation do not need an accident such as the one described in the HMS report to happen in order for the Authority to find motivation to change its operations.

Mr. Patterson said he is a former engineer and he has worked at a company that adopted the ISO 9000 standard for quality management. He noted that what he has heard from the report sounds like a tailored version of that model. The Management systems like ISO, in Mr. Patterson's opinion, do result in increased productivity. While there are investments that are needed, including a top-to-bottom commitment from all employees, it is a process that the Authority has to go through. He further noted that many other corporations have gone through the process and can serve as a model for the Authority's endeavors.

James Cardellino<sup>2</sup> asked Mr. Sainsbury what HMS stood for; Mr. Sainsbury replied the company started as Hornblower Marine Systems; the head office is in Louisville, Kentucky. In response to further inquiries from Mr. Cardellino, Mr. Sainsbury said he was based in Seattle and was very familiar with the Washington State Ferries but has worked with ferry systems all over the world.

Mr. Cardellino said he believed a ship should be built in the waters it would be traversing. He noted that he did not see any recommendation of an expansion of redundant systems on the Authority's vessels to include any system that could break down. He said such redundancy is commonplace and asked Mr. Sainsbury if the study team recommended an expansion of those systems. Mr. Sainsbury replied that redundancies were not at issue in the incidents examined and, while the vessels are all built with redundancies in their critical systems, that was not a specific part of the study's scope.

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<sup>1</sup> Reporter's note: Mr. Morris references the sinking of the *M/V Herald of Free Enterprise*, which hailed from Dover, England, but capsized in the Belgian port of Zeebrugge on March 6, 1987.

<sup>2</sup> Reporter's note: Mr. Cardellino did not identify his hometown at the meeting; however, in media reports, he is identified as residing in West Tisbury.

Mr. Cardellino further asked if there was a reason why the Authority does not accept federal funding. Mr. Davis clarified that the Authority does receive federal funding in the form of grants, for which the Authority must apply, but it is not a major source of revenue in the operating budget. More frequently, those grants are used for capital project, and Mr. Davis noted that, most recently, the Authority was able to get funding from the Federal Transit Administration based on a partnership with the Cape Cod Regional Transit Authority. Mr. Cardellino asked if the Authority had to adhere to certain standards to receive those funds, to which Mr. Davis replied that sometimes a “Buy American” provision will be included in some funding sources. Furthermore, if the Authority exceeds \$500,000 in expenditures in federal funds, it is required to submit to a single audit to review all the transitions and certify proper accounting procedures.

Mr. Cardellino then asked how much of the Washington State Ferry system was federally funded, to which Ms. Gladfelter replied that, in the report, Mr. Sainsbury and the study team discuss the fact that the majority of that system’s operating funds come from the state, not from fares, as do the vast majority of ferry systems across the country. Mr. Cardellino asked Ms. Gladfelter if, in creating the Authority, the state had slipped away from their responsibility. Ms. Gladfelter replied that the issue was island residents were not getting served in the wintertime. The system that was developed calls for all operating funds and capital funds to be raised through fares, with the exception being the small amount of federal grants Mr. Davis noted. Mr. Cardellino asked if the Authority was seeking to match Washington State Ferries’ funding percentages, to which Ms Gladfelter replied that, under the Enabling Act, it had no choice but to proceed in this manner.

In response to a question from Mr. Cardellino, Mr. Sainsbury clarified that the study does not recommend any elimination of jobs.

Mr. Brown asked, on a broader scale, if the Authority was too schedule-oriented, noting that he has heard reports at meetings he has attended about many issues remaining on boats in dry dock that are returning to service imminently. He asked Mr. Sainsbury if the report made recommendations on a quality approach in addition to a systems approach. Mr. Sainsbury said that was a point that the report tried to address in that, with the system stretched to its capacity, the schedule ends up driving a lot of the Authority’s decisions and takes priority over safety and quality.

Fred Condon, a Martha’s Vineyard resident, said he sees a “glorious opportunity” for the Authority in that there has never been an opportunity to revisit what the organization is, how it got there and how it should go forward.

Mr. Condon said, in regards to the report's characterization of the Authority as reactive, when he goes to Board meetings, he does not see any topics under "New Business" or any discussion of what is on the horizon. Mr. Davis' goals for 2018-2019 did not adhere to the SMART (Specific, Measurable, Achievable, Relevant and Time-bound) goals framework and yet the Members saw fit to give him an "A" on his performance for the year.<sup>3</sup> Mr. Condon said his concern is that the Members do not know how to organize and run and properly oversee a budget. He said he sees this report as an opportunity to do a review of the Authority's governance and, while he understands it is mandated by statute, running a \$100,000,000 organization takes business expertise to manage the opportunities that lay ahead.

Mr. Condon asked how one goes about changing the culture of an organization, noting that many service-delivery businesses have a new job title called vice president of customer experience that gets into how its service is being delivered and how the public views the organization. Furthermore, Mr. Condon noted that the Authority's reservation system is only fully understood by one person who is a third party and that he is mystified about how that can be allowed to happen. Most boards have standing committees to focus on specific areas but the board does not have enough members to form such committees. Mr. Condon said "I can't" is no longer an acceptable answer and that the Authority needs to figure out how to get to "yes." The size of the board may need to be increased, or community members could be recruited to serve on committees, but those steps are not being taken.

Mr. Condon further noted that the Board's agendas are not timed, which does not give the public an idea of when to show up for certain topics and then attendees are given three minutes to speak after a three-hour meeting. Mr. Condon said he feels the management have been hampered because they have figured out that, if it does not raise rates, the board will be happy because it is not getting pushback from the community. Everyone is happy, Mr. Condon said, until a ship gets stuck somewhere or people start missing their doctors' appointments, and that culture has to change.

Mr. Davis then thanked Mr. Sainsbury and his team for all their work in creating the report. Mr. Davis said the entire organization sees that they have a lot of work to do to make it better run and they will start that journey immediately. Mr. Davis said he appreciated the efforts of the employees, who continue to exhibit their dedication year after year.

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<sup>3</sup> Reporter's note: Ms. Tierney gave Mr. Davis an overall rating of 80%, which translates to a "B."

Mr. Sainsbury, in reply, thanked the Authority’s staff and employees for their cooperation and support. He said the study was challenging “in a good way” but they made it a lot easier.

Then, at approximately 5:33 p.m., Mr. Ranney entertained a motion to adjourn the meeting.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Jones – to adjourn the meeting in public session.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b><u>10 %</u></b>	<b>_____</b>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary



**Documents and Exhibits Used at the  
December 17, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. December 17, 2018 Meeting Agenda, posted December 12, 2018.
2. Video and Audio Recording Announcement.
3. Staff Summary #GM-708, "Comprehensive Review of the Steamship Authority's Operations."
4. Comprehensive Review of the Steamship Authority's Operations by HMS Consulting, Glosten and Rigor Analytics, dated December 13, 2018.
5. Power Point Presentation delivered by John Sainsbury, dated December 17, 2018.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**December 18, 2018**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of December, 2018, beginning at 9:44 a.m., in the second-floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. Five Members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford (who arrived during discussion of the business summary).

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council Members George J. Balco of Tisbury and Eric W. Shufelt of Barnstable were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee J. McHugh; Operations Manager Mark K. Rozum; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that All Media Productions was taking a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio recording of the meeting, as were several members of the audience.

Minutes:

Ms. Gladfelter said on Page 8 of the November 28, 2018 meeting minutes, her comments regarding the historical perspective on the HMS study were inaccurately portrayed and should reflect that she said events were already in motion in March 2018 to make changes to the Authority's operations.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Hanover – to approve the minutes of the Members’ meeting in public session on November 28, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Hanover – to approve the minutes of the Members’ meeting in public session on November 20, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
<u>Ms. Gladfelter</u>	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

General Manager’s Report:

Mr. Davis summarized the results of the Authority’s operations in October 2018, as set forth in a business summary for that month that had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers (down 5.2%), automobiles (down 1.9%) and trucks (down 0.7%) than it had in October 2017. The number of cars parked in that month was down 11.5% compared to October 2017. In the first 10 months of the year, the Authority had carried fewer passengers (down 0.2%), more automobiles (up 0.4%) and more trucks (up 0.5%) than it had during the same period in 2017. The number of cars parked was down 1.5% in that same period.

Mr. Davis reported that, through October, the Authority’s net operating income was around \$6,369,000, about \$5,689,000 lower than the budgeted amount. He further reported that, for the month of October, the authority’s net operating loss was about \$1,579,000, or \$1,508,000 higher than assumed in the

budget. Total operating income was around \$9,044,000, which was approximately \$189,000 above budget, while total expenses were \$10,622,000, which was around \$1,697,000 above budget. Mr. Davis noted that, on Page 9 of the report, the fund balances were in decent shape. He further pointed Page 10, which showed that the projections on how much money will be transferred to the replacement fund will fall short of projections.

Mr. Ranney asked Mr. Davis if, in future business summaries, the trip cancellations for the Nantucket route could be split between high-speed and traditional ferry service, when appropriate.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis presented an update on the Woods Hole Terminal Reconstruction Project, noting that general contractor Jay Cashman Inc. had been continuing to work on the new bulkhead in the past few weeks and, as of the end of the last week, had finally made the corner at the north side of the wharf. Cashman also dredged the remaining wharf area for the new slip. Mr. Davis said the larger crane completed the installation of the falsework for the 96-inch monopiles but Cashman was unable to start the monopile driving in the past week. Lawrence Lynch Corp. supported Cashman with the removal of excavated materials from the site, he said.

Cashman was planning to continue work on the new bulkhead and the corresponding deadman wall in the upcoming week, and was expecting to start driving the first three monopiles on that day and continuing through the end of the week, Mr. Davis said.

Mr. Davis further reported that Manchester Awning was also to install the canopy frame and roof sections for the new passenger tents at the vessel loading area. Furthermore, 39 community emails on what to expect in the coming weeks have been sent out to date.

Mr. Cloutier then shared some recent photographs of the site with the Members and those in attendance.

Mr. Davis then reported that the project is currently six (6) to eight (8) weeks behind schedule. Some of the delay was due to the amount of debris that was found during the excavation of the wharf area and how difficult it has been to remove said debris. Cashman and the Authority staff were working on a plan on how to make up that time, which may include the pipe piling that will support

the passenger platform not being installed until the following season. Other work, similarly, may have to be put off until fall.

Amendment to By-Laws:

Mr. Kenneally said, following the August 28, 2018 Board meeting at which Members voted to approve slight revisions to the by-laws, he conducted a more thorough review of the Board's by-laws. With the help of Ms. Gladfelter, Mr. Kenneally said he quickly noted that the by-laws were not actually reflecting what the Board's practice was, nor were they consistent with the Massachusetts Open Meeting Law. Further changes were made to clarify grammatical issues throughout the text.

Mr. Kenneally said, following the revision, changes were made to Articles II, III, IV, V, VII, VIII and IX. Mr. Kenneally said the final product is a good document that is more consistent with the Board's established practices.

Mr. Jones said he had not had time to thoroughly review the Staff Summary and would like the Members to defer a vote on this matter to allow more time to review the proposed changes and the by-laws as a whole. He also questioned the election of a board secretary, noting that the secretary seems to be more powerful than the clerk. He also asked if the proposed changes reflected the need for a roll-call vote during remote participation and if, should a member participate remotely during executive session, that Member should state that no one else was able to hear his or her discussion. Mr. Kenneally confirmed the latter point was on Page 8 of the proposed changes handed out to the Members.

Mr. Jones then discussed the Order of Business in Article III Section 6 and said he did not feel that needed to be included in the by-laws and that it could be and should be determined by the chairman. He further stated that he believed that any two members, regardless of their weighted portion of the overall Board vote, could call for a meeting and that the chairman should be able to call for a meeting at any time.

**IT WAS VOTED – upon Ms. Tierney's motion, seconded by Mr. Hanover – to defer discussion of the amendment of the by-laws, as set forth in Staff Summary #L-483, dated December 12 2018, until the next meeting.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Ms. Gladfelter then asked the Members to get their comments to Mr. Kenneally in writing prior to the next meeting.

Approval of the Proposed License Amendment with Freedom Cruise Line:

Mr. Davis then presented a request to amend the Authority’s three-year license agreement with Freedom Cruise Line Inc. (“Freedom”) upon the same terms and conditions as Freedom’s current license agreement but to permit Freedom to increase its maximum per-trip passenger capacity from eighty (80) passengers to ninety-nine (99) passengers aboard its vessel, the *M/V Freedom*, in connection with its passenger-only ferry service between Harwichport, Massachusetts, and Nantucket, Massachusetts. Mr. Davis said an amendment was also needed to reflect Freedom’s new ownership by John “Jack” Sheeran III, who was in attendance at the meeting.

Mr. Davis noted that, after the Authority posted notice of Freedom’s renewal request, it received a number of letters of support on behalf of Mr. Sheeran. Mr. Davis further noted that, after examining Freedom’s passenger statistics, it ran 139 trips in 2018 that had seventy-five (75) or more passengers, up from 133 in 2017. Furthermore, 38% of the trips were at capacity, Mr. Davis said. Mr. Davis noted that the Port Council, at its December 5, 2018 meeting, voted to recommend approval.

Mr. Sheeran then thanked Mr. Davis and the Members for considering the request. He noted that Saquatucket Harbor in Harwichport had recently underwent a renovation that allowed Freedom to build a new ticket office on the other side of Route 28 and also created around 90 new parking spots. Following the renovation, he said on more days than not in August and September, the company turns people away due to capacity issues.

In response to a question from Mr. Hanover, Mr. Sheeran noted that the stability letter from the U.S. Coast Guard puts the maximum capacity of the *M/V Freedom* at 129 passengers and crew, although it is currently set up for 90. An

extra 10 passengers have been able to be accommodated in case of a lifesaving operation, but Mr. Sheeran said following a meeting with the Coast Guard, it was determined that the vessel’s main deck can accommodate 119 with 30 more on the second deck.

Mr. Jones said he was familiar with the operation and he knew that traversing Route 28 to get tickets was not the best setup for the company. He said he applauded the town for buying that piece of land and that it was a better use for the space than a private enterprise making the purchase. He asked Mr. Sheeran why he was not asking for a license change to reflect the vessel’s full capacity given the increased business being seen. Mr. Sheeran replied that, after talking with his staff and the vessel’s captain, 100 passengers emerged as the consensus for a comfortable capacity. After talking with former General Counsel Steven M. Sayers, he lowered his request to 99 to avoid triggering the state Embarkation Statute, which applies once the 100-passenger threshold is reached.

In response to a question from Ms. Tierney, Mr. Ranney said he thought it was a great idea. Ms. Tierney further asked R. Murray Scudder Jr., vice president/operations with Hy-Line Cruises, who was in attendance, what he thought about the request; Mr. Scudder replied that he wished Mr. Sheeran luck and thought it was a positive development for that side of the Cape.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Ms. Tierney’s – to authorize the General Manager to execute a First Amendment to the License Agreement with Freedom Cruise Line Inc. that, upon the same terms and conditions as its current license agreement, increases its maximum per-trip capacity from eighty (80) to ninety-nine (99) passengers in connection with its passenger-only ferry service between Harwichport, Massachusetts, and Nantucket, Massachusetts, and to reflect Freedom’s new ownership, as set forth in Staff Summary #L-484, dated December 13, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Designation of Additional Trips During the  
2019 Nantucket Summer Operating Schedule  
As Hazardous Cargo Trips:

Mr. Davis said the 2019 Nantucket Summer Operating Schedule, which runs from May 15, 2019 to September 9, 2019, omitted the hazardous cargo designation for two trips, both running on Saturdays: the 5:30 a.m. departure from Hyannis and the 1:30 p.m. departure from Nantucket of the *M/V Gay Head* and *M/V Katama*. Both the trip times and quantity of trips operating each day will remain the same as approved by the Board at its September 25, 2018 meeting.

Ms. Gladfelter noted that, in the summer, every port had a 5:30 a.m. departure on its schedule. Mr. Davis clarified that the earliest departure from Nantucket was at 6:30 a.m.

Approval of Changes in List of Authorized Check Signers:

Mr. Murphy said that, with his resignation from the Authority as of December 31, 2018, an additional individual will need to be added to the list of authorized signers on the Authority's bank accounts with six (6) banking institutions. Staff is recommending that Mr. Davis be added to the list along with the other three currently authorized signers of Assistant Treasurer Courtney M. Oliveira, auditor Mark W. Anderson and Accounting Manager Janet M. Pratt.

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Ms. Tierney – to adopt resolutions with the Authority’s six (6) banking institutions that add General Manager Robert B. Davis to the list for four (4) individuals who are authorized to sign checks and/or able to authorize wire transfers and Automated Clearing House transactions, as set forth in Staff Summary #A-634, dated December 13, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>



Request for Authorization for Dry-Dock and  
Overhaul Services for the *M/V Sankaty*:

Mr. Davis noted that the *M/V Sankaty* is scheduled to enter shipyard availability from September 9, 2019 to December 12, 2019 to undergo the required U.S. Coast Guard hull exam; rudder, propeller and shaft maintenance; steering gear upgrades; tank level indication upgrades; and the installation of new fuel filtering equipment, among other items.

Mr. Davis said the budgeted amount for this service was \$1,126,361, with the initial 2019 Capital Budget estimate for the purchase and installation of a new, upgraded bow thruster tunnel, diesel engine and controls was \$750,000. The bid amount for that upgrade came in at \$1,086,923, which Mr. Davis said will be included in the 2019 Capital Budget requests. The other discrepancy between the amounts budgeted in the 2019 Operating Budget and the bid results was an increase in the cost of potential steel replacement from an allowance of \$350,000 to a bid result of \$522,942.

Mr. Davis said drawings and specifications were sent to nine (9) shipyards with one (1) responsive bid received from Thames Shipyard and Repair Company of New London, Connecticut, for a total contract price of \$2,463,663. Mr. Hanover asked if that should be of concerns, to which Mr. Walker replied that he did not know why, on this project, only one bid was received. He said he talked to several of the yards at the beginning of the process, some of which implied they would be looking at the bid package but, in the end, did not put in a bid on the project. Mr. Walker said he intended to find out why fewer bids were received than he anticipated.

Mr. Jones asked about the Authority's winter schedule, specifically how many vessels would be offline at the same time and if that would cause operational issues. Mr. Davis said the *M/V Gay Head* and *M/V Katama* will be operating and the *M/V Woods Hole* would be leaving shortly for its dry-docking, which would last until mid-February. The *M/V Sankaty* will be serving as the Authority's backup vessel. Mr. Davis further noted that this contract was for the fall and that staff was trying to get bids out sooner to give shipyards more time to go through a bid package in an attempt to get better responses. Mr. Jones asked for a schedule of when the vessels were scheduled for repair, and Mr. Davis replied that the Authority produced one currently and he would provide it to the Members.

Ms. Tierney asked if, since only one bid was received, it would make sense to bid the project again. Mr. Davis said the project includes several components with longer lead times, including a generator for the bow thruster (which Mr.

Walker later said would take five to six months to source), and that a rebid may be counterproductive. But Mr. Davis said he feels the Authority should be doing more outreach with the shipyard to try and encourage them to bid on similar projects. Mr. Davis further noted that, since the sole bidder was a shipyard that the Authority had used in the past and was a responsible bidder, it should not be held against them that no one else bid on the work. Furthermore, Thames may not decide to bid on the work again and, now that their bid is public record, other shipyards could use it to craft their own bids.

**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Gladfelter – to authorize the General Manager to award Contract #04-2018, Dry-dock and Overhaul Services for the M/V Sankaty, to the lowest eligible and responsible bidder, Thames Shipyard and Repair Company of New London, Connecticut, for a total contract price of \$2,463,663, as set forth in Staff Summary #E 2018-5, dated December 13, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Request for Authorization to Purchase Ultra Low-Sulfur,  
Dyed Diesel Fuel Suitable for Marine Service:

Mr. Davis said invitation for bids for the fuel used on the Authority’s vessels was issued in November and, of the thirteen (13) bid packages issued, four (4) bidders responded by the opening date. The lowest eligible and responsible bidder was Diesel Direct Inc. of Stoughton, Massachusetts, with a markup of \$0.0500 per gallon. The bids were evaluated based on the sum of three items – the Providence, Rhode Island, average rack price for the fuel in question on the final report the day before delivery; the markup per gallon; and the transportation costs per gallon. Mr. Davis noted that, while the rack price will change, the markup and transportation costs per gallon would remain consistent over the length of the contract.

Mr. Davis noted that the Authority’s maintenance personnel had met with Diesel Direct to discuss the specifics of its account and, based on those communications, it appeared the company would be a responsible bidder.

**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Tierney – to authorize the General Manager to award Contract #14-2018, Ultra Low-Sulfur Dyed Diesel Fuel Suitable for Marine Service, to the lowest eligible and responsible bidder, Diesel Direct of Stoughton, Massachusetts, for a per-gallon total markup of \$0.0500 per gallon, as set forth in Staff Summary #A-635, dated December 13, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Request for Authorization to Purchase New Shuttle Buses:

Mr. Davis said staff was seeking approval to purchase four (4) 40-foot, low-floor transit buses from the lowest responsive HGACBuy contractor under HGACBuy Contract BT01-17 for a total price not to exceed \$450,000 per bus and not to exceed a total price of \$1,800,000.

Mr. Davis said the Authority normally purchases new shuttle buses each year to replace older ones in its fleet. In 2016, the Authority had an issue after federal Department of Transportation rules changed and made it impossible for further purchases of buses with perimeter-style seating if luggage compartments were located underneath the bus. The Authority later ordered four (4) buses with the luggage compartments that featured side-by-side seating. The buses, which cost \$688,820 in total, seat forty-six (46) passengers.

Once the buses were put into service, however, Mr. Davis said staff realized there were issues with the buses, including the width of the aisles and access in and out of the bus. Mr. Rozum, working with the Martha’s Vineyard Transit Authority, arranged to borrow one of that agency’s 40-foot buses for a trial run to see how it worked for the Authority’s operations. By and large, Mr. Davis said,

they have been well-received by staff and passengers alike. Authority staff also recently visited Harvard University to test a similar model of bus, and the drivers who attended were pleased with its performance.

Mr. Davis noted that two different companies are vendors under the HGACBuy BT01-17 contract that supply these style of buses. Mr. Davis said the buses would be low-floor with a drop-down handicapped-accessible ramp instead of a wheelchair ramp. Mr. Davis also said the Authority has been following the availability of funds from the Volkswagen Settlement Beneficiary Mitigation Plan and plans to seek funding to purchase electric low-floor buses in the future.

Mr. Davis said management was bringing this item to the Board in December because, if the Members approve the request, the Authority is eligible to piggyback on the HGACBuy contract due to it being a nationwide government procurement service, the contracts from which have been deemed to be awarded by virtue of a public competitive procurement process that is compliant with Massachusetts state statutes. Additionally, if the orders are placed by the end of the year, the Authority can realize a savings of \$25,000 to \$30,000 per bus compared to 2019 prices. Mr. Davis further noted that, due to the long lead time for manufacture of the buses, they would likely be in service no earlier than late 2019 or early 2020.

Ms. Gladfelter noted that Mr. Rozum showed her the VTA bus following the last Board meeting and she thought they performed very well and would serve the customers much better. Mr. Rozum said the buses would be able to seat roughly 15 more customers per bus once luggage is factored in. In response to a question from Mr. Hanover, Mr. Rozum said a luggage rack would be installed inside near the rear door.

**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Gladfelter – to authorize the General Manager to purchase four (4) 40-foot, low-floor transit buses from the lowest responsive HGACBuy contractor under HGACBuy Contract BT01-17 for a total price not to exceed \$450,000 per bus and a total price of \$1,800,000, as set forth in Staff Summary #OPER-2018-09, dated December 16, 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Report on the Port Council's December 5, 2018 Meeting:

Mr. Huss noted that he would not be chairman of the Port Council next year so this would be his final report to the Board. Among the matters discussed by the Council members at their meeting were:

- The October 2018 Business Summary.
- The Woods Hole Terminal Project, including that the new passenger tent should be installed before Christmas.
- The Woods Hole terminal building design and discussions with members of the Woods Hole community, including plans to do a site visit demonstrating the elevations of several proposed building designs.
- The Freedom Cruise Line license request.
- Election of officers for 2019, with Mr. Balco to serve as chairman, Ed Anthes-Washburn (New Bedford) to serve as vice chairman and Mr. Huss to serve as secretary.

Election of Officers:

Mr. Davis said that Section 3 of the Authority's Enabling Act provides that the chairmanship of the Board shall rotate every year, so in 2019 the chairman will be the Barnstable member, Mr. Jones. Traditionally, the Members have elected as vice chairman the Member who will become chairman the following year; in this case, the vice chairman would be the Dukes County member, Mr. Hanover. Furthermore, Members have traditionally elected as secretary the Member who would serve as chairman in two years' time, which, in this case, would be the Falmouth member, Ms. Gladfelter.

**IT WAS VOTED – upon Ms. Gladfelter's motion, seconded by Ms. Tierney – to elect Marc N. Hanover to serve as the Authority's vice chairman for the year 2019.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

**IT WAS VOTED – upon Ms. Tierney’ motion, seconded by Mr. Hanover – to elect Elizabeth H. Gladfelter to serve as the Authority’s secretary for the year 2019.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Mr. Davis then noted that, in the past, the Board’s treasurer was elected on a year-to-year basis. In 2005, however, the Board voted to not limit the term but, instead, reserved the right to shorten that term at any point in time.

The Year 2018:

Mr. Hanover then thanked Mr. Ranney for his service in what had been a difficult year. Mr. Jones also thanked Mr. Ranney for how well he had presided over the Board this past year, and then he briefly described some of the Board’s achievements during 2018, which are more fully set forth in Appendix A to these minutes. Mr. Ranney then thanked Mr. Jones for his comments and said he could not have led the Board without his fellow Members’ assistance, as well as the help of Mr. Davis’ management team and all the Authority’s staff.

2019 Board Meeting Schedule:

Mr. Davis presented the Members with a proposed 2018 Board meeting schedule, which called for meetings on the third Tuesday of every month during

the year. Mr. Davis asked that the September meeting be moved to September 24, 2019, to give management more time to prepare the 2020 operating budget. Mr. Hanover also asked if the January 15, 2019 meeting could be moved to January 22, 2019; the members concurred with both changes.

**IT WAS VOTED – upon Mr. Jones’ motion, seconded by Mr. Hanover – to approve the 2019 Board meeting schedule as proposed with the exception of changing the January meeting to January 22, 2019, and the September meeting to September 24, 2019.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>Ms. Tierney</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Ms. Gladfelter’s Comments:<sup>1</sup>

Ms. Gladfelter asked Mr. Ranney for permission to bring up two items, the first of which was a discussion she had with the Falmouth veterans’ affairs officer about the possibility of establishing a policy that would offer a reduced fare to disabled veterans similar to what is offered to certain members of the military. Ms. Gladfelter asked that the matter be placed on the next agenda.

Ms. Gladfelter also thanked the Authority staff for spending two cold hours on the Crane Street bridge in Woods Hole working with terminal neighbors regarding the viewshed study of the proposed new terminal building. She especially thanked the employees who spend several hours in a bucket truck moving place to place during the study. Mr. Davis noted the employees were electrician Kevin Lyons and Facilities Manager Greg Endicott.

In response to a question from Mr. Jones, Mr. Davis said the idea for the study had come up in response to a meeting with members of the Woods Hole Community Association in which a continued point of discussion was the height of the building. During those discussions, the idea to get a way to demonstrate

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<sup>1</sup> Reporter’s note: both this item and the subsequent item were matters that were not reasonably anticipated by the chair.

the heights that were being discussed. The viewpoints were documented from various places around the village; those viewpoints will be used to develop plans for the terminal going forward.

The Board's Response to the HMS Consulting Report:

Mr. Jones said, in light of the report that the Board received at the December 17, 2018 meeting, he had been doing some thinking about how the Members should tackle the matter. He said he would like to schedule some additional meetings throughout the winter months, perhaps in January, February and March, in which the Board will convene and then move into a Committee of the Whole in which Members can sit around a table and discuss what they heard from the report, what their thoughts are and ideas on how to move forward. Mr. Jones said there are many strings and facets of the report that he feels the Members should meet collectively, discuss the matter openly and make some recommendations for a direction for management. Mr. Jones said the Board has always worked from in a "bottom up" manner in which they receive the board meeting packet from management and act on it, usually with very few questions. But Mr. Jones said he would like the Board to do more on this particular issue to start taking initiative on how the Authority can move forward and, by doing so, lighten management's load.

Mr. Hanover said he thought it was a great idea and the sooner such meetings could be held, the better. He said the Board got its marching orders at the previous night's meeting and he hopes management heard everything and is prepared to move quickly to fill positions that are needed and seeking out additional help in getting matters rolling in the right direction so staff are not covering multiple jobs.

Mr. Davis asked Mr. Jones if he was considering a working group or involving the whole board and, if it were the latter, staff would have to research how to carry such a meeting out under the auspices of the Open Meeting Law. Mr. Jones said he hoped it would be a public session because he wants to involve the Port Council and discuss what needs to be addressed first and so forth. Mr. Jones noted that the Board does not often get the opportunity to have such discussions and that, under the Open Meeting Law, the Members are precluded from having those discussions among themselves. If the item is on the agenda, Mr. Jones said, he believed the noticing requirements would be met.

Ms. Gladfelter noted that the Town of Falmouth had an annual retreat in which the Board of Selectmen discuss and choose a strategy for the upcoming year. Ms. Gladfelter said she was envisioning it in the style of a retreat and asked



Mr. Kenneally to investigate the implications of the Open Meeting Law on such a session. Mr. Driscoll commented that he understood the Falmouth retreat to be noticed as a public meeting and was open to the public; Mr. Kenneally said, to his knowledge, nothing in the law would preclude such a session as long as the Authority adhered to the noticing requirements of the law. Mr. Jones said the session could be simple but that the Members needed time as a group to sit down and address the matters at hand.

Public Comment:

Ms. Louisa Hufstader of the *Vineyard Gazette* noted that the *Boston Globe* had removed the word “scathing” from its headline to its online article regarding the HMS report.

Executive Session:

Then, at approximately 11:08 a.m., Mr. Ranney entertained a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on November 28, 2018; to consider the purchase, exchange, lease or value of real property; to discuss the Authority's strategies and the status of potential litigation; to discuss the Authority's strategy with respect to collective bargaining matters; and to discuss contract negotiations with non-union personnel, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions.

These matters include:

- The potential for lease or acquisition of real property located at 1251 Route 28A, Cataumet, MA
- The potential for litigation with Senesco Marine, LLC regarding Contract No. 15-2016, Mid-Life Overhaul Services of the MN Martha's Vineyard;
- Negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Service Department employees; and
- A strategy session in preparation for negotiations with Treasurer/Comptroller Gerard J. Murphy, and to conduct contract negotiations with him.

Mr. Ranney stated that the public disclosure of any more information with respect to these matters would compromise the purposes for which the executive

session is being called. Furthermore, Mr. Ranney said that, after the conclusion of the executive session, the Board would reconvene in public.

**IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Gladfelter – to go into executive session to discuss and approve the minutes of the November 28, 2018 meeting; to discuss the potential acquisition of real estate; to discuss potential litigation; to discuss the Authority’s strategy with respect to collective bargaining matters; and to discuss contract negotiations with non-union personnel.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

At approximately 12:07 p.m., Mr. Ranney reconvened the meeting in public session. Five members were present: Chairman Robert F. Ranney of Nantucket; Vice Chairman Robert R. Jones of Barnstable; Secretary Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Moira E. Tierney of New Bedford.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council Members George J. Balco of Tisbury and Eric W. Shufelt of Barnstable were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; General Counsel Terence G. Kenneally; and Communications Director Sean F. Driscoll.

Settlement with Senesco Marine LLC:

**IT WAS VOTED – upon Ms. Gladfelter’s motion, seconded by Mr. Hanover – to approve the settlement with Senesco Marine LLC regarding Contract No. 15-2016, Mid-Life Overhaul Services of the *M/V Martha’s Vineyard*, consistent with the parameters stated in the Memorandum of Understanding as to the mediated settlement that was presented to the Board in Executive Session.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Mr. Ranney also announced that the Board had accepted, with regret, Mr. Murphy's resignation as treasurer/comptroller of the Authority effective December 31, 2018.

Then, at approximately 12:10 p.m., Mr. Ranney said he would entertain a motion to adjourn the meeting.

**IT WAS VOTED – upon Ms. Gladfelter's motion, seconded by Mr. Hanover – to adjourn the meeting in public session.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Ms. Tierney	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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MARC N. HANOVER, Secretary

**APPENDIX A  
TO THE  
MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session  
December 18, 2018**

**Vice Chairman Robert R. Jones Statement  
Regarding the Authority's Accomplishments in 2018**

Mister Chairman, I would like to congratulate and thank you for how well you have presided over the Steamship Authority this past year. While 2018 has undoubtedly been one of the most challenging years in this organization's history, you have held a steady hand as we continued to make significant progress on so many different projects and ensured that we also continued to serve all of our respective communities.

Under your leadership this past year, we have continued to make progress with the reconstruction of our Woods Hole ferry terminal and moved our general offices from Woods Hole to their new home on Palmer Avenue. Among the project's milestones were:

- The completion of the new administrative office building, which was ready for occupancy early this year and has, in its early life, served our organization well as our new headquarters.
- The demolition of the old Woods Hole ticket office, which is now the site of the first of our three ferry slips to be reconstructed at the site.
- The continued development of the design plans for our new Woods Hole ferry terminal building, which has garnered much public comment and led to a refreshed period of public engagement while we determine the building's design.
- The placement of tents near our passenger loading areas to provide shelter for our passengers while they wait to board our ferries.

Of course, a complete recounting on this year would not be complete without discussing the unprecedented service disruptions experienced in 2018. The year started with icing conditions in Hyannis and Nantucket harbors which seriously affected service. Once service was restored, critical supplies to repair the Nantucket sewer system were one of the first items to be shipped to the island. In March and April, although the news headlines would speak only of the more than 500 missed trips due to mechanical problems, when I think back on that period I will remember the hundreds of extra trips we ran in their place to maintain our service even as we struggled to repair our vessels. I will also remember the high-speed passenger service we chartered and, most of all, the extremely high level of dedication and professionalism exhibited by the Steamship Authority's employees during this most challenging time.

In the wake of those incidents, we voted in May to seek an outside review of our operations to understand the events that led to our service disruptions and how we could ensure they do not happen again. The firms chosen for that review, HMS Consulting, Glosten Associates and Rigor Analytics, spent nearly six months working on a comprehensive review on five aspects of our organization: vessel operations, fleet maintenance, management structure, information technology systems and public communications. As a board, we reviewed that report last evening and now will be charged with moving forward on its recommendations and helping to make the Steamship Authority an even stronger organization.

We approved several initiatives to improve our operations, including voting to approve a new accounting system that will replace a 40-year-old legacy program and vastly improve the Steamship Authority's ability to monitor and manage its finances. We approved the creation of a new position to manage the Operations and Communications Center, which will be located at the Authority's administrative offices and will serve as a nerve center for communications between our vessels and terminals and to our employees and, most importantly, our customers.

We took several steps to improve our customers' experience, starting with a vote to create a new 5-ride Lifeline Card that allows our passengers to enjoy the convenience of using a multi-ride card while being exempt from the town-mandated embarkation fees. Later, we voted to reinstate the 10-ride Ferry Pass Card to give passengers the option of greater flexibility in how their card is used. And we approved a change in our medical excursion rate policy that provides more opportunity for island residents needing to travel to the mainland for doctor's appointments to take advantage of lower travel rates.

We have voted to approve several contracts to perform dry-dock and maintenance work on our vessels, including the *M/K Katama*, the *M/V Woods Hole* and the *M/V Eagle*, and also have taken care to maintain our land-based facilities, including awarding contracts to repair sewage pump-out facilities at our Woods Hole and Vineyard Haven terminals,

And we also have overseen several significant personnel moves. We selected Terence Kenneally to succeed our longtime general counsel, Steve Sayers. We approved the creation of a communications director position and hired Mr. Sean F. Driscoll, whom Mr. Davis introduced to us in June. And we bid a fond farewell to several longtime employees, including Mr. Sayers, Captain Bruce Malenfant, Human Resources Director Philip J. Parent and Oak Bluffs Terminal Manager Bridget Tobin. We also are bidding a bittersweet farewell to Gerard Murphy, whose tenure as our Treasurer/Comptroller was too short, and wish him well in his future endeavors.

Mister Chairman, I thank you for your steadfast leadership this year and for your dedicated service as chairman of the board. Marc, Betsy, Moira and I were privileged to serve with you, and I have a great task ahead of me to live up to your fine work.

**Documents and Exhibits Used at the  
December 18, 2018 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. December 18, 2018 Meeting Memorandum, dated December 14, 2018.
2. Video and audio recording announcement.
3. Minutes of the November 20, 2018 meeting in public session (draft).
4. Minutes of the November 28, 2018 meeting in public session (draft).
5. Business summary for the month of October 2018.
6. Power Point Presentation delivered by William J. Cloutier regarding the Woods Hole Terminal Reconstruction Project.
7. Staff Summary #L-484, dated December 12, 2018, Amendment to the By-Laws of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority.
8. Staff Summary #L-484, dated December 13, 2018, Proposed License Amendments with Freedom Cruise Line.
9. Staff Summary #OPER-2018-10, dated December 14, 2018, Designation of Additional Trips During the 2019 Nantucket Summer Operating Schedule as Hazardous Cargo Trips.
10. Staff Summary #A-635, dated December 13, 2018, Approval of Changes in List of Authorized Check Signers.
11. Staff Summary #E2018-15, dated December 13, 2018, Approval of Contract No. 04-2018, Dry-dock and Overhaul Services for the *M/V Sankaty*.
12. Staff Summary #A-635, dated December 13, 2018, Approval of Contract No. 14-2018, Award of Marine Diesel Fuel.
13. Staff Summary #OPER-2018-9, dated December 16, 2018, Purchase of Four (4) Passenger Heavy-Duty Transit Buses.
14. Minutes of the December 5, 2018 meeting of the Port Council (draft).
15. Memorandum from General Council Terence G. Kenneally, dated December 14, 2018, Election of Officers.
16. Statement to be read by Vice Chairman Robert R. Jones.

17. Proposed 2019 Board Meeting Schedule.
18. Statement to be read prior to going into Executive Session.
19. Memorandum of Understanding as to Mediated Settlement regarding Contract No. 15-2016, Mid-Life Overhaul Services of the *M/V Martha's Vineyard*.