

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

**The First Meeting in Public Session
January 22, 2019**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 22nd day of January, 2019, beginning at 10:10 a.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. Four members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Robert F. Ranney of Nantucket; and Moira E. Tierney of New Bedford.

Port Council Chairman George J. Balco of Tisbury and Port Council Member Robert V. Huss of Oak Bluffs and Port Council Member Eric W. Shufelt of Barnstable were also present, as were the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Counsel Steven M. Sayers (who left following the presentation on the Woods Hole Terminal Project); Communications Director Sean F. Driscoll; Reservations and Customer Relations Manager Gina L. Barboza; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee J. McHugh; and Director of Engineering and Maintenance Carl R. Walker.

Announcement

Mr. Jones explained that this was the first of two meetings that would be held on this day. The first would contain the normal monthly business of the Board and would include an executive session, after which the Board was expected to reconvene in public session. The board would then recess until 12:30 p.m. and then call the second meeting to order, at which time Mr. Davis would give an update on the Authority's status relative to the comprehensive review of the Authority's operations performed by HMS Consulting, Rigor Analytics and Glostén Associates. Then, Mr. Jones said the Board will move into a Committee of the Whole, a parliamentary move in which the Members can have an open discussion on an issue, which, in this case, is the implementation of the HMS report's ten (10) recommendations to improve the Authority's service. That style of forum is relaxed and intended to foster a free exchange of ideas with no motions being taken under consideration. Then the Board will return to public session and take public comment.

Mr. Jones noted that, in his upcoming tenure as chairman, he hoped to have several such Committee of the Whole sessions as the normal course of business does not allow the Members much time to have a free exchange of information. He also said he intends to change the order of business as proscribed in the bylaws to put public comment first on the agenda to give the Members the opportunity to respond to comments as they vote. Furthermore, he said he wished to move the Port Council's report before the Board's business, not after, as it makes very little sense in his opinion to hear their report at the end of the meeting. If Port Council members who are attending the Board meeting have information to add regarding their deliberations on agenda items, Mr. Jones asked that they raise their hand to be recognized by the chairman and then speak to the Board.

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. Mr. Driscoll was making an audio recording of the meeting, as were Catherine Bumpus of Woods Hole, Louisa Hufstader (representing the *Vineyard Gazette*), Ethan Genter (representing the *Cape Cod Times*) and Rich Saltzberg (representing the *Martha's Vineyard Times*).

Minutes:

IT WAS VOTED – upon Mr. Ranney's motion, seconded by Mr. Hanover – to approve the minutes of the Members' meeting in public session on December 17, 2018.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Mr. Ranney	<u>35 %</u>	<u> </u>
TOTAL	70 %	0 %

Mr. Jones and Ms. Tierney abstained from voting on the motion.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Tierney – to approve the minutes of the Members’ meeting in public session on December 18, 2018.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Mr. Ranney	35 %	
Ms. Tierney	10 %	<hr/>
TOTAL	80 %	0 %

Mr. Jones abstained from voting on the motion.

The Falmouth seat on the Board:

Mr. Jones clarified for those in attendance that the Falmouth seat on the Board previously occupied by Elizabeth H. Gladfelter was vacant following Ms. Gladfelter’s resignation effective January 1, 2019, therefore the four members present constituted the entire Board. However, motions will still need to carry by a majority vote of all members’ voting percentages. Mr. Jones noted that Ms. Gladfelter was a valuable member of the Board and he, felt that she was supportive of the community she represented. Mr. Jones said her absence would be a loss to the Board and he looks forward to Falmouth putting forth a replacement.

General Manager’s Report:

Mr. Davis summarized the results of the Authority’s operations in November 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, automobiles and trucks (with each category down 1.2%) than it had in November 2017. The number of cars parked in that month was down 1.8% compared to November 2017. In the first eleven (11) months of the year, the Authority had carried fewer passengers (down 0.3%), more automobiles (up 0.2%) and more trucks (up 0.4%) 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 the Authority’s net operating loss for the month was around \$2,691,000, or about \$648,000 more than what was assumed in the budget. Total income was \$6,166,000, or about \$276,000 higher than assumed

in the budget, while total expenses were \$8,857,000, or \$923,000 higher than assumed in the budget. Mr. Davis noted that the Authority's vessels made a combined 1,758 trips, of which four (4) trips were cancelled for mechanical reasons, or two (2) on each route.

Year-to-date net operating income was \$3,678,000 through November, or about \$6,337,000 lower than what was assumed in the budget. Total income was \$102,561,000, or \$465,000 lower than budgeted, while total expenses of \$98,884,000 were \$5,872,000 higher than budgeted. Mr. Davis noted that, based on the budget projections for December, the Authority should end 2018 in the black but that he would know better at the end of the week.

Mr. Davis noted that the cash balances remained in relatively good shape but he noted that the transfers to the replacement fund would be about \$2,500,000 lower than anticipated.

Mr. Hanover inquired about the additional \$643,000 in expenses for the *M/V Eagle*, to which Mr. Davis responded that the budget estimate for the project was lower than the successful bid. In response to a question from Ms. Tierney, Mr. Davis said the "other" category under operating expenses included items such as like the Seastreak charters in the spring, the HMS Consulting fees and additional training costs.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis presented an update on the Woods Hole Terminal Reconstruction Project, noting that Jay Cashman Inc. continues to drive the 96-inch pipe piles at the site. The first such pipe pile went in within four (4) feet of the expected depth, but the second pipe pile hit an obstruction, setting the pipe pile off at an angle and damaging the hammer used to drive the pilings. The hammer was replaced with a vibratory hammer, which was used to remove and reset the pipe pile, as well as drive the three (3) subsequent piles at the site.

Mr. Cloutier then proceeded to show recent photographs from the site.

Mr. Sayers then presented a status report on the design for the Woods Hole terminal building. He reminded the Board that, following public sessions in Falmouth and on Martha's Vineyard in October, the Authority began a dialogue with several community members after the schematic design plan received mixed reviews. Items discussed in the meetings have been the height of the building, which included an experiment in December 2018 utilizing a bucket truck to demonstrate the heights of various building designs, including a one-story flat

roof, and confirming that even that style of building would block most of the views of Woods Hole Passage as one approaches the terminal from the east.

Since then, discussions with the Woods Hole Community Association have centered around ways to mitigate the view impact, including making a shorter and taller building to preserve some aspect of the view, as well as various architectural aspects.

Mr. Sayers also said the Authority has met with representatives of the SMART Citizens Task Force to discuss the terminal, including the Authority's program needs, the requirements for the building's square footage and various misconceptions about what elements would be located inside the building. Mr. Sayers characterized the discussions as "constructive" and expressed his hope that the building would turn out better from the process. More discussions with both the Woods Hole Community Association and SMART group are planned, Mr. Sayers said, after which larger community presentations were anticipated.

Mr. Jones said he believed that the meetings with the public is the right way to proceed on the terminal design, but that Mr. Sayers and the Authority also need to push for a conclusion to the process so as to start on the final design and construction phases, to which Mr. Sayers said the Authority was doing its best.

Vote to Elect Temporary Secretary:

Mr. Jones announced that, at the Board's December 18, 2018 meeting, the Members had elected Ms. Gladfelter to be the Board's secretary for the 2019 year. Since Ms. Gladfelter has resigned and the Town of Falmouth has yet to appoint an individual to fill the vacancy, the Authority's Enabling Act requires that one of the Members be elected as secretary.

The Board's bylaws require that the secretary shall be present at all meetings of the Board and provides that, in the absence of the secretary from any meeting, a temporary secretary may be chosen, Mr. Jones said. Therefore, he asked for a motion to elect Ms. Tierney as temporary secretary until such time as the Falmouth vacancy is filled. Ms. Tierney confirmed that she was willing to serve in that capacity.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney– to appoint Ms. Tierney as the Board's temporary secretary until such time as the Falmouth vacancy is filled.

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

Vote to Elect Interim Treasurer:

Mr. Jones announced that, since the Board's last meeting on December 18, 2018, the Authority has received the resignation of Treasurer /Comptroller Gerard J. Murphy, and that the Authority is actively pursuing an individual to fill the vacancy. Mr. Jones said the Authority's Enabling Act requires the election of a treasurer, who need not be a member of the Board. Furthermore, the Board's bylaws require that the treasurer shall have the care and custody of all the money, funds, valuable papers and documents of the Authority, among numerous other duties.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney– to appoint Mr. Davis as the Board's interim treasurer until such time as the present vacancy is filled.

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

Approval of Proposed License Amendment with Hy-Line Cruises:

Mr. Davis recalled that, in late December, he had received a request from Hy-Line Cruises for its 2019 operating schedule, to which they were seeking some slight modifications. Per the Authority's licensing policy, Mr. Davis said he felt the changes were significant enough to warrant action by the Board.

Mr. Davis said Hy-Line's total number of trips for the year is increasing; specifically, it seeks to add up to nineteen (19) round trips to its Nantucket

service, with the majority of those scheduled around the Thanksgiving holiday. On its Martha's Vineyard schedule, it plans to add one (1) additional trip, as well as two (2) additional trips to its inter-island service, all between Labor Day and Columbus Day. Mr. Davis noted that, at its January 9, 2019 meeting, the Port Council voted to recommend approval of the amendment.

R. Murray Scudder III with Hy-Line Cruises said the company was seeking to increase its inter-island service, noting that over thirty (30) years it has tried a number of iterations of the schedules. Currently, it offers three (3) round trips a day during the summer and only one (1) in between Labor Day and Columbus Day. Since the boat is based in Hyannis, it needs to add an additional Vineyard trip to get the vessel to the island before commencing its inter-island voyage. Mr. Scudder further noted that, with respect to the Nantucket service, the Thanksgiving holiday is becoming an increasingly busy time for travel.

In response to a question from Mr. Hanover, Mr. Davis said the Authority's high-speed service to Nantucket is typically full during the days Hy-Line is seeking to expand, although the service is very directional. For example, for Nantucket Christmas Stroll, the demand is higher on Sunday to leave the island, he said. Customers are tending to go earlier in the week to make the trip a multiday excursion to Nantucket instead of a single day trip.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney– to approve proposed increases in the number of daily trips operated by Hyannis Harbor Tours Inc. ("Hy-Line") in 2019 as set forth in Staff Summary #L-485, dated January 16, 2019.

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

Approval of Proposed License Amendment with Seastreak LLC:

Mr. Davis recounted that, on December 20, 2018, Seastreak LLC asked the Authority for an amendment to its current license agreement in several different ways, to wit:

- 1) Increasing the number of round trips for its Vineyard 95 vessels;
- 2) Providing additional service between New Bedford, Martha's Vineyard and Nantucket between November 27, 2019 and December 1, 2019;
- 3) Operating a high-speed passenger service between New Bedford and Nantucket for the 46th annual Nantucket Christmas Stroll, scheduled for December 6-9, 2019; and
- 4) Operating a high-speed passenger service between New Bedford and Edgartown for the 38th annual Christmas in Edgartown event, which has yet to publish its schedule for December 2019.

Mr. Davis said the proposed schedule adjustments outside of the Thanksgiving and Christmas periods are as follows:

- Starting the May to mid-June 2019 schedule one day later;
- In the mid-June through September schedule, removing the 9:30 p.m. trip on the Vineyard route from Sundays to Thursdays and adding one (1) daily round trip on the Nantucket route, along with various time changes;
- In the early September to mid-October schedule, the addition of sixteen (16) days of service;

Mr. Davis noted that Seastreak's Thanksgiving service had been dormant for a number of years, so he felt it appropriate to solicit public comment on that request, as well as the Christmastime services, before asking for approval. Mr. Davis noted that the Port Council, at its January 9, 2019 meeting, voted to recommend approval of the service requests through mid-October and allow for the solicitation of public comment on the Thanksgiving and Christmas services.

John Silvia, General Manager of Seastreak New England, said the company is looking to extend its service at the end of its season, which is a time that coincides with many wine festivals on the islands. So far, its services have been well received by residents of New Bedford and its passengers.

Mr. Jones said he preferred to have a motion on the floor before discussion on an item begins; since discussion had already commenced, he said he would entertain a motion on the topic.

IT WAS VOTED – upon Mr. Hanover’s motion¹, seconded by Mr. Ranney – to approve license amendments requested by Seastreak LLC except for the proposed Thanksgiving and Christmas services, as set forth in Staff Summary #L-486, dated January 16, 2019.

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

Amendment to By-Laws:

Mr. Kenneally told the Board that, at its August 2018 meeting, the Members voted to amend the By-Laws to reflect that someone other than Mr. Kenneally could take and maintain the minutes of the Board. Following that vote, it was brought to Mr. Kenneally’s attention that the By-Laws were not consistent with the Authority’s practices and, additionally, there existed inconsistencies with the Massachusetts Open Meeting Law. Therefore, Messrs. Kenneally and Driscoll reviewed the By-Laws and provided suggested edits to reconcile the document with both state law and the longstanding practices of the Authority.

Mr. Kenneally said he presented the draft revision to the Members at the Board’s December 18, 2018 meeting but, following a discussion about possible further amendments and a request to review the order of business, the Board voted to table the matter. Mr. Kenneally said the current proposal essentially duplicates the version presented to the Board in December with the additional change of allowing more flexibility to the order of business as presented in Article III, Section 6 by changing the first sentence to strike the words “shall be as follows” and replace it with “include,” thereby allowing more flexibility in how the meeting shall proceed.

¹ Reporter’s note: Mr. Hanover moved to approve the motion “as amended;” however, there was no amendment on the floor at the time. Additionally, the Members initially voted on the motion, but Mr. Jones then asked for discussion before a second vote was held on the same motion.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to bring the matter of the by-laws to the floor for discussion.

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

Mr. Jones said the reason he asked for a review of the order of business was to allow more flexibility to change the “one size fits all” approach to meetings. He said he preferred to have public comment and the Port Council report come at the beginning of the meeting, not at the end. Furthermore, most boards he has served on allows the chairman of the board to set the order of business and he did not see the reason to require a vote of the members to alter the Board’s order of business as currently proscribed in the By-Laws.

In response to a question from Mr. Hanover, Mr. Jones said he preferred to have a motion on the floor before the Board conducted any discussion regarding an agenda item. The Board’s practice has been to hear a presentation from staff and then hold discussion before a motion is made, and Mr. Jones said he feels a motion should be on the floor before any discussion is held. In response to a question from Mr. Jones, Mr. Kenneally said he did not disagree with Mr. Jones’ point, but added that the Board could proceed in that manner or keep its current practice without conflicting with the Enabling Act and its By-Laws.

Mr. Ranney asked how the order of business could be changed after the agenda is posted under the Board’s current By-Laws, to which Mr. Davis responded that, under Article III Section 6, the order of business “may be altered or suspended at any meeting by a vote of at least two Members whose combined votes count as more than fifty percent of the whole,” which allows for the flexibility to take items out of order by a vote at a meeting. Mr. Kenneally said the proposed change adds another level of flexibility to setting the order of business prior to the agenda being set.

In response to a question from Ms. Tierney, Mr. Kenneally said the proposed change would allow public comment to be moved up or down the agenda at any meeting at the chairman’s discretion. He further noted that the Members could subsequently vote to change the posted order of business by a

vote at said meeting. Ms. Tierney said she would not be in favor of moving public comment from its current spot at the end of the agenda, noting that it had been the Authority's practice for many years and was at that spot for a good reason. Mr. Jones said the he wanted to move public comment first before the Board was to take up an agenda item or any business to hear what the public has to say instead of after the fact.

Following subsequent clarification on the proposed change, Ms. Tierney asked why the order of business needed to be changed, to which Mr. Jones responded that he wanted to move public comment to the beginning of the meeting to get the public's input. He said he also wanted to get the Port Council's input before the Board voted as well, and the way the By-Laws are currently written he cannot make those changes. Ms. Tierney said she did not see why that cannot be accomplished with a vote of the majority of the members and that she preferred not to make the structural change to the By-Laws.

Mr. Hanover noted that when he was chairman of the Board he would ask the Port Council for input, if they have any, and allow for public comment on specific items as they were presented. He asked if Mr. Jones wanted to open the meeting and have people commenting on anything that is on the agenda, to which Mr. Jones replied that, at the Town of Barnstable, meetings begin with public comment. If that body had a big hearing, it might have funneled public comments to that agenda item specifically, but otherwise the opening public comment period could be on any topic. After the Authority Board meeting starts, the chairman would have the prerogative to accept public comment on specific agenda items.

Ms. Tierney said she did not see the need for the change and that the history of the order of business likely stems from the fact that it requires a majority vote to change. The changes Mr. Jones mentioned could be accomplished at each meeting without a fundamental change to the Board's practices, Ms. Tierney said.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to amend Articles II, III, IV, V, VII, VIII and IX of the current by-laws of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority as described in Staff Summary L-487, dated January 16, 2019.

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

Mr. Kenneally then asked the Members to approve the remaining changes to the By-Laws other than those in Article III Section 6 with the exception of, in that section, approving the change of “more than” to “greater than” to achieve consistency with similar phrasing elsewhere in the document.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Mr. Hannover – to amend Articles II, III, IV, V, VII, VIII and IX of the current by-laws of the Woods Hole, Martha’s Vineyard and Nantucket Steamship Authority as described in Staff Summary L-487, dated January 16, 2019, with the exception of the changes to the order of business as originally set forth.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Jones		10 %
Mr. Hanover	35 %	
Ms. Tierney	10 %	
Mr. Ranney	<u>35 %</u>	_____
TOTAL	80 %	10 %

Report on the Port Council’s January 9, 2019 Meeting:

Mr. Jones asked if, given the Members’ discussion regarding the order of business, if the Port Council’s report was out of order as it was placed on the agenda. Mr. Kenneally replied that the report fell under item (3) of the order of business, which reads: “Reports of officers: General Manager and other such officers as their current work would bear on the matters under discussion [.]”

Mr. Balco noted that among the items discussed by the Council members at their meeting were:

- The Woods Hole Terminal Reconstruction Project and the timeline for future work.
- The report by HMS Consulting, including a review and extensive discussion on its specific recommendations.
- The proposed changes to Hy-Line Cruises' license for 2019.
- The proposed changes to Seastreak LLC's license for 2019.

The meeting also included public comment on several topics, including a citizen's petition regarding the design of the Woods Hole ferry terminal; the possibility of videotaping the Port Council meetings; and a letter from the SMART Citizens Task Force that included a list of questions for the Authority, Mr. Balco said. In response to a question from the chair of the Port Council, it was made clear at the Port Council meeting that the group is a citizen's task force that is neither associated with a government body nor organized under the auspices of the Massachusetts Attorney General's Office.

Public Comment:

Mr. Jones opened the floor to public comment, but none was offered.

Executive Session:

Then, at approximately 11:27 a.m., Mr. Jones entertained a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on December 18, 2018; to consider the purchase, exchange, lease or 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.

These matters include:

- The potential for lease or acquisition of real property located at 1251 Route 28A, Cataumet, MA; 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. Jones 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. Jones said that, after the conclusion of the executive session, the Board would reconvene in public.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Mr. Hanover – to go into executive session to discuss and approve the minutes of the December 18, 2018 meeting; to discuss the potential acquisition of real estate; and to discuss the Authority’s strategy with respect to collective bargaining matters.

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

At approximately 11:49 a.m., Mr. Jones reconvened the meeting in public session. Four (4) members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Temporary Secretary Moira E. Tierney of New Bedford; and Robert F. Ranney of Nantucket.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council Member George J. Balco of Tisbury and Port Council Member Eric W. Shufelt of Barnstable were also present, as were the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; and Communications Director Sean F. Driscoll.

Lease of 1251 Route 28A, Cataumet:

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Tierney – to authorize the general manager to execute a new lease with Woodland Trust and G&B Realty Trust (as Lessors) for the use of the property located at 1251 Route 28A, Cataumet, Massachusetts, as set forth in Staff Summary #L-488, dated January 16, 2019.

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

Then, at approximately 11:51 a.m., Mr. Jones said he would entertain a motion to adjourn the meeting.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to adjourn the meeting in public session.

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

A TRUE RECORD

MOIRA E. TIERNEY, Temporary Secretary

Documents and Exhibits Used at the Day's First
January 22, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

1. January 22, 2019 Meeting Memorandum, dated January 17, 2019.
2. Video and audio recording announcement.
3. Minutes of the December 17, 2018 meeting in public session (draft).
4. Minutes of the December 18, 2018 meeting in public session (draft).
5. Business summary for the month of November 2018.
6. Power Point Presentation delivered by William J. Cloutier regarding the Woods Hole Terminal Reconstruction Project.
7. Statement by Chairman Robert B. Jones regarding the election of a temporary secretary.
8. Statement by Chairman Robert B. Jones regarding the election of an interim treasurer.
9. Staff Summary #L-485, dated January 16, 2019, Approval of the Proposed License Amendment with Hy-Line Cruises.
10. Staff Summary #L-486, dated January 16, 2018, Approval of the Proposed License Amendment with Seastreak LLC.
11. Staff Summary #L-487, dated January 16, 2019, Amendments to the By-Laws of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority.
12. Minutes of the January 9, 2019 meeting of the Port Council (draft).
13. Staff Summary #L-488, Approval of a New Lease with Woodland Trust (as Lessors) for the Use of the Property Located at 1251 Route 28A, Cataumet, MA.

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

**The Second Meeting in Public Session
January 22, 2019**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 22nd day of January, 2019, beginning at approximately 12:39 p.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. Four members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Robert F. Ranney of Nantucket; and Moira E. Tierney of New Bedford.

Port Council Chairman George J. Balco of Tisbury and Port Council members Robert V. Huss of Oak Bluffs, Robert S.C. Munier of Falmouth and Eric W. Shufelt of Barnstable were also present, as were the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Counsel Steven M. Sayers; Communications Director Sean F. Driscoll; Reservations and Customer Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee J. McHugh; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Jones 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. Mr. Driscoll was making an audio recording of the meeting, as were Louisa Hufstader (representing the *Vineyard Gazette*), Ethan Genter (representing the *Cape Cod Times*), Hannah Schuster (representing the *Falmouth Enterprise*) and Rich Saltzberg (representing the *Martha's Vineyard Times*).

Announcement

Mr. Jones explained that, in this second of two (2) meetings to be held on this day, the floor would be opened to public comments, but he would limit discussion to the comprehensive review of the Authority's operations by HMS Consulting, Glosten Associates and Rigor Analytics. Mr. Jones said the Board

would first hear from the General Manager and, following Mr. Davis' report, he would then move the meeting into a Committee of the Whole, a parliamentary move in which the Members can have an open discussion on an issue, which, in this case, is the implementation of the HMS report's ten (10) recommendations to improve the Authority's service. That style of forum is relaxed and intended to foster a free exchange of ideas with no motions being taken under consideration. Then the Board will return to public session and receive public comment.

General Manager's Report:

Mr. Davis referred the Members to the Staff Summary provided in their packet regarding his initial thoughts on the HMS report, its final recommendations and implementation plans. Mr. Davis noted that Mr. Sayers, who has been working as a liaison to HMS throughout the review process, was present in light of a suggestion from the Port Council to have a facilitator at the meeting who could aid in moving the discussion forward.

Mr. Davis reviewed the three (3) specific recommendations from HMS as part of its overall recommendation to implement process-based management at the Authority. Those recommendations are: to develop and implement an externally audited Safety Management System (SMS) across the fleet; to develop and implement a Quality Management System across the entire organization, preferably in concert with an SMS; and to source a Learning Management System and implement it first with vessel crews before expanding to other departments. Mr. Davis noted these steps, in particular, would take time to implement and have a high initial investment cost and will involve considerable challenges.

Mr. Davis said HMS also identified an additional three (3) recommendations that would be prerequisites to implementing the above three (3) recommendations: recruiting and hiring a Director of Health, Safety, Quality and Environmental Protection (to oversee the development of the SMS and QMS programs); to develop and adopt a mission statement and supportive performance objectives; and to commence a strategic planning process that would include all aspects of the Authority's organization.

Mr. Davis noted that the HMS report recommended that the HSQE Director be outside of the chain of command; however, Mr. Davis said, as reflected in the three (3) alternative organizational charts provided to the Members, he felt the position would be better suited to fall under the General Counsel's office given that it deals with compliance and regulatory issues.

Regarding the recommendation to develop and adopt a mission statement, Mr. Davis noted that in 1997, the Authority created a mission statement although it was not formally endorsed by the Board at that time. Regardless, Mr. Davis said the document could serve as a starting point for this process. Regarding both this recommendation and the recommendation to commence a strategic planning process, Mr. Davis said, in light of Falmouth not having a member at the present time, it would make sense to wait until all of the port communities were represented before beginning those processes. Mr. Davis also noted that HMS recommended hiring an outside firm to help with the strategic planning process; Mr. Davis said he was considering hiring a full-time Planner for the organization who could aid in creating the strategic plan and ensuring it is fully implemented throughout the organization as well as fulfilling other planning needs throughout the Authority, including dealing with various planning boards in the Authority's port communities.

Once the mission statement and strategic plan are created, Mr. Davis said they would need to be communicated not only to the public, but also to the Authority's employees. Furthermore, matrices should be created by which staff performance can be measured against said plans, Mr. Davis said.

Regarding the Authority's organizational structure, HMS has made four (4) recommendations: to add a second Port Engineer, Assistant Port Engineer and Project Engineer; to add the HSQE Director; to add a Director of Marine Operations who would be responsible for all vessel employees; and to add a Chief Operating Officer, to whom the Director of Marine Operations, the Director of Engineering and Maintenance and the Operations Manager would report. HMS has further recommended that the Engineering Department be a line function as opposed to a staff function; Mr. Davis said he does not disagree with that recommendation, nor does he disagree with the recommendation to add additional resources to that department. However, Mr. Davis said he feels other priorities should take precedence.

HMS also noted the need to fill the vacant Port Captain position; Mr. Davis noted that the Authority held that position open at the request of HMS to wait until the study was complete. Regardless, Mr. Davis said he wants to proceed with that hire, as well as hiring a Director of Marine Operations, but the question remained as to the order in which these positions should be filled. Mr. Davis said, in speaking to industry leaders, he felt it would be best to conduct a search for both positions simultaneously but that it might be advantageous to hire the Director of Marine Operations first to give that individual a voice in who would be hired for Port Captain.

Mr. Davis noted that he does differ from HMS' recommendation that the Director of Marine Operations has only a Port Captain under his or her authority, which would eliminate the Assistant Port Captain position. Mr. Davis said he believes that position is an invaluable liaison with the crews and, if that position were to be eliminated, the Authority would effectively not be adding any personnel to the marine side of its operations.

Regarding the recommendation to add a Chief Operating Officer, Mr. Davis said he felt the immediate focus should be on adding the Director of Marine Operations, the HSQE Director and filling the previously budgeted vacant positions. If the Board wanted to add a Chief Operating Officer at a later point, Mr. Davis said that would be their prerogative. Mr. Davis noted that not all of the recommendations contained in the HMS report needed to be acted upon today; rather, they could be as positions were added to the Authority's management structure and additional staffing layers could be added. Additionally, Mr. Davis said various staff members already have access to him one-on-one and that adding the Chief Operating Officer position may be seen as an unnecessary step.

Mr. Davis also noted that, while one of HMS' recommendations was to recruit from sources external to the organization for these new positions, it failed to recognize that of the last thirty (30) senior-staff hires, eighteen (18) of them have come from outside the Authority. Regardless, Mr. Davis said getting "new blood" into the Authority was a worthwhile goal, but he did not want to curtail the ability for individuals within the organization who want to excel from being able to do so. Mr. Davis noted the Authority is an organization that has many long-time employees so he felt a balance between internal promotions and external hires would be appropriate.

Entering the Committee of the Whole:

Mr. Jones then moved the Board into a Committee of the Whole.

Mr. Jones noted that the Authority is a complex organization that he liked to a series of concentric circles, with the innermost circle including the Coast Guard's rules and regulations. The second circle includes the safety management system (SMS), which oversees all of the core functions within the first circle. The SMS establishes policies and hiring and management systems to make an organization better run and less susceptible to error. Within the SMS is documentation of everything the Authority does and records of every component on the ships, along with technical manuals concerning their operation. Although an SMS is not required, Mr. Jones said, in his opinion, it is

a standard that all ferry companies should strive for although, he noted, creating such a system takes a lot of legwork and documentation.

Mr. Jones said within the items presented by Mr. Davis are the ingredients for the Authority to move forward and invited the Members to ask further questions.

In response to a question from Ms. Tierney, Mr. Davis said he would certainly consider internal candidates for the new positions. Since the positions are new to the organization, Mr. Davis said the Authority should consider all options in filling them.

Mr. Hanover said before the Authority and Board got too far into implementing the recommendations that, in his opinion, a top-notch industry consultant that has run a major shipping line and is familiar with these systems should be engaged to help the Authority hire the correct people. Mr. Hanover further stated that he believed that Alternative #3 of Mr. Davis' proposed organizational charts would work well for the Authority, as the first operation does not include the Planner position and the second option does not have the marine operations all under one individual.

Mr. Hanover also said he was disappointed that there was not anything in Mr. Davis' report about information technology as he said he feels the Authority is very vulnerable in that area. Although the Authority has not received the communications portion of the HMS report, Mr. Hanover said he felt the organization was behind the ball on IT matters. Mr. Davis responded that, for any of the positions he has identified, he would be in favor of getting outside help to find the right person for the job. Furthermore, the Authority can post the positions in industry trade publications and website. Mr. Davis said, as was noted in the HMS report, the Authority has a lot going on so to add major recruitment efforts would be a challenge.

Mr. Sayers noted that, in the Members' packet, was a letter from HMS Consulting President John Sainsbury asking if the Authority would want the firm's ongoing assistance to implement the recommendations. Mr. Sayers noted that, if the proposal was less than \$100,000, Mr. Davis could engage HMS without explicit Board approval. Mr. Sayers said it would make sense to obtain a proposal from HMS Consulting, as it would be the most expedient way to get immediate, expert advice on implementing the recommendations.

Ms. Tierney asked if the Authority has identified how much the recommendations are going to cost, how the Authority is going to pay not only for the initial costs, but ongoing costs, how the Authority would be able to afford

those costs and also the cost of building boats and over what period of time the implementations would be carried out. Ms. Tierney said the first step should be identifying the provisions of the HMS report that the Authority agreed with and over what period of time the recommendations would be implemented. If the Authority needs to raise rates to afford to implement the recommendations, it needs to start letting its customers know and have transparency throughout the process. Ms. Tierney also said that the Authority would eventually need to build another boat and she has heard no mention of how that cost would factor into the increased costs stemming from the HMS report.

Mr. Hanover said he did not necessarily agree with filling all nine (9) positions identified in the report, but the report indicated that the Authority would likely see savings because of the added efficiencies resulting from the key hires. Ms. Tierney said she did not disagree, but the Board should have costs associated with the recommendations to help the Members make informed decisions. The public clearly wants the Authority to make the changes, but they will come at a cost and the Board needs to make sure the public understands what those costs will be.

Mr. Sayers noted that Mr. Davis has identified the positions that are already in the budget – namely the Treasurer/comptroller, Human Resources Director and Port Captain – and is already moving forward on filling those roles. Mr. Sayers said Mr. Davis was also clear that, for the new positions, not only would the associated costs need to be clearly identified, but also how they would be funded. Ms. Tierney said the Board might require a budget projection going forward showing the costs of implementing the recommendations and what the Board would need to do to keep its fleet current. She said she did not want the Authority to sacrifice boat building to alter its management structure.

Mr. Ranney said he agreed with the points made by both Ms. Tierney and Mr. Hanover and that he, too, preferred the Alternative #3 organizational chart as proposed by Mr. Davis, noting that he was in favor of both the Planner position and separating the shore-side operations from the marine operations. Mr. Ranney said he was also concerned about costs and getting the recommendations implemented in a timely fashion. Some of the recommendations are going to take time to implement and, Mr. Ranney said, there would be rate increases as that is the Authority's predominant source of revenue.

Mr. Jones said the Authority needs to know its direction and have job descriptions established before it does any hiring. Mr. Jones noted there are firms that help develop strategic plans and that the process would likely take several months. Mr. Jones noted that some of the examples of mission

statements handed out by Mr. Sayers during the meeting looked more like strategic plans due to their length. Mr. Jones said he considers the Authority's mission statement to be "Lifeline to the Islands," although that could be broadened.

Mr. Jones said he thought the first goal should be to fill the positions that are already in existence and in the budget and that there would have to be a budget for any other hires that are made. That typically is not done mid-season unless the Board was to go into budget process or otherwise determine how the positions would be funded. Mr. Jones said he knows everyone is anxious to move forward and that, in some cases, the Board can, but in others, it is going to take time. Mr. Jones said he did not know if all of the positions would be necessary until he saw job descriptions¹ for them.

Mr. Jones further said that the Board should set goals so that it can track the progress of the implementations along the way. He said he agreed that the Authority should hire an outside consultant to help with the implementation of the study recommendations. Furthermore, he said that, following discussions and seminars he attended at the recent Passenger Vessel Association Annual Convention, he has come to understand that the Authority is not unique. He noted that in one conference the speaker noted that, in this industry, a crisis is all but inevitable. Mr. Jones said crisis has hit the Authority and that the way to work its way out of the crisis period is to provide good, reliable and dependable service. One thing the Authority needs to do is stop looking back on what has happened and instead move forward.

Ms. Tierney said it seemed to her that there were two (2) decisions to make right away. First, since the Authority has space in its budget for three (3) vacant positions, does the Authority want to use those funds for those positions or should those funds be redirected to hire a Director of Marine Operations first and then allow that individual to hire a Port Captain? Second, does the Authority get an outside consultant or does it hire a Planner, a position that, at some point in time, the Authority will need? Ms. Tierney suggested that management might want to interview a consultant and a planner at the same time and see if a clear option presents itself. Ms. Tierney said if the Authority does those two (2) things, it would be off to a good start and would not have to raise rates immediately.

Mr. Jones asked if any of the Port Council members had comments to add. In response, Mr. Munier said he felt there was a difference between doing

¹ Reporter's note: Proposed job descriptions for the HSQE Director, Chief Operating Officer, Director of Marine Operations, Port Captain, Project Engineer and Planner were distributed to the Members prior to the meeting.

strategic planning and the Planner position as proposed by Mr. Davis. In his view, the Board, the Port Council and the Authority's leadership team are the ingredients for developing and implementing a strategic plan, while a planner would work in the office and implement organizational planning initiatives. He said he thought the idea of getting an external consultant to aide in developing a strategic plan is a good one because it would bring external ideas and experts to the table. Whether or not the Authority can afford to hire an external consultant for the process, however, remains to be seen.

Regarding the HSQE position, Mr. Munier said that, in many other organizations, the position reports directly to the CEO to make sure there is an absolutely direct line regarding the role's four (4) important areas of oversight. Mr. Munier said he understands why it makes sense to put it under the General Counsel's authority but that not doing so was worthy of consideration.

In response to Ms. Tierney's earlier comments, Mr. Sayers noted that the Authority did have room in the budget for the Port Captain position, but that everyone realizes that the Director of Marine Operations is an important role to fill and that it makes sense to do so first and then give that individual a hand in selecting the next Port Captain.

Regarding the public communications portion of the study, Mr. Sayers said a video conference has been scheduled for Friday, January 25, 2019, during which HMS and Rigor Analytics would present their preliminary factual findings from which it would develop its recommendations. Mr. Sayers said he has not been given a timetable for the report's release, but that he would not be surprised if it was pushed into February.

Mr. Sayers then asked the Members if they wished to proceed with HMS as a consultant for the report's implementation, to which Mr. Jones said there would be multiple firms interested in the work. Mr. Jones said he was disappointed that HMS had yet to fulfill its contract with regard to delivering the entire report. Mr. Jones said he would look very carefully at other firms that may want to come in. Mr. Jones noted that he had his personal opinions about the report, noting that, since it was a public document, it had resulted in a lot of comments, whereas if the Authority was a private company it could have been accepted in-house.

Ms. Tierney said if HMS were to be hired to aid in the implementation of the report, it would have a vested interest in following the dictates of the report. She said she felt the Authority should do a lot of interviewing to find a firm to help with the implementation. Mr. Sayers responded that there are two issues at

play: implementing the recommendations and hiring an outside firm to aid the Authority in strategic planning initiatives.

Mr. Jones said the public should be aware that the Authority is in the middle of several initiatives right now to help with the future implementation of an SMS. Mr. Davis agreed and said that vessel manuals were being developed for the Authority's fleet, noting that the *M/V Woods Hole* was the first to have its manual developed and that it would be used as a template for the other vessels. The manuals need to be refined and standardized as much as possible to be the most valuable tool they can be while not being so voluminous and comprehensive that they cannot be used. Mr. Davis said he spoke with one operator that developed an SMS that is too cumbersome and that it may be scrapped and restarted because the program went too far. Mr. Jones noted that you can write down everything in the world but that, in the end, it comes down to the employee and the training he or she receives.

Mr. Jones said management should get working on what it can do in-house and then seek proposals from outside consultants to implement the report's recommendations. Meanwhile, the Board needs to think about a timeline for the implementation so it can track progress along the way. Once a consultant is on board, then the Board and management can start to define what these positions are and how they fit into the organization. Mr. Sayers noted that staff would begin the process of recruiting a Director of Marine Operations and return to the Board for formal approval to create the position at a subsequent meeting.

Mr. Jones then asked the Members if the Board should hold a similar forum again, perhaps with a more narrow range of discussion topics, to which Mr. Hanover said he believed the Board should be meeting once a month. He asked if it could be incorporated in the Board's general meeting, to which Mr. Jones said it could and that the Board could move into a Committee of the Whole at any time. Mr. Davis said the implementation of several of the recommendations would require further Board input and that some, like the development of a strategic plan, would require other stakeholders and representatives from the communities the Authority serves.

Ms. Tierney said she would like the Board to be more involved in the search for the Director of Marine Operations, including reviewing the resumes and interviewing the candidates who are presented to the Authority. Mr. Sayers noted that, if the Members were involved in the search, it would be a different process due to the implications of the Open Meeting Law, but that staff would look into that and report to the Board.

Ms. Tierney also said she did not mind doing more than one meeting a month but that she would prefer to see it on a Saturday so it could be a longer meeting without the time constraints posed by a weekday. Mr. Jones said the sessions could also include consultants and experts in the field who would be willing to speak to the Board about various topics. Mr. Jones noted that, the more information the Members could receive, the smarter they would be as they move forward.

Mr. Huss noted that he thought the direction of the Board was a good one and that it was important for the Authority to fill some of the positions that are not filled at this point, namely the Human Resources Director and Treasurer. Mr. Davis noted he had engaged a search firm for those positions and that the process was under way.

Entering Public Session and Public Comment:

Mr. Jones then resumed the meeting in public session and opened the floor to public comment.

Suzanne Clifford from Woods Hole said she would like to see the Board incorporate more regional thinking into its processes and that there is not enough concern given to everything that comes over the bridges to the Cape as part of its operations.

Fred Condon, a Martha's Vineyard resident, said he was heartened to hear much of the discussion today and that there is a lot of work that needed to be done. Responding to prior comments by Mr. Hanover, Mr. Condon said people did not want something like what happened in March and April 2018 to happen again and that the Authority had to spend whatever it takes to do so. As a part of the community, Mr. Condon said he would be happy to pay. If the Authority was to raise an extra \$1,000,000 through a rate increase for extra salaries, that would represent only around 1% of its annual operating budget whereas to sit back and do nothing because of the potential costs would be to repeat the mistakes that landed the Authority in this position.

However, in order to tell the public it will cost them 1% or 2% more to ride the ferries, Mr. Condon said it would be helpful if customers believed and trusted the Authority. In that regard, Mr. Condon said the Board should have itself reviewed and expanded because there are not enough members to effectively manage the organization. Mr. Condon also advocated for a review of the Authority's management and for hiring a search firm to find a new general manager, a "superstar" in the business who could come in and make the changes

that the current managers do not have the vision or experience to carry out. Mr. Condon said those changes would endear the Authority to its customer base, with whom he said the Authority has lost touch.

Mr. Condon took issue with Ms. Tierney's assertion that the Authority needed to have money to build more boats and said, instead, the Authority should be meeting with the Martha's Vineyard Commission and other stakeholders to determine what the island should look like in 10 or 20 years and plan according to that vision.

In closing, Mr. Condon said that if the Authority has enough change on its horizon, its culture would change, too, and that the organization was close to that point.

Then, at approximately 1:54 p.m., Mr. Jones said he would entertain a motion to adjourn the meeting.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to adjourn the meeting in public session.

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

A TRUE RECORD

MOIRA E. TIERNEY, Temporary Secretary

**Documents and Exhibits Used at the Day's Second
January 22, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. January 22, 2019 Meeting Agenda, originally posted January 16, 2019, revised January 17, 2019.
2. Video and audio recording announcement.
3. Staff Summary #GM-709, dated January 15, 2019, Initial Thoughts About the Final Recommendations and Implementation Plans from HMS Consulting Comprehensive Review.
4. Copy of current organizational chart as of January 8, 2019 and three (3) draft alternatives.
5. Minutes of the August 20, 1997 meeting in public session.
6. Memo from General Manager Armand L. Tiberio dated December 31, 1997.
7. Minutes of the December 17, 1998 meeting in public session.
8. Email from John Sainsbury dated January 4, 2019 with the subject "Proposed Position Responsibilities and Qualifications," attached to which were draft qualifications and responsibilities for the following positions: director of health, safety, quality and environmental; chief operating officer; director of marine operations; port captain; project engineer; and planner.
9. Email from John Sainsbury dated January 17, 2019 with the subject "Implementation of Final Recommendations," attached to which was a letter, "The Steamship Authority Operations Review – Next Steps."
10. Printout from the Delaware River and Bay Authority website highlighting the organization's mission statement.
11. A document from Washington State Ferries titled "Our Strategic Plan."

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

The Meeting in Public Session

February 9, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 9th day of February, 2019, beginning at 9:03 a.m., in the second-floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. Four (4) members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Temporary Secretary Moira E. Tierney of New Bedford; and Robert F. Ranney of Nantucket.

Port Council Member Eric W. Shufelt of Barnstable was also present, as was Dukes County Commissioner Leon Brathwaite and the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Counsel Steven M. Sayers; Communications Director Sean F. Driscoll; Reservations and Customer Relations Manager Gina L. Barboza; Hyannis Terminal Manager Chris Chace; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee J. McHugh; Director of Operations Mark K. Rozum; and Director of Engineering and Maintenance Carl R. Walker.

Announcement:

Mr. Jones remarked on the recent passing of Allen Goddard, who attended many Port Council meetings over the years and was Mr. Jones' "eyes and ears" while he served that body. Mr. Jones said he was long acquainted with Mr. Goddard through his work with the Town of Barnstable and that Mr. Goddard would often call him at home if there were something he thought Mr. Jones should know about.

Video and Audio Recording of Today's Meeting:

Mr. Jones 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. Mr. Driscoll was making an audio recording of the meeting, as were Louisa Hufstader (representing the *Vineyard Gazette*), Rich Saltzberg (representing the *Martha's Vineyard Times*), and Hannah Schuster (representing the *Falmouth Enterprise*).

Regarding Public Comment:

Mr. Jones noted that, during this morning's discussion, he would open the floor to public comment for those in attendance who wished to discuss the HMS Consulting report, but he asked that those comments be limited to that topic at that time. Otherwise, he asked that public comments be held until the end of the meeting per the Board's usual practice.

Video Presentation by Mr. Sainsbury:

Mr. Davis then introduced HMS Consulting President John Sainsbury, who was participating in the meeting via video conference.

Mr. Sainsbury reiterated that his presentation would be specific to the public communications portion of the comprehensive review of the Authority's operations performed by HMS Consulting, Glostern Associates and Rigor Analytics. He said he appreciated everyone's patience in waiting for the last portion of the report and noted that there were scheduling conflicts that prevented its completion in December 2018 with the initial report. Mr. Sainsbury reviewed the findings of the initial report as he presented them to the public at the Board's December 17, 2018 meeting. Mr. Sainsbury further noted that the development of the theories and concepts surrounding the review of the Authority's public communications ran in parallel with the rest of the review, so the ten (10) recommendations he presented in December also apply to the public communications portion of the study.

Mr. Sainsbury reminded the Board about the scope of the study, which covered five areas: vessel operations, fleet maintenance, management structure, public communications and IT systems. Regarding public communications, he said the Authority has a higher responsibility for communications as a public agency and a greater need to be transparent. Many public ferry agencies are faced with this and, based on what was observed by the study team, the Authority and its leadership take their responsibilities in that regard seriously. There was no evidence that the Authority was trying to avoid transparency or that it was not a priority for them; however, Mr. Sainsbury said, there is room for improvement. In most cases, the will and intent to be transparent and to communicate were there, but the Authority's systems did not serve the Authority well. Mr. Sainsbury said, in some cases, the Authority may have taken its responsibility for public communication too far, which affects the timeliness of its communications efforts. Needed improvements include a better promotion of the Authority's messages and a clear narrative it wishes to convey to the public and taking any and all opportunities to promote that effort. Mr. Sainsbury noted

that, since the spring of 2018, the Authority has been very busy in this regard, most notably through the hiring of a communications director, and that he has seen notable effective progress in this area.

Mr. Sainsbury reviewed the methodology of the study: develop a project plan; data requests; perform site visits; develop root cause analyses; review and verify facts with the Authority; and develop final recommendations. Specific to the public communications portion of the study, Mr. Sainsbury noted that the root cause analysis focused on the Authority's messages regarding service disruptions and that the study team looked at it as a process rather than reviewing a specific incident. Mr. Sainsbury said it was difficult to determine failures of public communication that were tied to specific incidents within the Authority's process, which led the study team to use this approach.

The review identified three causal factors as part of the root cause analysis process, all three of which tie back to the Authority's internal communications process, which Mr. Sainsbury said is critical in times of crisis.

Initial reporting was not homogenized: Mr. Sainsbury said that, inasmuch as there was a process within the Authority, it was not formalized and there were several points within the chain of events where there was a high potential for the initial reporting to get mixed or miscommunicated. The reporting was not formalized soon enough in the process and there was no one ensuring it was being distributed to all the parties who needed it.

Available technology was not utilized: Mr. Sainsbury noted that technology changes very quickly so to use the most up-to-date of what is available is very difficult. However, the Authority can make better use of the options that exist.

Delays to public statements: Without a formal process where the roles and responsibilities of public communication were clearly defined, and without current technology being used, Mr. Sainsbury said the study found that the Authority was trying to communicate too much in its public statements. In times of crisis, he said, the best practice is to focus on the bare necessities in the initial statements and follow up with more details later, or only to certain audiences. More timely and more frequent communication is more critical than the amount or volume of what is being communicated.

Mr. Sainsbury then noted the root causes identified: a lack of formal processes to ensure consistent and effective messaging, particularly in times of

crisis; and missing frequent design reviews of the effectiveness of the Authority's messaging systems.

Mr. Sainsbury then reviewed general observations made by the study team of the Authority's public communications.

A perceived lack of transparency: Mr. Sainsbury noted again that the Steamship Authority had both the will and desire to be transparent, but that its effectiveness in this regard was lacking. Transparency implies openness and accountability and Mr. Sainsbury said there were no observations contrary to that implication.

Terminal signage deficient: Mr. Sainsbury noted that signage was addressed in the study's review of the Authority's operations, but it is also a critical component of communications as well. Signage is a basic aspect of how the Authority communicates with every single passenger who shows up to a terminal; if the Authority is not doing frequent reviews on its signage, including how it may need to change due to terminal layouts, signage effectiveness tends to get static.

Messaging and alerts technology: Mr. Sainsbury noted that technology was being utilized for the Authority's messaging and alert system, but there are gaps in the system. Addressing those gaps requires adjusting technology, but Mr. Sainsbury noted that many of those items are in the process of being addressed.

In conclusion, Mr. Sainsbury noted that the Authority understands its responsibilities and strives to be transparent, but its system did not meet the challenge in the spring of 2018. The main areas of improvement are for the Authority to establish processes and to acquire adequate resources and tools/technology. Mr. Sainsbury said the Authority has already invested in those areas, including adding a communications director and adding new technology, and thus are showing positive signs of progress. Mr. Sainsbury said he believed that would continue, especially as the Authority works to incorporate the report's final recommendations into its overall processes and development of new processes.

Questions from the Members:

Mr. Jones then asked for questions from the Members, but there were none.

Public Questions and Comments:

Mr. Jones then asked for questions and comments from the public. Mr. Leon Brathwaite, Dukes County commissioner, asked Mr. Sainsbury if the study team looked at the Authority's systems of ground transportation, specifically bus overcrowding and the timeliness of transporting passengers to the Woods Hole terminal. Mr. Sainsbury replied that there were elements of that in its analysis, including how passengers were able to identify which bus to get on and where each bus was going, but the review did not include dispatching of buses.

HMS' Proposal to Provide the Authority
with Implementation Planning Services:

Mr. Davis told the Members that, on Friday, February 8, 2019, Mr. Sainsbury had provided to him a proposal to assist the Authority in developing a recommendations implementation plan for the now-finalized report, and that the proposal had been added to the Members' packets for today's meeting. As Mr. Sainsbury pointed out in his proposal, Mr. Davis said that the Authority recognizes the importance of adopting and implementing the recommendations in an efficient and effective manner.

The scope of work included in Mr. Sainsbury's proposal includes a planning workshop that would include both the Members and the Authority's senior staff, which Mr. Sainsbury said would be valuable to help define HMS' recommendations. Mr. Sainsbury said there might be some alternatives to the recommendations that would achieve the same goals and that the Authority may want to consider input from the Members. The workshop would then provide the staff with a direction from the Board on how to develop project plans for each of the final initiatives.

The proposal includes monitoring the project plans for progress against their objectives, budget, and schedule, with bi-weekly communications with individual project managers and quarterly updates to the Board and management, Mr. Sainsbury said.

Ms. Tierney asked what the difference was between this item and Item e) on the Board's agenda. Mr. Davis replied that Item e) is a request for proposals to develop and implement the Safety Management System and Quality Management System, while this item concerns the implementation of the report's recommendations as a whole. Ms. Tierney said, for the \$135,000 estimate provided by HMS, she would like to see the two items considered together and put out for a formal bid process. Furthermore, Ms. Tierney noted that the Board

has waited a long time for the conclusion to the report and that the public communications portion did not provide any information that the Authority did not already know. She then reiterated her belief that a formal request for proposals should be issued combining both items.

Mr. Sayers said that HMS' original report indicated that the RFP referred to in Item e) would cost far more than what HMS is proposing for this initial proposal and would likely be around \$500,000 or \$600,000. Mr. Sayers said the HMS proposal is on a time and materials basis, which allows for more flexibility in the cost. The proposal puts HMS' effective hourly rate at under \$200.00 an hour, which Mr. Sayers said is a good price, and includes all the knowledge and information HMS already has about the Authority. The Authority needs planning help with implementing the recommendations contained in the report, and using HMS instead of going out for an RFP means that process can start now. Furthermore, Mr. Sayers said HMS Consulting would forego the opportunity to supply an SMS or QMS to the Authority in lieu of providing ongoing consulting services.

Ms. Tierney noted that the cost of their consulting services is equivalent to one of the salaries for the proposed new hires; Mr. Sayers said he would normally agree with that point, however in this case, given that HMS has provided the specific recommendations and that the process would also cover alternatives to the recommendations, that he felt it was important to involve HMS in the implementation discussions.

Mr. Hanover said he understood Ms. Tierney's concerns, but said management does not have time to do the work on its own and there is a benefit to having a firm assisting that is already familiar with the Authority. Mr. Hanover agreed that the cost is significant, but he believes that the Authority needs to move quickly and he sees this as the most expedient way to get started on the implementations phase of the report. Mr. Ranney said he agreed with Mr. Hanover and, given the fact that HMS has already done footwork on the Authority, it made sense to continue the relationship in the name of expediency. Mr. Jones, too, agreed that the continuity would allow the Authority to move forward quickly from here.

Ms. Tierney reiterated that public communications is a vital part of the Authority's service and that HMS was substantially late in producing the report heard by the Board today. She said she is disappointed in that and, to spend the ratepayers' money without giving another firm the opportunity to bid on the work is a mistake. The fact that HMS was late in providing the public communications portion of the report, which covers an area that is probably the Authority's No. 1 area of complaint, is a mistake, she said.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to approve HMS Consulting and Glosten Associates’ proposal for to provide implementation-planning services to the Authority.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Tierney		10 %
Mr. Ranney	<u>35 %</u>	<u> </u>
TOTAL	80 %	10 %

Mr. Sainsbury then thanked the Board for their time and attention and, at 9:51 a.m., ended his video participation in the meeting.

Update on the Current Search for the Authority’s
New Treasurer/Comptroller and Director of Human Resources:

Mr. Davis said that he has engaged the services of KLR Executive Search Group to assist in the search for a new treasurer/comptroller and director of human resources. The firm specializes in accounting, finance, IT, and human resource placements and has offices in Boston, Providence and Waltham, Massachusetts. KLR will provide a list of finalists to the Authority from which it can then schedule interviews. Mr. Davis noted that, while candidates for the treasurer/comptroller’s position will be more difficult to find, the KLR executives feel confident that it will be able to provide a slate of candidates within six to eight weeks.

Creation of Director of Marine Operations and
Director of Health, Safety, Quality and Environmental Protection Positions:

Mr. Davis noted that, at the Board’s second meeting of January 22, 2019, he discussed with the Members the creation of a director of marine operations position and a health, safety, quality and environmental protection (HSQE) position as recommended in the HMS report. The Board was generally in favor of the positions, so Mr. Davis said he is now asking for formal permission to create them within the Authority’s management structure.

Mr. Davis noted that the initial job descriptions for each position were provided to the Members. Furthermore, the of marine operations position would

be assigned to salary Grade 16, the same grade as the director of information technology, the director of engineering, and operations manager. The HSQE position would be assigned to salary Grade 14, the same as the director of security, director of facilities and the vessel maintenance manager.

Mr. Sayers noted that, as part of the workshop that will be conducted by HMS Consulting as part of its implementation planning services, the Board and management will be able to identify the ideal organizational chart for the Authority following the addition of the new positions. In response to a question from Ms. Tierney, Mr. Sayers confirmed that the staff summary in question had been shared with Mr. Sainsbury.

Mr. Jones noted that many changes and fine-tuning will probably happen to the organizational chart drafts that have been shared with the Board, but he questioned the HSQE director being under the authority of the general counsel. He asked if that would make it difficult for the Authority to hire a new general counsel in the future since that person would need a deep maritime background. Mr. Davis said that, as the Board and management reviewed various models for an organizational chart, if the HSQE director were to report directly to the general counsel, there would be an indirect line (represented as a dotted line on the chart) to the general manager to allow that individual to report directly to the GM as needed. Mr. Davis noted there were already established protocols in place for that arrangement, including the auditors being able to report directly to him if there was something they deemed necessary to bring to his attention. Mr. Davis also noted that the HSQE director would have regulatory compliance responsibilities that would fall under the purview of the general counsel.

Mr. Jones said, as the Authority moves forward with filling its positions, it should be developing a strategic plan so there is some idea of an absolute target, a vision or goal for the organization. Mr. Jones said he believed the Board would move forward with these positions, but that he wanted to mention that management should also get that plan going.

Mr. Jones said he was also concerned that, with more than 700 employees depending on the season, how these top-level positions will fit into the organization harmoniously. He noted that would take a lot of work and will require some specific job descriptions that clearly delineate responsibilities within minimal overlap. He said the Authority had a lot of work ahead of itself, but he was sure Mr. Sainsbury would help in this regard.

Ms. Tierney said she wanted the Board to interview the top three (3) candidates for the positions and that the Members should take a vote on the hires. She said the public has criticized the Members for not being as involved

as they should be and she said, regarding the positions suggested in the HMS report, the Members should interview the top three (3) candidates for each position. In response, Mr. Sayers said the Board could discuss it at its next meeting and that the idea raises a number of considerations, including whether or not three (3) people, each of whom would have a one-third chance to get the position, would want to come forward publically and risk losing their current job. Furthermore, Mr. Davis has the ability to fill positions on his staff and he can create informal committees on his own that does not constitute a quorum of the Members. One idea would be to have each Member help Mr. Davis fill one of the five (5) open positions (director of marine operations, HSQE director, port captain, director of human resources and treasurer/comptroller). Ms. Tierney reiterated that she did not feel the positions should be filled without the Members being involved in a significant way in filling them.

Mr. Jones said each position may not have three (3) candidates brought forward by the recruiter and that, instead, the single best candidate may be presented to the Authority. In some of the positions, Mr. Jones said, three (3) candidates may not be able to be found; in response, Ms. Tierney said if three (3) candidates could not be found, the Authority would have to go back to the drawing board. Mr. Davis said he has had discussions with the headhunter handling the Port Captain search and he is confident there will be a number of qualified candidates for that position as well as the of marine operations and HSQE director.

Mr. Hanover stated that he would also like the Board to have input on the hiring for these key positions, even if it was not the body as a whole. Mr. Sayers remarked that a Board committee would be subject to the Open Meeting Law.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney– to approve the creation of a director of marine operations and a director of health, safety, quality, and environmental protection, as recommended in Staff Summary #GM-710, “Proposed Process to Proceed with the Implementation of HMS Consulting Recommendations,” dated February 7, 2019.

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

Board Input Regarding Draft Request for Proposals for
Consulting Services to Assist the Authority in
Transitioning to a Process-Based Management Approach to Management:

Mr. Davis told the Board that management was asking for Members' input on a Request for Proposals to assist in the Authority's efforts to transition to process-based management as recommended in the HMS report, specifically the acquisition and implementation of a Safety Management System and Quality Management System. Mr. Davis noted that, following the recent Passenger Vessel Association conference, management has identified a Learning Management System that is used by leading ferry operators and will meet the Authority's needs.

Mr. Davis said management was looking to open the bid in April, although the closing date had not been identified. Mr. Davis further noted that he believed that some of the positions that were being added, particularly the HSQE director and director of marine operations, should be hired before the RFP was awarded to allow those individuals to have their voice heard on the selection.

Mr. Sayers said management was considering putting in tentative dates for the bid to close and the evaluation process, but he said he anticipated it would be extended. Regardless, he said the Authority wanted to get the RFP into the hands of industry leaders to get them interested in submitting proposals, after which time addenda can be issued to the RFP as needed. Mr. Sayers further said that the award would be made by the Board and that the contract would likely valued at least \$500,000. In response to a question from Ms. Tierney, Mr. Davis said management was working on identifying a funding source for the contract.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney– to authorize the publication of a Request for Proposals for Contract No. 03-2019, Consulting Services to Assist the Steamship Authority in Transitioning to a Process-Based Approach to Management, Including the Development and Implementation of a New Safety Management System (SMS) and Quality Management System (QMS), as proposed by management

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Jones	10 %	
Mr. Hanover	35 %	
Mr. Ranney	35 %	<hr/>
TOTAL	80 %	0 %

Ms. Tierney abstained from voting on the motion, saying that she did not want to vote on the RFP until a funding source had been identified. Mr. Sayers said that, by the time the contract was ready to be awarded, said source would have been identified.

Public Comment:

In response to a question from Phil Duffy, Mr. Davis said the LMS that the Authority had selected was Marine Learning Systems, which is a popular choice within the industry and is used by local ferry operators including Hy-Line and Boston Harbor Cruises. The system is very adaptable and will be able to scale itself to the Authority’s needs in the future, Mr. Davis said.

Bob Morris noted that the Board had voted to spend \$135,000 to start implementing the HMS requirements without any new hires to train in the workshops and asked who will be attending the workshops in their place. Mr. Morse also asked why the audit committee would report to the chief financial officer when it should report directly to the Board. In response, Mr. Davis noted that it is the Authority’s internal auditors who have the ability to report directly to him, whereas the external audit firm issues its report to the Board.

Mr. Brathwaite said, regarding the Authority’s new hires, that the HMS report advised that the organization do more hiring from outside, and he hoped that management would follow that recommendation. He also advised that management should look at its passenger fares and that a 50-cent increase could give the Authority the money it needs to implement the changes.

Then, at approximately 10:20 a.m., Mr. Jones said he would entertain a motion to adjourn the meeting.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to adjourn the meeting in public session.

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

A TRUE RECORD

MOIRA E. TIERNEY, Temporary Secretary

**Documents and Exhibits Used at the
February 9, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. February 9, 2019 Meeting Memorandum, dated February 7, 2019.
2. Video and audio recording announcement.
3. Comprehensive Review of the Steamship Authority's Operations Supplement – Public Communications, by HMS Consulting, Glosten Associates and Rigor Analytics, dated February 7, 2019.
4. Power Point Presentation by HMS Consulting President John Sainsbury dated February 9, 2019.
5. Media release regarding HMS Consulting public communications supplemental report, dated February 8, 2019.
6. Proposal for Implementation Planning Services from HMS Consulting and Glosten Associates, dated February 7, 2019.
7. Staff Summary #GM-710, Proposed Process to Proceed with the Implementations of HMS Consulting Recommendations, dated February 7, 2019.
8. Request for Proposals for Consulting Services to Assist the Steamship Authority in Transitioning to a Process-Based Approach to Management, Including the Development and Implementation of a New Safety Management System (SMS) and Quality Management System (QMS), dated February 7, 2019 (draft).

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

**The Meeting in Public Session
February 19, 2019**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 19th day of February, 2019, beginning at 10:03 a.m., in the first-floor meeting room of the Authority's administration building, located at 228 Palmer Avenue Falmouth, Massachusetts. Four members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; and Robert F. Ranney of Nantucket. Moira E. Tierney of New Bedford was absent.

Port Council President George J. Balco of Tisbury was also present, as was Dukes County Commissioner Leon Brathwaite and the following members of management: General Manager Robert B. Davis; 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; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Jones 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. In addition, Mr. Driscoll was making an audio recording of the meeting, as were Catherine Bumpus of Woods Hole, Louisa Hufstader (representing the *Vineyard Gazette*) and Rich Saltzberg (representing the *Martha's Vineyard Times*).

Announcement:

Mr. Jones said he wished to clarify his wishes regarding when motions would be made during the course of the meeting. He said he usually likes to have a motion on the floor before discussion begins but noted that it gets complicated when the Board receives a presentation from the general manager and other presenters before the Members begin their discussion. Therefore, he said the Board could stick to its usual practice of listening to the presentation, asking

questions and, when there appears to be an appropriate time, he would call for a motion to be put on the floor.

Furthermore, Mr. Jones noted that today's agenda put the Port Council report after the vote on the minutes. He said that, following the January 22, 2019 meeting, Mr. Kenneally informed him that, under the Board's By-Laws, the Port Council's report falls within the scope of "Reports of officers" under Article III, Section 6 of the Board's By-Laws and, as such, he has placed the item higher up on the agenda. Mr. Jones said he hoped that solution would meet the satisfaction of the Members.

Introduction of Kathryn Wilson:

Mr. Jones introduced Ms. Wilson, who was the Board's new Member representing Falmouth. He wished her good luck in her new role.

Minutes:

IT WAS VOTED – upon Mr. Ranney's motion, seconded by Mr. Hanover– to approve minutes of the Authority's two (2) January 22, 2019 meetings in public session.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Jones	10 %	
Mr. Hanover	35 %	
Mr. Ranney	35 %	<hr/>
TOTAL	80 %	0 %

Ms. Wilson did not vote on the motion.

Election of Board Secretary:

Mr. Jones said the Board needed to elect a new secretary, noting that former Member Elizabeth Gladfelter had been elected to serve in the role prior to her departure from the Board. As the chairmanship of the Board rotates among the representatives of the five port communities, it has been the practice of the Board to elect as secretary the Member who will serve as chairman in two years' time, which would be Ms. Wilson.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – elect Falmouth representative Kathryn Wilson as secretary for the year 2019.

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

Port Council’s Report:

Mr. Balco noted that, as he was now the “leadoff hitter” on the agenda, he was a little shaky but felt he could still deliver his report. He reviewed the items the Port Council discussed at its February 6, 2019 meeting, including:

- Data on the year-end traffic report, although final figures were not yet available.
- An update on the Woods Hole Terminal Reconstruction Project, including problems with boulders and other obstructions under the new Slip No. 3 that could result in delays in starting work on one of the passenger platforms.
- The design for the new terminal and the fact that management had been having a number of meetings with various constituencies in Woods Hole. Mr. Balco noted that the terminal design seems to be turning into a major issue and said one of the members described the terminal project as being the Authority’s version of the “Big Dig.”
- The license modification request from Seastreak, which the Port Council voted to recommend.
- Proposed changes to the by-laws recommended by Mr. Kenneally. Mr. Balco noted that the Port Council discussed the changes and the members will act on them at the next meeting.
- The possibility of a joint meeting between the Board and Port Council in March, noting that it had been a year since the first and, so far, only joint meeting of both bodies.
- The comprehensive review of the Authority’s operations by HMS Consulting, Glosten Associates and Rigor Analytics and the role the Port Council might have in assisting the Authority in the implementation of its recommendations.

To that point, Mr. Jones noted that the Board and the Authority would be making quite a few changes over the next several years in response to the recommendations in the HMS report and he hoped the Port Council would be an active participant in that work. Furthermore, he said it is within the Port Council's ability to add discussion items on this point to its agenda or request that they be added to the Board's agenda.

Results of Operations:

Mr. Davis provided an update on the Authority's operations for December 2018. The Authority carried more passengers (up 3.3%), automobiles (up 1.7%) and trucks (up 3.5%) than it did in December 2017. Year-to-date, the Authority carried fewer passengers (down 0.1%, or 3,702) but more automobiles (up 0.3%, or 1,622) and trucks (up 0.6%, or 2,323) than it did for the same time frame in 2017.

The net operating loss for December 2018 was \$3,465,000, which was \$655,000 higher than the amount anticipated in the 2018 budget. Operating revenues and other income was \$5,874,000, which was \$387,000 higher than budgeted, while total operating expenses and other expenses were \$9,339,000, or \$1,042,000 higher than budgeted.

Mr. Davis noted that, of the 1,771 trips made on both routes by the Authority's vessels, four (4) were cancelled for mechanical reasons on both the Vineyard and Nantucket routes.

Mr. Davis said the net operating income year-to-date through December 2018 was \$212,710, which was \$6,992,000 lower than the amount anticipated in the operating budget. Total operating revenues and other income for the year were down \$78,000, while operating expenses and fixed charges were \$6,914,000 higher than anticipated.

Mr. Davis noted that the fund balances were in relatively good shape; however, the Authority transferred only \$7,000,000 to the replacement fund, while the budgeted transfer was closer to \$9,500,000. Mr. Davis noted that auditors from RSM were on-site at the Authority's administrative offices and that, hopefully, they will confirm within the next month that the Authority's streak of running in the black will continue for another year.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis presented an update on the terminal reconstruction project, stating that, after a brief evaluation of the bulkhead situation that occurred as a result of the soil liquefaction, Jay Cashman Inc. continued to drive the 96-inch monopiles at Slip No. 3. Monopile No. 8, on the south side of Slip No. 3, is driven only to a depth of 60 feet as a result of an obstruction that was discovered during pile driving, Mr. Davis said. Engineers are currently examining the monopile to determine if there is a way to drive it deeper or, in the alternative, if it will be able to support the required load at that depth. Cashman also continues to work on realigning the bulkhead that shifted, Mr. Davis said, and are examining solutions for the obstruction that has prevented the sheetpile on the north bulkhead from being driven to its designed depth. Mr. Davis noted that Cashman believes the anti-scour pad at the site may be what is causing the obstruction. The company has also completed the concrete demolition around the garden area and relocated the granite that was there to the Authority's former Gifford Street parking lot, where it will be stored until it is able to be returned to the site.

Thus far, the Authority has sent out forty-eight (48) Community Emails about what to expect in the coming weeks.

Mr. Cloutier then shared some recent photographs from the site. In response to a question from Mr. Jones, Mr. Cloutier said that Cashman was able to regain the elevation on the bulkhead that shifted, but the concern was the tension on the tie rods since the bulkhead was, in places, about nine (9) inches further out than designed. Cashman was able to de-tension the tie rods and remove the stress from the system. Mr. Cloutier further stated that, since the bulkhead was in deeper water than in the past, the prop wash in the slip will be dispersed horizontally on either side and will not cause a "cove" effect as was the case in the previous slips.

In response to a question from the audience, Mr. Cloutier said the Authority's permitting does not cover dredging at the site.

Regarding the new Woods Hole terminal building, Mr. Davis said the Authority continues to work with community members on the design concepts and that, at next month's meeting, staff will be in a position to bring them to the Board for review and discussion.

Approval of Proposed License Amendment with Seastreak LLC:

Mr. Davis said that, back in December, the Authority received a request from Seastreak LLC to amend its current license agreement to add additional service. At their January 22, 2019 meeting, the Members voted to approve the license modifications proposed solely through the October schedules. Mr. Davis said that, since it had been nearly ten (10) years since Seastreak last provided service to the islands around Thanksgiving and given the lateness of their request for holiday event service in early December, staff recommended following the licensing policy for that portion of Seastreak's proposal.

Mr. Davis said the Authority sought public comment through a posting on its website, publications in local newspapers and mailings to officials. After those notices were issued, the Authority received no comments either for or against the proposed service.

Mr. Davis then reviewed the details of Seastreak's proposal:

- Seastreak is proposing to add five (5) days of service around the Thanksgiving holiday. They intend on operating two (2) round trips daily. Service will originate in New Bedford, stop in Vineyard Haven for a drop-off only and then continue on to Nantucket. The return from Nantucket will stop in Vineyard Haven for pick-up only and then proceed to New Bedford.
- Nantucket stroll service will run Friday through Monday with two (2) trips daily with the exception of a single trip on Monday.
- Christmas in Edgartown service will run Friday through Sunday with two (2) trips daily. Mr. Davis noted that Seastreak will need to coordinate arrival and departure times with the Edgartown harbormaster as well as with Hy-Line.

Mr. Davis said the Port Council voted to recommend that the Members approve Seastreak's license request at its February 6, 2019 meeting.

Mr. Ranney noted that he brought the matter to the attention of the Select Board on Nantucket and that body received no positive or negative comments.

IT WAS VOTED – upon Mr. Ranney's motion, seconded by Mr. Hanover – to amend Seastreak's request to amend its license agreement to allow it to operate its high-speed passenger service during the Thanksgiving and Christmas holiday periods, as recommended in Staff Summary #L-489, dated February 13, 2019.

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

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

Mr. Davis said staff is requesting approval of the sale of high-speed passenger ticket books at a 20% discount prior to the return of the *M/V Iyanough* to service on April 3, 2019. For the past seven (7) years, the Authority has offered a 20% discount on the sale of high-speed passenger ticket books for a short period prior to the resumption of the high-speed ferry service. This preseason promotion has become more and more popular with the Authority’s customers, both existing and new, as over 45% of the yearly ticket book sales for the *M/V Iyanough* occur during the promotional period.

The staff is proposing that the 20% discount on the sale of electronic ticket books for the high-speed ferry be offered from Wednesday, March 20, 2019 through Friday, April 5, 2019, Mr. Davis said, adding that the discount would apply solely to electronic ticket books for adults, seniors and children.

The current prices for the 10-ride passenger books on the high-speed ferry are as follows:

	<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

Mr. Davis noted that staff missed asking the Port Council for its vote on the subject at its meeting earlier this month; nevertheless, given its success in the past, Mr. Davis said staff requested a vote from the Members.

In response to a question from Mr. Brathwaite, Mr. Davis explained that the electronic ticket books for the high-speed ferry service were similar to the automobile books, in that they were loaded on a user’s profile and that they can be selected as a form of payment.

IT WAS VOTED – upon Mr. Ranney’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 March 20 2019 through April 5, 2019, as recommended in Staff Summary #MKT 2019-1, dated February 14, 2019.

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

Award of Contract No. 02-2019,
Dry Dock and Overhaul Services for the *M/V Gay Head*:

Mr. Davis said the *M/V Gay Head* is scheduled to enter shipyard availability from July 2, 2019 to August 12, 2019 to undergo a required U.S. Coast Guard hull exam, propulsion shaft inspections, propeller inspections, rudder inspections, hull-plating replacement, steering system upgrade, void space blasting, and painting and bow thruster maintenance. Drawings and specifications were sent to nine (9) shipyards, and two (2) responsive bids were received. The lowest eligible and responsible bidder was Senesco Marine LLC of North Kingstown, Rhode Island, for a total contract price of \$737,488; the operating budget estimate for the contract was \$1,053,250.

Ms. Wilson noted that the two (2) bids received only had about a \$3,000 difference between the total costs, but some of the component prices were drastically different and asked if that was due to the difference in the facilities and their physical setups. Mr. Davis said it was likely due to how the individual yards structure their payments on certain services. Ms. Wilson asked if, in its bid, the Authority was being clear as to what repairs are necessary, to which Mr. Davis replied that the Authority provides the shipyard with a list of items that need to be worked on. Additionally, the shipyard also can identify potential repairs based on its experience with the vessel.

Ms. Wilson then asked if there was a provision in the contract for late delivery of the vessel or late completion of the projection, to which Mr. Davis said there was not a liquidated damages clause in this contract. Mr. Davis said the Authority did take several additional steps in that regard in the contract,

including mandating an initial meeting with the shipyard and that the shipyard has to provide the Authority with a schedule of activities via Microsoft Project. Additionally, the shipyard and the Authority will have a meeting thirty (30) days prior to the start of the project and will receive weekly updates as it proceeds. Mr. Davis further noted that the Authority has included liquidated damages clauses in contracts to varying degrees in the past and that it would depend on the scope of the individual contract as to whether or not one would be included.

Mr. Hanover noted he was glad to see Senseco bid on the project and he hoped the Authority could resume the good working relationship it had with the company prior to the mid-life refurbishment of the *M/V Martha's Vineyard*. Mr. Walker said the Authority had enjoyed many good years of service with Senseco and that the *M/V Martha's Vineyard* mid-life refurbishment was a "unique circumstance." Mr. Walker said he, too, was looking forward to regaining trust between both parties and moving forward.

Regarding this contract, Mr. Walker likened it to a "shave and a haircut" compared to a mid-life refurbishment but the Authority would be watching the work very closely. An assistant port engineer will be on site to make sure Senseco has the right people on the job, he said.

Mr. Jones said that, while he was vocal in his opinions about the mid-life refurbishment, it was time for the Authority to move forward. Senesco has been a good yard to deal with in the past and both parties have undoubtedly learned lessons that will keep everyone on their toes moving forward.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to authorize the general manager to award Contract #02-2019, Dry-dock and Overhaul Services for the *M/V Gay Head*, to the lowest eligible and responsible bidder, Senesco Marine LLC of North Kingstown, Rhode Island, for a total contract price of \$737,488.

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

Approval of Change Order #48 to Contract No. 9B-2012 with BIA.studio:

Mr. Davis said this change order is required as, at the time of the award for the Woods Hole Marine Reconstruction Project, the scope of services for some of the construction administration services was not well defined. The change order addresses the need to utilize GZA Environmental as a sub-consultant serving as the Owner's Testing Agency for 2019. Mr. Davis said those services include on-site observations and testing during pile driving, structural steel erection and other related work, including the placement of reinforced steel and cast-in-place concrete as well as additional services.

The total estimate for GZA's testing services for 2019 is \$205,187, Mr. Davis said.

In response to a question from Ms. Wilson, Mr. Jones noted that the 10% markup included in the change order was an industry standard amount.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to authorize the general manager to approve Change Order #48 as part of Contract No. 9B-2012 with BIA.studio to cover the estimated expenses in the amount of \$205,187, relating to testing services stemming from the marine construction at the Woods Hole terminal for the year of 2019.

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

Approval of Change Order #28 to
Contract No 16-2017 with Jay Cashman Inc.:

Mr. Davis said the change order arises from the presence of a large solid obstruction that was encountered during the driving of the new sheet pile bulkhead for the northern portion of the wharf. Jay Cashman Inc. was only able to drive the sheet pile to a depth of -28 (negative twenty-eight) feet below grade, which was short of the designed depth of -50 (negative fifty) feet below grade, Mr. Davis said. To avoid the obstruction, Cashman was required to move the

bulkhead line one (1) foot to the east. This change required Cashman to remove several sheets of installed bulkhead, resetting the falsework and re-driving the sheet piles, Mr. Davis said. Mr. Davis further noted that this change order related to the area where the new Slip No. 3 will be; Cashman was still evaluating what needs to be done on the northern corner of the site; therefore, management will be bringing a change order for that work at a future date.

Mr. Ranney asked if it was known what the obstructions were, to which Mr. Davis replied it appeared to be some sort of ledge. Mr. Davis said divers were sent to the northern portion of the site and discovered an area approximately twenty (20) feet long by sixty (60) feet long wide and ten (10) feet deep that was originally designed as the anti-scour pad for the slip. Mr. Cloutier further noted that the obstruction related to this change order was approximately twenty-eight (28) feet deep and that, while its exact nature is unknown, it was a solid and continuous obstruction.

Mr. Ranney asked if more of these obstructions would be encountered as the project moves south, to which Mr. Cloutier noted that the new Slip No. 3 was under the former wharf and, as such, Cashman does not expect to hit as many obstructions in other areas. The new Slip No. 1, the southernmost slip, has the potential to be difficult as tests indicated the presence of boulders in that area. Mr. Cloutier noted that, next year, only ninety (90) feet of bulkhead had to be driven in the next construction season. Additionally, the project called for twelve (12) monopiles to be driven next season, but Cashman had been able to use test piles on all of those locations, whereas they were not able to do so for the new Slip No. 3 area because of the presence of the wharf prior to its demolition.

Ms. Wilson noted that this change order includes a 15% markup and asked how that amount gets determined. Mr. Cloutier said that, in this case, the Authority determined that figure in its specifications for the change order.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to approve Change Order #28 as part of Contract No. 16-2017, Woods Hole Ferry Terminal Reconstruction – Waterside” to cover the expenses in the amount of \$124,273.61 related to avoiding the obstruction and diving new sheet pile bulkhead for the northern portion of the wharf.

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

Approval of Change Order #47 to Contract No. 9B-2012 with BIA.studio:

Mr. Davis said this change order relates to the need to utilize BIA.studio for construction administration services in 2019 as well as on-site vibration monitoring services related to the pile-driving activities. At the time of the original contract, the scope of services required for construction administration services was not well defined by design, and it was decided to estimate the amount of services required on an annual basis, Mr. Davis said. The change order totals \$824,280.

Mr. Jones asked if it was BIA.Studio's job to determine where the pilings are being placed and asked if, now that the project is running into unexpected obstructions, if that falls back on them and if they did test borings prior to work beginning. Mr. Davis replied that test drillings were done several times during development of the bid package, but there was limited opportunity to explore underneath the wharf because of the old terminal building being on the site. Going forward, in other areas where obstructions were noted, there would be an opportunity to address them in advance. This contract, Mr. Davis said, is for BIA.studio to do just that. He further noted that representatives from BIA.studio and the Authority meet on at least a weekly basis to verify that the work being done is in accordance with the contract.

Mr. Jones noted that he does not like to find out there are obstructions in areas that companies were hired to survey, to which Mr. Davis said there was a certain element to the site that made it unreasonable for a contractor to have made a determination to that effect before bidding on the work. Therefore, the obstructions become an issue for the Authority, not the contractor, to pay for. Mr. Cloutier further noted that the contract calls for Cashman to be responsible for obstructions up to ten (10) feet deep, and anything deeper than that falls to the Authority to cover. He noted that the wharf area was used as a "dump" for any material that could fill the space; additionally, the area is rife with glacial till and rocks.

In response to a question from Ms. Wilson, Mr. Davis noted that the

original estimate for this work was approximately \$798,000, but that amount did not factor in the vibration monitoring services. Mr. Davis further noted that projections for future years of these services were included in the original project specifications.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to approve Change Order #47 as part of Contract No. 9B-2012 with BIA.studio to cover the estimated expenses in the amount of \$824,280, relating to construction administration services stemming from the marine construction at the Woods Hole terminal for the year of 2019.

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

On-Island Public Presentations on HMS Report:

Mr. Davis noted that, following a discussion with HMS Consulting President John Sainsbury, management has been able to determine dates for him to travel here from Seattle and hold public sessions on both islands regarding the completed HMS Consulting report as the Authority indicated it would do in December. The sessions are scheduled as follows:

- 5:30 p.m. Monday, March 4, 2019: Nantucket High School cafeteria, 10 Surfside Road, Nantucket.
- 6:00 p.m. Tuesday, March 5, 2019: Martha’s Vineyard Regional High School Performing Arts Center, 100 Edgartown-Vineyard Haven Road, Oak Bluffs.

Mr. Jones asked if Mr. Davis could prepare a timeline of where the Authority was on the implementation of HMS Consulting’s ten (10) recommendations and steps that are being taken now in that regard. Mr. Davis said he would prepare such a document.

Public Comment:

Catherine Bumpus of Woods Hole passed out a letter to the Board from the Woods Hole Community Association that responded to comments made at the most recent Port Council meeting.

Mr. Brathwaite asked if any consideration has been given to repositioning the passenger pick-up site for the buses in Woods Hole. He noted that, when the *M/V Martha's Vineyard* comes into port, Authority personnel have to stop cars and allow passengers to cross those paths of traffic before reaching the bus, which takes five or ten extra minutes.

Bob Morris of Woods Hole said he listened to an audio recording of the February 6, 2019 Port Council meeting and he thought Mr. Davis said he would be presenting a new building concept for the Woods Hole terminal to the board at this meeting. Mr. Davis replied that, given that this was Ms. Wilson's first meeting, he would, instead, do so at the following month's meeting.

In response to a further question from Mr. Morris, Mr. Davis clarified that the Authority was behind budget approximately \$6,000,000 on a year-to-date basis, not just for the month of December.

Mr. Morris also asked Mr. Davis about the Board's request at its January 22, 2019 meeting to interview candidates for the Authority's new positions in open session and that Counsel Steven M. Sayers had stated that the state's Open Meeting Law would preclude that. Mr. Morris noted that the Board was meeting in executive session today and asked if those interviews could be done in closed session; Mr. Jones noted that, while a committee could be formed, it could not contain a quorum of board members and that the details of that had yet to be worked out.

Scheduling matters related to HMS Consulting:

Mr. Davis said staff was looking for dates during which HMS Consulting could come to Falmouth to assist the Authority with planning and implementing the recommendations contained in its report. The three-day session would include a full day with the Board and management, then a full day with management and then a half-day with the Board. Mr. Davis asked the Members to review their schedules and provide some possible date combinations that would work for those workshops.

Executive Session:

Mr. Davis said it had been determined that the Board's advertised meeting in executive session was not necessary at this time.

Then, at approximately 11:17 a.m., Mr. Jones said he would entertain a motion to adjourn the meeting.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to adjourn the meeting in public session.

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

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the
February 19, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. February 19, 2019 Meeting Memorandum, dated February 14, 2019.
2. Video and audio recording announcement.
3. Minutes of the first January 22, 2019 meeting in public session (draft).
4. Meetings of the second January 22, 2019 meeting in public session (draft).
5. Memorandum from General Counsel Terence G. Kenneally regarding Election of Secretary 2019, dated February 19, 2019.
6. Minutes of the February 6, 2019 meeting of the Port Council, dated February 14, 2019 (draft).
7. Business Summary for the month of December 2018.
8. Power Point Presentation delivered by William J. Cloutier regarding the Woods Hole Terminal Reconstruction Project.
9. Staff Summary #L-489, Proposed License Amendment with Seastreak LLC concerning its Thanksgiving and Christmas holiday services, dated February 13, 2019.
10. Staff Summary #MKT-2019-1, Approval of Pre-Season Promotion for High-Speed Passenger Ticket Books, dated February 14, 2019.
11. Staff Summary #E 2019-01, Contract #02-2019, Dry-dock and Overhaul Services for the *M/V Gay Head*, dated February 14, 2019.
12. Staff Summary #GM-711, Woods Hole Terminal Design Change Order #48 as Part of Contract No. 9B-2012 with BIA.Studio, dated February 14, 2019.
13. Staff Summary #GM-712, Woods Hole Reconstruction – Waterside, Change Order #28 as Part of Contract No. 16-2017 with Jay Cashman Inc., dated February 14, 2019.
14. Staff Summary #GM-713, Woods Hole Terminal Design Change Order #47 as Part of Contract No. 9B-2012 with BIA.Studio, dated February 14, 2019.
15. Media release regarding island sessions on HMS Consulting Report, dated February 19, 2019.

16. Letter to Steamship Authority Board and Port Council from Catherine Bumpus, Co-President of the Woods Hole Community Association, dated February 19, 2019.

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

The Meeting in Public Session

March 19, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 19th day of March, 2019, beginning at 10:03 a.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. All five members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; Robert F. Ranney of Nantucket; and Moira E. Tierney of New Bedford.

Port Council President George J. Balco of Tisbury was also present, as was Dukes County Commissioner Leon Brathwaite, Falmouth Selectman Douglas C. Brown and the following members of management: General Manager Robert B. Davis; 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 Operations Mark K. Rozum; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Jones 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. Mr. Driscoll was making an audio recording of the meeting, as were George Brennan (representing the *Martha's Vineyard Times*), Louisa Hufstader (representing the *Vineyard Gazette*) and Hannah Schuster (representing the *Falmouth Enterprise*).

Minutes:

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to approve minutes of the Authority's February 9, 2019 meeting in public session.

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

Ms. Tierney abstained from voting on the motion.

Port Council's Report:

Mr. Balco reviewed with the Members the topics covered at the Port Council's March 6, 2019 meeting, which included:

- Introducing the new Fairhaven member, Mark H. Rees, who will replace Frank J. Rezendes on the council. Mr. Rees is the town administrator for Fairhaven. The Board also brought to Mr. Davis the idea of having the Authority provide an official thank you to Mr. Rezendes for his many years of service on the Port Council.
- Reviewing the February traffic and financial figures.
- An update on the Woods Hole Terminal Reconstruction Project, which Mr. Balco noted has caught up on some of the backlogged work and is moving closer to a plan to address some of the issues at Slip No. 3.
- The recent forums on Nantucket and Martha's Vineyard regarding the comprehensive review of the Authority's operations by HMS Consulting, Glostten Associates and Rigor Analytics. Mr. Balco noted the neither forum was heavily attended and were relatively quiet in terms of comments.
- The new positions being sought by the Authority upon the recommendations contained in the HMS Consulting report, including the health, safety, quality and environmental safety manager and director of marine operations.
- The reauthorization of the Authority's investment policy, which the Port Council voted to recommend.
- Proposed changes to the by-laws recommended by Mr. Kenneally, which Mr. Balco characterized as mostly technical in nature. The Port Council voted to approve the updated by-laws.
- The proposed 2019 capital budget, which the Port Council voted to recommend, and the possibility of adopting electric buses for the Authority's use.

- The new steamshipauthority.com email addresses for the Port Council members.

Mr. Jones said he wished to add his appreciation for Mr. Rezendes, who spent a good number of years on the Port Council.

Results of Operations:

Mr. Davis provided an update on the Authority's operations for January 2019. The Authority carried more passengers (up 1.5%), automobiles (up 5.4%) and trucks (up 8.6%) than it did in January 2018. Mr. Davis noted, however, than in January 2018 both Hyannis and Nantucket harbors were frozen over, which limited the Authority's operations and are reflected in these figures.

The net operating loss for January 2019 was approximately \$5,311,000, which was \$80,000 higher than the amount anticipated in the 2019 budget. Operating revenues and other income was approximately \$4,325,000, which was \$62,000 higher than budgeted, while total operating expenses and other expenses were \$9,636,000, or \$142,000 higher than budgeted.

Mr. Davis noted that, of the 1,410 trips made on both routes by the Authority's vessels, eighteen (18) were cancelled for mechanical reasons on the Vineyard route and six (6) were cancelled for mechanical reasons on the Nantucket route.

Mr. Davis noted that the fund balances were in relatively good shape, although the Operations Fund balance is down, which will be rectified once some of the construction projects in progress are updated and reclassified.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis said, during the past month, Jay Cashman Inc. began setting the falsework for the landside transfer bridge piles. They later began setting those piles using a vibratory hammer and set the falsework for the waterside bridge piles. As they were performing that work, Cashman also drove and set four 16-inch diameter piles for the utility platform that will hold all the shoreside utilities for the ferries. Cashman also completed the bulkhead closure at the end of the new bulkhead, although a final engineering solution for the far north portion of the bulkhead has not yet been finalized, Mr. Davis said.

Mr. Davis also reported that Cashman completed working on cutting the top of the 96-inch monopiles to their design elevation during this past month. Cashman also tested the use of “spin fin” piles to see if the lengths of the piles needed for future phases of the project can be shortened. Meanwhile, Lawrence Lynch Corp. is on site to install the stormwater drainage piping.

Additionally, Mr. Davis said that Robert B. Our Co. has been working on the sewer pump-out project at the Woods Hole terminal. The company completed the tap into the town’s forced-main sewer line and the horizontal drilling company completed installation of the sewer discharge pipeline from the employee parking lot to the town’s pipeline. As part of this project, Robert B. Our Co. excavated large pits in the Woods Hole employee lot for the vacuum tanks servicing the ferry sewage pump-out system. Robert B. Our was also completing equipment installation in Vineyard Haven for its sewer pump-out system in order to have it operational before additional work can proceed in Woods Hole.

Thus far, the Authority has sent out fifty-one (51) community emails on what to expect in the coming weeks.

Mr. Cloutier then shared some recent photographs from the site.

Ms. Wilson asked if there had been any talk of allowing the residences on Juniper Point to tie in to the Authority’s sewer pump-out system, to which Mr. Cloutier said it was the town that requested that the Authority tie into the forced-main sewer line. Mr. Cloutier noted that the volume of sewage being pumped by the Authority was too much for the gravity sewer line that runs down Luscombe Avenue and that the Authority was probably the only commercial entity that is connected to the town’s forced-main sewer line. Ms. Wilson noted that the question may be more appropriate for the town.

Mr. Jones noted that he remains concerned with the bulkhead at Slip No. 3 and asked if there was going to be testing done at the site. Mr. Cloutier said the bulkhead is being monitored daily and it seems to be stabilized as they drive the other piles at the site. The engineers feel comfortable the tie rods are de-tensioned and that the measures taken following the soil liquefaction were sufficient. In response to another question from Mr. Jones, Mr. Cloutier noted that the sheathing was fifty-three (53) feet deep at the point of the transfer bridges.

In response to a question from Ms. Wilson, Mr. Cloutier noted that the Authority had two (2) vibration monitoring stations, one in the basement of the temporary terminal building, the other at the Naushon Trust building, and that they had recorded no unusual spikes as result of the most recent phase of pile

driving. Ms. Wilson asked if the Authority had received calls from anyone further away, to which Mr. Cloutier responded that particular phase of pile driving was passed. During the driving of the 96-inch monopiles, the Authority and GZA Environmental went to several locations on Juniper Point and at the Woods Hole Oceanographic Institution to monitor vibrations, which were still within levels that the engineers felt were acceptable. Mr. Cloutier noted that the driving of the large monopiles was done for the season.

Update on Woods Hole Terminal Building Design:

Regarding the new Woods Hole terminal building, Mr. Davis said the Authority was presenting three (3) design alternatives to the Board for their review before staff presents them to the community and the Falmouth Historical Commission in upcoming weeks.

Mr. Davis said that, back on October 9, 2018, Authority staff and its architects gave a presentation to the Falmouth community on a schematic design of the Woods Hole terminal building. Staff and architects then held an open house-style session the following day on Martha's Vineyard. At both presentations, the Authority received a number of comments from the public about the building's proposed design and location. Mr. Davis said members of the public were invited to submit written comments about the building, and over the following month, a number of people did so. Additionally, Mr. Davis said, an online petition was started that objected to the building's proposed design; the petition ultimately garnered around 900 signatures.

After the public presentations, Mr. Davis said staff agreed to meet with representatives of the Woods Hole Community Association about the building's proposed design. On October 15, 2018, State Senator Vinny DeMacedo and State Representative Dylan Fernandes asked the Authority to consult with the community association as well as the Woods Hole Business Association and the Falmouth Historical Commission with the goal of working with them to develop a design for the terminal building that meets the Authority's operational needs while respecting Woods Hole's unique character and the wishes of its residents.

Mr. Davis said on October 31, 2018, much as had taken place a couple years earlier, staff met with representatives of both the community association and business association about the building's proposed design. The business association had written a letter, dated October 18, 2018, that stated they admired the proposed design, but asked that the building's size be reduced by eliminating the food concession area proposed for inside the building. At that meeting, Mr. Davis said management agreed to eliminate the food concession

area and instead to have only vending machines for our customers located in a smaller area within the building.

Unfortunately, Mr. Davis said, the concerns of the Woods Hole Community Association representatives were not so easily addressed. For example, during the October 31, 2018 meeting, staff conveyed that, as a practical matter, the building's location cannot be changed. They also explained why each of the building's rooms and areas were included in the design. At a second meeting with the community association representatives on November 29, 2018, staff informed them that the building's architects had been successful in revising its design that resulted in a five-foot reduction in height, but the building would still block a view of the water. Mr. Davis said when the community association representatives suggested that a one-story building would not block the water view, staff agreed to conduct an exercise the following week to confirm whether the view would similarly be blocked by a one-story building.

Mr. Davis said that, on December 6, 2018, staff, along with community association representatives and other members of the community, conducted the exercise. Two (2) Authority employees raised and lowered the bucket of a man lift (or "Genie Boom") at specified elevations and locations on the site at the Woods Hole terminal where the new terminal building is to be located. The Authority's architects issued a "View Shadow Study" the following week. Mr. Davis said the experiment confirmed that, looking from five (5) feet above the sidewalk on the Crane Street bridge, the view of the water across Great Harbor to Devils Foot Island will be blocked by a building with a roofline at an elevation of twenty-seven (27) feet above sea level, which is equivalent to the height of a one-story building at the required grade.

Mr. Davis said the Authority then focused on addressing the community's concerns about the architectural style of the building. As shown by the View Shadow Study, the architects' use of a saltbox design results in the building being substantially lower than a building with a traditional gable roof. However, public comments indicated that the community might prefer to have the building reflect one or more other buildings in Woods Hole regardless of its height.

Therefore, at the next meeting with the community association representatives on December 28, 2018, Mr. Davis said an alternative design for the building was suggested for consideration that has a three-story portion with a gable roof similar to the Woods Hole Community Hall. The design was also suggested to have one or more ells similar to the ell that was added to Sam Cahoon's Fish Market, which previously occupied a portion of the terminal site. On February 7, 2019, staff provided the community association representatives with an initial version of the Three-Story Crossing Gable Roof design option.

Mr. Davis said staff and the architects have scheduled two sessions to show the design alternatives to the public:

- 6:00 p.m. Thursday, March 28, 2019 in the Falmouth High School Auditorium, 874 Gifford Street, Falmouth.
- 5:00 p.m. Monday, April 8, 2019 at the Katharine Cornell Theater, Tisbury Town Hall, 51 Spring Street, Vineyard Haven.

Mr. Davis said the presentations will also focus on the comments received from the public since the last public presentations on October 9-10, 2018. How the Authority then proceeds, Mr. Davis said, will depend upon the input received at the public presentations and from the Members; however, the Authority also expects to present the design alternatives to the Falmouth Historical Commission at a future commission meeting, although they may be revised due to comments received from the public.

Mr. Davis noted that this information was being presented for discussion purposes only and that management was not asking for a vote at this time.

Mr. Davis then shared a presentation with the Members that reviewed the three (3) design alternatives: the Saltbox Roof, the Gable Roof, and the Three-Story Crossing Gable Roof. Mr. Davis noted that the design alternatives were still a work in progress and that certain design features were still able to be modified.

Saltbox roof: Mr. Davis reviewed the site plan for the lowered saltbox roof design (which is the same for all three designs) and the traffic flow. The first floor plan for the saltbox and gable roofs is the same with a 300-square-foot waiting room, a vending area, a ticket office and cash room, public restrooms including a family restroom, storage and the terminal manager's and terminal agent's offices. On the second floor are the staff locker room and restroom, a multipurpose room that can be used for training and other small meetings and a break room, along with the mechanical equipment for the building.

Gable roof: Mr. Davis reviewed the site plan for the gable roof and the first- and second-floor plans for the building, all of which are identical to the saltbox design.

Three-story Crossing Gable Roof: Mr. Davis reviewed the site plan for the building. The first-floor plan has similar elements to the other two designs, although the terminal manager's and terminal agent's offices were relocated to make room for the additional stair tower and elevator

requirements necessary for a three-story building. The second floor includes additional office space in the two ell's off to the side, and the third floor houses the mechanical equipment for the building.

Mr. Davis noted that all three (3) designs were ten (10) feet shorter than what had been presented in the fall, thus opening the view to the south.

Mr. Davis reviewed the base structural system for the building that, because of its location, will require a substantial concrete slab and concrete walls as part of the dry flood proofing system. Mr. Davis noted the Authority will be pursuing a variance to raise the building to thirteen (13) feet elevation instead of the seventeen (17) feet that is required under the state building code.

In response to a question from Mr. Jones, Mr. Davis confirmed that there were elevators in all three (3) building designs. Mr. Davis also reviewed the flood proofing system included in the building that will protect the first floor, noting that the base of the building will be at thirteen (13) feet with dry flood proofing measures that are necessary in order to secure a variance for the building's base being below the seventeen (17) feet required by code. Mr. Davis also confirmed that there were overhangs on the exterior of all three (3) building designs.

Mr. Jones said that, when the Authority agreed to shorten the building in response to community comments in the fall, he became concerned that the Authority was boxing itself in at the site in the future. He asked if there will be enough room and space for the Authority's needs at the terminal, especially with the new employees being added, to which Mr. Davis replied that the new employees would be located at the Authority's administrative offices on Palmer Avenue. Furthermore, the terminal design is not ideal from an operational standpoint, but it represents the best compromise between several different concerns at the site, including the distance people have to walk to get from the terminal to the ferry slips. Mr. Davis said the changes being considered at this point would not affect any of the passenger areas but largely concern the view from the Crane Street bridge. Mr. Jones said that, when the matter comes up for a vote, he wants assurance that the building is adequate to meet the Authority's needs and not just be close to meeting its needs.

Regarding the Authority's needs at the building, Ms. Wilson asked about the size of the lobby, which is one of the defining elements driving the building's size, and how it compares to lobbies in other terminal buildings. Mr. Cloutier said it is 300 square feet, about the same as the Hyannis terminal, and Mr. Davis said the Vineyard terminals' waiting rooms are smaller than that. Furthermore, Mr. Davis said the lobby needs to be big enough to accommodate not only the traffic flow of people arriving in Woods Hole in the summer but the combined

traffic to two (2) terminals on Martha's Vineyard. Mr. Davis said he believes there will still be situations where people will be waiting underneath the pergola or outside for their vessels and that it would take just one cancellation to fill up the lobby area. Mr. Jones said that the dynamics in Woods Hole and Hyannis were completely different and that his hope is that, in designing the terminal, that the Authority is not coming up with something that's marginal because it would cost more money to go back and build additional space.

Reauthorization of the Authority's Investment Policy:

Mr. Davis said that, pursuant to regulations, the Steamship Authority is required re-authorize its investment policy every two (2) years during odd numbered years. The policy being presented is essentially the same as what was approved in February 2017 by the Members, he said. The policy establishes the framework for the Authority's investments (which are fiscally conservative); identifies the types of permitted investments (government securities and the Massachusetts Municipal Depository Trust portfolio); and identifies risk avoidance. Mr. Davis noted that the policy will be required to be re-authorized again in 2021.

The Port Council, at their March 6, 2019 meeting, voted to recommend that the investment policy be adopted as proposed, Mr. Davis said.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to reauthorize the Steamship Authority's investment policy as recommended in Staff Summary #GM-714, dated March 12, 2019.

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

Ms. Tierney was not present for the vote.

Operating Results for the Year ended December 31, 2018 (unaudited):

Mr. Davis said the Authority's auditors, RSM U.S. LLP, have been on site reviewing activity for 2018. While their report is not yet completed, Mr. Davis said he was prepared to report some preliminary, unaudited results.

The net operating loss, which excludes capital grants and income from Special-Purpose funds, for the year is expected to be \$69,993 or some \$8,066,000 lower than 2017 and \$7,275,000 lower than the 2018 Operating Budget, Mr. Davis said. Operating revenues totaled \$104,806,611, or approximately \$1,895,000 higher than 2017. Operating expenses in 2018 increased to \$104,371,477, approximately \$9,353,000 higher than 2017. Mr. Davis said the Authority's net operating income of \$435,000 was reduced by the total net other income and fixed charges of \$505,000 to result in the Authority's net operating loss of \$69,993 in 2018.

Ms. Wilson asked about the increase in maintenance expenses for terminals of \$4,320,000 compared to 2017, to which Mr. Davis replied the increase was attributable to dock repairs, including dolphin work in Woods Hole and bulkhead repairs in Vineyard Haven. Mr. Davis further noted that the repairs to the terminals were funded by the operating budget, while the building of the new Woods Hole terminal project was funded by the capital budget, although some fender repair work in Woods Hole was also paid for out of operating costs.

In response to a question from Mr. Hanover, Mr. Davis said the increase in fuel consumption was approximately 165,000 gallons over 2017, or roughly a 3% increase.

Proposed 2019 Capital Budget:

Mr. Davis apologized for the lateness of the capital budget presentation, noting that it is traditionally presented in the fall. As of December 31, 2018, the Authority had approximately \$14,134,000 available for capital projects and anticipates that an additional \$8,900,000 will be transferred to the Replacement Fund Account during 2019. An additional \$5,000,000 from the issuance of bonds or bond anticipation notes to partially fund the Woods Hole terminal marine reconstruction work will also be required. Commitments for existing projects total \$24,798,000, resulting in \$3,236,000 currently available for future projects.

Mr. Davis said the proposed capital projects total \$1,775,000, including a \$250,000 allowance for miscellaneous projects costing between \$5,000 and \$50,000. If all the proposed new capital projects are approved, it would leave approximately \$1,462,000 remaining for contingencies and/or future projects.

Among the capital budget projects are:

- One (1) enclosed baggage trailer (\$6,000)
- An iron worker for the Hyannis Maintenance Shop (\$16,000)
- Two (2) heavy-duty power pushers for the high-speed luggage carts (\$22,000)
- Replacement of a boom man lift (\$77,875)
- Two (2) pickup trucks with plow packages \$79,000

Mr. Davis noted that the biggest item is \$1,000,000 to upgrade the Authority's reservation system hardware, which is six (6) years old and at the end of its useful life. The Authority will also incur roughly \$100,000 a year in ongoing software support costs, but the hardware is clearly an integral part of the operation and is a necessary project.

In response to a question from Mr. Hanover, Mr. Davis noted that the capital budget included a \$100,000 line item for a website upgrade/redesign study. He noted that it was time to start having discussions about upgrading and redesigning the website, which was last created six (6) years ago, but it was uncertain how much a new website would cost.

Regarding the 10-year capital budget projection, Mr. Davis noted that none of the projects or their costs were written in stone, but it was a useful tool to keep an eye on future needs and what upcoming projects need to be considered. The availability of funds ends up being very tight at some points in the 10-year projection, but Mr. Davis said it has been the longstanding policy of the Authority to pay off its debt at an aggressive rate.

Ms. Tierney asked what plans the Authority has in place to not have maintenance expenses be out of line with projected costs, to which Mr. Davis replied that, as the Authority moves further along with implementing the recommendations from the HMS Consulting review, additional resources on the engineering side will be considered to help gain a better estimate on project workloads and oversight. For example, one recommended new position from HMS was that of a project engineer who would go from boat to boat and identify what work needed to be done on each vessel, thus helping get bid packages done quicker and in a more comprehensive fashion.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Mr. Hanover – to adopt the 2019 Capital Budget as presented by management in Staff Summary #GM-715, dated March 14, 2019.

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

Agreement for Palmer Avenue Parking Lot and Hyannis Terminal Rental Car Services:

Mr. Davis said the Authority recently placed advertisements in local newspapers for a Request for Proposals for car rental services at its Palmer Avenue Parking Lot and the Hyannis terminal. The current contracts expire May 14, 2019; the contract had the option for two (2) one-year extensions as the Authority’s sole discretion, which it did not decide to exercise. The RFP package was sent to three (3) interested companies: Avis Budget Car Rental, Enterprise Holdings and Hertz Rent-A-Car. All three (3) submitted proposals. Each was rated by the evaluation committee as “advantageous” as to the nonfinancial aspects. Avis’ minimum guaranteed amount per year was \$108,458, while Enterprise Holding’s proposal was \$105,270 per year and Hertz’s was \$85,000 a year. Based on the overall financial and nonfinancial proposals, Avis Budget Car Rental’s proposal was ranked the highest, followed by Enterprise Holdings and then Hertz Rent-A-Car, Mr. Davis said.

The new contract would begin May 15, 2019 and run through May 14, 2022, with up to two (2) one-year extensions beginning May 15, 2022, Mr. Davis said.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to authorize the general manager to award Contract No. 04-2019, Agreement for Palmer Avenue Parking Lot and Hyannis Terminal Rental Car Services, to Avis Budget Car Rental of Parsippany, New Jersey, as recommended by management in Staff Summary #OPER-2019-1.

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

Retirement of Cathy Malone:

Mr. Davis told the board that, early next month, Cathy Malone, a supervisor in the Authority’s Mashpee reservation office, would be retiring. She has been a full-time employee since 1977, but she worked for the Authority on a part-time basis for five (5) years prior to that. Mr. Davis said the entire Authority wished her well in her retirement.

Public Comment:

Mr. Brown said he understood the Authority was considering buying three (3) new buses and he asked if it had been decided if they would be electric or diesel models. Mr. Davis replied that the Board previously approved the purchase of four new low-floor buses that are diesel, not electric. The Authority has submitted a proposal to the Massachusetts Department of Environmental Protection for a grant from the Volkswagen settlement that, if approved, would help fund the purchase of electric buses to add to the fleet.

Mr. Brown clarified that truck traffic for the Vineyard was up 6.5%¹ and for Nantucket was up 14.2% for the month of January; Mr. Davis said those were figures just for the month and pointed out that bad weather depressed traffic in January 2018 and that January is traditionally a slow traffic month overall so any increase results in a large percentage increase.

Mr. Brown then asked if minor revisions to the terminal reconstruction plans that Mr. Davis mentioned in his presentation will be ready for the March 28th presentation, to which Mr. Davis replied that he had been assured they would be ready.

Ann Halpin of Falmouth asked what arrangement the Authority had now with its water and sewer hookups and how that was changing with the work at the Woods Hole terminal. Mr. Davis replied that, when the Authority transitioned from using a marine sanitation system on board its vessels to using holding tanks to store sewage, it had to work with its port communities regarding those systems and its water requirements. The current system is a vacuum system that removes the sewage from a vessel and deposits it into a holding tank, which is, in turn, deposited into the town sewer lines. The reconstruction of the terminal in Woods Hole required a relocation of that unit in Woods Hole and allowed the Authority to address some of the other issues it was having with its sewer connection.

Ms. Halpin then asked why the Authority was in the rental car business at all given its tax-exempt advantages that put other companies at a competitive disadvantage. Mr. Davis responded that the car rental agency on its property was a service to its customers and was open to members of the public who were not traveling with the Authority. The rental agency had been on the Falmouth property for several years and, furthermore, multiple rental agencies had opportunities to bid on the project. Mr. Davis said the car rental agency operating from its property would be subject to the same taxes as ones operating elsewhere.

Mr. Brathwaite said, on a recent trip off island, he was pleased to see plenty of buses on site to pick up the passengers coming off the boat. He also noted he was a big fan of Avis.

Executive Session:

At approximately 11:24 a.m., Mr. Jones then said he would entertain a motion to go into executive session to discuss and approve the minutes of the

¹ During the meeting, Mr. Brown stated truck traffic for the Vineyard was up 8.6%; however, that was the aggregate increase for both routes for the month of January 2019.

Authority's meeting in executive session on January 22, 2019; to consider the purchase, exchange, lease or 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 negotiation and bargaining positions. These matters include:

- The potential for lease or 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.

The public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. Mr. Jones further noted that, after the conclusion of the executive session, the Board would not reconvene in public.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on January 22, 2019; to consider the purchase, exchange, lease or 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. Jones	10 %	
Mr. Hanover	35 %	
Ms. Wilson	10 %	
Ms. Tierney	10 %	
Mr. Ranney	<u>35 %</u>	<u> </u>
TOTAL	100 %	0 %

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the
March 19, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. March 19, 2019 Meeting Memorandum, dated March 15, 2019.
2. Video and audio recording announcement.
3. Minutes of the February 9, 2019 meeting in public session (draft).
4. Minutes of the March 6, 2019 meeting of the Port Council, dated March 13, 2019 (draft).
5. Business Summary for the month of January 2018.
6. Power Point Presentation delivered by William J. Cloutier regarding the Woods Hole Terminal Reconstruction Project.
7. Staff Summary #GM-716, Woods Hole Terminal Building Design Status, dated March 15, 2019.
8. Presentation on Terminal Design Update, dated March 19, 2019.
9. Staff Summary #GM-714, Reauthorization of the Steamship Authority's Investment Policy, dated March 12, 2019.
10. Memo from General Manager Robert B. Davis, Operating Results for the Year ended December 31, 2018 (unaudited), dated March 12, 2019.
11. Staff Summary #GM-715, Proposed 2019 Capital Budget, dated March 14, 2019.
12. 2019 Capital Budget (proposed draft), dated March 4, 2019.
13. Staff Summary #OPER 2019-1, Contract No. 04-2019, Agreement for Palmer Avenue Parking Lot and Hyannis Terminal Rental Car Services, dated March 14, 2019.
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

April 16, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 16th day of April, 2019, beginning at 10:00 a.m., in the Lobby Level Function Room of the New Bedford Harbor Hotel, 222 Union Street, New Bedford, Massachusetts. All five members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; Moira E. Tierney of New Bedford; and Robert F. Ranney of Nantucket.

Port Council Chairman George J. Balco of Tisbury and Vice Chairman Edward C. Anthes-Washburn (who arrived during discussion of the business summary) were also present, as was Dukes County Commissioner Leon Brathwaite and the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Port Captain Jordan Baptiste; 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; Director of Operations Mark K. Rozum; Health, Safety, Quality and Environment Manager Angela M. Sampson; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Jones 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. Mr. Driscoll was making an audio recording of the meeting, as was Rich Saltzberg (representing the *Martha's Vineyard Times*).

Minutes:

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to approve minutes of the Authority's February 19, 2019 meeting in public session.

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

Ms. Tierney abstained from voting on the motion.

Regarding the minutes of the Board's meeting in public session on March 19, 2019, Ms. Wilson and Mr. Davis noted that Ms. Tierney's voting percentage was incorrect on pages 13 and 15 of the document.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to approve minutes of the Authority's March 19, 2019 meeting in public session pursuant to the corrections noted by Mr. Davis and Ms. Wilson.

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

Port Council's Report:

Mr. Balco reviewed with the Members the topics covered at the Port Council's April 3, 2019 meeting, which included:

- Reviewing the February business summary and the differences between the actual revenues and expenses and what was projected in the budget. The Port Council was also informed that the summer advance reservations were roughly flat compared to previous years but that truck demand for the summer has been up.

- An update on the Woods Hole Terminal Reconstruction Project. Mr. Balco noted that the pile driving at the site has nearly been completed and that the new transfer bridges for the site were expected to be delivered soon.
- The recent community meetings in Falmouth and on Martha's Vineyard on the proposed design for the Woods Hole terminal building, including a meeting with the Falmouth Historical Commission.
- The ongoing implementation of the recommendations contained in the comprehensive review of the Authority's operations by HMS Consulting, Glostien Associates and Rigor Analytics. Mr. Balco noted that the search had been completed for several new positions being added, namely the director of marine operations and health, safety, quality and environmental manager.
- The unaudited 2018 financial results, which preliminarily show a small loss for the year, the first since 1996.
- The preliminary draft of the Authority's 2020 winter and spring operating schedules, which were presented for discussion purposes only and will be presented to the Port Council at a subsequent meeting for a vote.

Results of Operations:

Mr. Davis provided an update on the Authority's operations for February 2019. The Authority overall carried fewer passengers (down 0.2%) but more automobiles (up 1.5%) and trucks (up 0.3%) than it did in February 2018. Mr. Davis noted that, due to the low traffic at this time of year, these percentage changes related to relatively small amounts of actual traffic (for example, a decrease of only 216 passengers compared to the same month last year).

The net operating loss for February 2019 was approximately \$4,573,000, which was \$581,000 higher than the amount anticipated in the 2019 budget. Operating revenues and other income was approximately \$4,009,000, which was approximately \$111,000 lower than budgeted, while total operating expenses and other expenses were \$8,582,000, or \$470,000 higher than budgeted.

Mr. Davis noted that, of the 1,284 trips made in February 2019 on both routes by the Authority's vessels, there were no cancellations for mechanical reasons on either the Vineyard route or the Nantucket route. Year to date, eighteen (18) trips cancelled for mechanical reasons on the Vineyard route and six (6) trips cancelled for mechanical reasons on the Nantucket route.

Mr. Davis noted that, through the first two (2) months of the year, the Authority had a net operating loss of \$9,884,291, which was approximately \$661,000 higher than anticipated in the budget. Furthermore, operating revenue was down \$49,000 compared to the budget, while expenses were up \$611,000.

Ms. Tierney said the Authority's financial results thus far were of significant concern to her, noting that the bulk of the increase in expenses seems to be coming from direct vessel maintenance costs. She noted that the Members were being asked on this day to approve a change order to the Jay Cashman Inc. contract of approximately \$500,000 and that she is concerned with the trends that are being shown so far this year. In response, Mr. Davis noted that the Authority has two vessels in dry dock this year, whereas last year's mid-life refurbishment of the *M/V Martha's Vineyard* was a capital expense, which makes an apples-to-apples comparison of vessel maintenance costs difficult.

Mr. Davis further noted that the year-to-date increases can be partially attributed to increased wage costs as well as direct vessel maintenance, and noted that terminal maintenance costs are down year-to-date. He also said that the pension and health care costs may need to be reexamined to see if those increases are a timing issue or part of a larger trend.

In response to a question from Ms. Tierney, Mr. Davis noted that expenses included in "other" included credit card fees and training expenses, and that the Authority had been taking a more aggressive approach to training during the off season.

Mr. Ranney asked if the Authority had done any fuel hedging for 2020, to which Mr. Davis said he had spoken a few times with the Authority's consultants at Hedge Solutions on it and that they were preparing to establish the Authority's positions for 2020 when the market had a sudden uptick. The hedging has been held off for a bit but, Mr. Davis said, it is time to start phasing in the first-quarter hedges for 2020. Mr. Davis said he does not want the Authority to be in the position of chasing the market, but the consultants indicated the market upticks may yet reverse themselves.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis said that, during the past month, Jay Cashman Inc. had finished driving the piles for the transfer bridge at Slip No. 3, cut the transfer bridge piles to the design elevation and then completed filling the 16- and 18-inch piles with concrete. The concrete subcontractors mobilized and built the concrete forms for the bridge foundation and the rebar subcontractor, including

installing the rebar for the foundation. Cashman continued the work on the monopiles, welding fender standoffs and pad eyes and setting the rebar for the concrete top.

Mr. Davis said Cashman also welded the support bracing for the utility platform and constructed the utility platform for Slip No. 3. Cashman also set the temporary piles for a temporary trestle to be used in the passenger platform construction. The concrete contractor started work on the bulkhead concrete cap and completed the landside concrete for the transfer bridge, and the electrical contractor will be mobilizing to install the electrical and telecommunication utilities, he said.

Mr. Davis said Lawrence Lynch Corp. mobilized on site and started installing the stormwater structures at the bulkhead, then completed the 48-inch stormwater drainage and worked on the 24-inch stormwater drainage.

For the ferry sewage pump-out system project, Mr. Davis said Robert B. Our Co. installed the precast concrete chambers for the vacuum tanks, as well as the concrete sewage-holding tank. The company also excavated in front of the concrete chambers for the suction and discharge piping and began testing the sewage pump-out system in Vineyard Haven so that it can become operational, which will allow the Authority to start relocating the equipment in Woods Hole to its new concrete vaults. Robert B. Our Co. also completed the installation of another concrete vault for the forced sewer main pumps and install a valve vault at the town's forced main pipe, Mr. Davis said.

Thus far, the Authority has sent fifty-five (55) community emails on what to expect in the coming weeks, Mr. Davis said.

Mr. Cloutier then shared some recent photographs from the site.

Update on Woods Hole Terminal Building Design:

Mr. Davis then provided an update on the design process for the Woods Hole terminal building. On Thursday, March 28, 2019, the Authority's staff and its architects presented the schematic design alternatives of the Woods Hole terminal building to the Falmouth community at a session held at Falmouth High School. At the session, the Authority received a number of comments from the public about the building's proposed design and location, Mr. Davis said. Subsequently, staff and architects provided the Falmouth Historical Commission an update on the schematic design alternatives on Tuesday, April 2, 2019, and on Monday, April 8, 2019, to the Martha's Vineyard community.

Mr. Davis said the Authority has asked for comments to be submitted by April 12, 2019, and that staff was in the process of sorting out and addressing, where it can, the concerns raised. Mr. Davis said staff would be coming back to the Board at a future meeting with a design proposal for the Members' vote.

Ms. Wilson then referenced to a prior discussion about the terminal building's site and ongoing questions about its location so close to the water's edge, especially given its cost (which, in answer to Ms. Wilson's question, Mr. Davis said was estimated to cost \$13,000,000, including the utility building). She said she recalled either Mr. Cloutier or Counsel Steven M. Sayers discussing contacting the Woods Hole Group about reviewing the building's siting in relation to the velocity zone and the flood zone and noted that the company was performing similar work for the Town of Falmouth. Considering the scope of the project, Ms. Wilson said she felt it made sense to get a site-specific review for the project so she can be more confident that the project makes sense as a business expense for the Authority. Ms. Wilson also said she had been contacted recently by an engineer in Falmouth who did some work for the Marine Biological Laboratory; she said the engineer was really concerned about the height of everything at the terminal site and that proposed heights of new buildings at MBL had been increased by at least a foot in response to rising sea levels.

Mr. Cloutier said the structural engineers working for the Authority on the terminal project had done quite a bit of work during the feasibility study to design the site, including the waterfront structures, to withstand fifty (50) years of projected sea level rise. Furthermore, Mr. Cloutier said the bulkhead is designed to withstand such changes, but he said the resiliency work could be reviewed. He further said the Woods Hole Group has great credentials and had done work for both the state and the town, and that they could be contacted to find out the cost of a site-specific evaluation. Mr. Davis said the Authority planned to do just that, and Ms. Wilson said that work would increase her level of confidence in the project as a whole.

Status on the Implementation of HMS Recommendations:

Mr. Davis said he wished to provide a brief update on the implementation of the recommendations contained in the comprehensive review of the Authority's operations conducted by HMS Consulting, Rigor Analytics and Glostén Associates. Over the past couple of weeks, Mr. Davis said staff have been vetting candidates for the director of marine operations, port captain and health, safety, quality and environmental manager. Mr. Davis said he was pleased to announce that each of those positions has now been filled.

Angela Sampson has been hired as the Authority's first health, safety, quality and environmental manager position, Mr. Davis said. Ms. Sampson has spent more than a decade in the environmental, health and safety field, both at sea as an environmental officer with Celebrity Cruises Inc. and shoreside with Hasbro, where she most recently worked as an environmental health and safety engineer. Mr. Davis said Ms. Sampson's expertise lies in developing and implementing environmental, health, safety and sustainability programs to ensure compliance to environmental laws and industry standards. At Hasbro, she supported global and corporate sustainability initiatives and served as the hazardous waste coordinator, a position that resulted in cost and waste reduction measures, Mr. Davis said. She is a graduate of the Massachusetts Maritime Academy, where she received a bachelor's degree in marine safety and environmental protection; she also received her master's degree in environmental sustainability at The University of Edinburgh.

Capt. Jordan Baptiste has been hired as the Authority's new port captain, Mr. Davis stated. Capt. Baptiste is a born and raised fifth-generation islander hailing from Vineyard Haven (Tisbury). He is 2000 graduate of Martha's Vineyard Regional High School and a U.S. Coast Guard veteran, serving from 2002-2009. He has more than fifteen (15) years of professional maritime experience, including both shoreside and afloat management-level positions, and holds a Master License Unlimited Tonnage Upon Oceans. For the past six (6) years, Capt. Baptiste has served as captain of multipurpose support vessels in the offshore oil and gas industry. Mr. Davis said operating in one of the most heavily regulated sectors of the maritime industry has given Capt. Baptiste extensive knowledge and experience in the application of process-based management, including International Safety Management (ISM) code, safety management systems, learning management systems, and quality management systems. Capt. Baptiste has a bachelor's degree in transportation and logistics management from American Public University, where he is also currently enrolled in graduate school completing his master's degree in management and organizational leadership.

Mr. Davis noted that Ms. Sampson and Capt. Baptiste were both in attendance and had begun their tenure with the Authority that day.

Additionally, **Mark Amundsen** has been hired as the Authority's first-ever director of marine operations, Mr. Davis said. Mr. Amundsen brings more than thirty (30) years of experience in operations, strategic planning, technical management, and engineering in the international shipping industry to his role. Mr. Davis said Mr. Amundsen's expertise includes strategic transportation business development, oversight of safety compliance, structuring and negotiating long-term contracts, cost control and purchasing elements, and

presiding over dry dockings all over the world. He was most recently operations manager for Singapore Technologies Marine, operating ferry services in Europe. Previously, he was managing director for Nova Star Cruises Ltd., a ferry service operating between the US and Canada; and director of ship repair, at Irving Shipbuilding Inc. (ISI) in Halifax, Nova Scotia. He received his bachelor's degree in Marine Engineering at Maine Maritime Academy, Castine, Maine, and is a licensed chief engineer of steam and motor vessels. Mr. Amundsen's employment will begin May 6, 2019, Mr. Davis said.

In addition to those positions, Mr. Davis stated that the director of human resources position has been filled by **Janice Kennefick**. Ms. Kennefick has more than twenty (20) years of experience in the human resources field, most recently as the HR director at Tribe Mediterranean Foods in Taunton. She has also served as a human resources manager at Ocean Spray Cranberries in Lakeville, where she also was a senior human resources generalist, and also worked in similar roles at Computershare and Fluor Daniel GTI. Mr. Davis said Ms. Kennefick has led talent review and talent calibration sessions, implemented business unit succession planning and talent management plans, created employee training and organizational development programs, and driven the achievement of company goals through objective and development plan setting, performance calibration, and talent development. She studied business management at Lesley University. Ms. Kennefick will begin her employment on April 29, 2019.

Mr. Davis said the Authority currently has a request for proposals issued for a Safety Management System (SMS) and a Quality Management System (QMS). The RFP is open until early May, Mr. Davis said, as staff wanted to have the marine positions filled so those individuals could be part of the evaluation process for proposals.

Mr. Davis also reminded the Board that HMS Consulting will be on site May 16-18 conducting workshops with the Board, Port Council and staff on implementation planning.

Preliminary Version of Proposed
2020 Winter & Spring Operating Schedules:

Mr. Davis said the draft schedule presented to the Board is very similar to the 2019 operating schedule, starting one (1) day later and ending on the same day for both the Martha's Vineyard and Nantucket routes. Highlights of the proposed winter schedule include:

- From January 4, 2020 to January 9, 2020 and January 10 through February 23, 2020, the schedule is identical to the 2019 schedule in terms of scheduled trips and vessel assignments.
- From February 24, 2020 through March 15, 2020, the schedules on both routes are the same except the Vineyard route will see the *M/V Woods Hole* assigned instead of the *M/V Island Home* due to that vessel's repair schedule.

Highlights of the proposed spring schedule include:

- The schedule from March 16, 2020 through April 2, 2020 is similar to 2019 on both routes, with the exception that, from March 16, 2020 to March 30, 2020, the *M/V Woods Hole* will continue to run in place of the *M/V Island Home* on the Vineyard route.
- The *M/V Katama* will also run on the Vineyard route during that period, until it is replaced by the *M/V Woods Hole* from March 31, 2020 through April 2, 2020.

Management is not recommending any changes to the proposed 2020 Operating Schedules for either route from April 3, 2020 through May 14, 2020.

Mr. Davis said the proposed schedules were presented to the Port Council at its April 3, 2019 meeting. The schedules will be posted to the Authority's website and published in advertisements in regional newspapers for public comment over the next month. After reviewing the public comments received, staff will present their final version of the proposed operating schedules for consideration and a vote by the Board at its June meeting.

Mr. Davis noted that the schedule does not include any 5:30 a.m. departures from Woods Hole, as was the case this year. Furthermore, staff are continuing to review some of the times on the schedule, such as Trip No. 7, which is a 7:00 a.m. departure from Woods Hole with a scheduled 7:45 a.m. arrival in Vineyard Haven. Mr. Davis said staff is examining the actual arrival times of that vessel and that it may be a recommendation to change the arrival to 7:50 a.m. to more accurately reflect the actual arrival times given the 15-minute turnaround time for that trip in Woods Hole prior to departure. However, such a change would require coordination with the Vineyard Transit Agency to ensure that the ferry passengers could still make a bus connection at the terminal.

Mr. Davis said staff was also examining how school vacation weeks would fall in 2020 and how marine construction in Woods Hole could affect operations. It may be the case that the Authority decides to start berthing a freight boat on the Vineyard a few weeks earlier than it has done in the past.

In response to a question from Mr. Hanover, Mr. Davis said the 7:00 a.m. departure from Vineyard Haven does not seem to be as problematic a trip as its counterpart departing from Woods Hole, so that trip's arrival times would not need to be examined. Mr. Rozum also clarified that the *M/V Island Home* would be in dry dock from February 24, 2020 through March 30, 2020.

In response to a question from Mr. Jones, Mr. Davis said the Authority has continued its practice of putting its larger vessels into dry dock every two years, which provides for an extra dry dock every ten (10) years and helps preserve and maintain the vessels. Mr. Davis further stated that the Authority generally does not put two of its larger vessels into dry dock at the same time, although they may overlap in their repair periods. Additionally, Mr. Davis noted that the *M/V Woods Hole* can now function as both a freight boat and a larger passenger vessel, which frees up more time periods for the large vessels to go into dry dock.

Release to the Public of Portions of the Executive Session Minutes:

Mr. Davis said that on an annual basis he and staff review the minutes of the Board's Meetings in Executive Session to comply with the Massachusetts Open Meeting Law to see what portions, if any, shall continue to be withheld from publication. Mr. Davis said the general manager has been fulfilling this duty since 1997, far ahead of the 2009 revision to the Open Meeting Law that codified the requirement.

Mr. Davis said he has approved for release all of the 2018 minutes of the Members' meetings in executive session except for the portions of minutes reflecting Members' discussions and actions about any of the following eight (8) matters:

1. Pending or anticipated litigation matters;
2. Pending or anticipated collective bargaining negotiations;
3. Pending or anticipated negotiations for the purchase, exchange, lease or value of real estate;
4. Pending or anticipated contract negotiations with non-union personnel;
5. Pending or anticipated investigations of charges of criminal misconduct or considerations of the filing of criminal complaints;
6. Information protected from disclosure under the Massachusetts Public Records Law, Mass. G.L. c. 4, § 7, cl. 26th, and now explicitly under the Massachusetts

Administrative Procedures Act, Mass. G.L. c. 30A, § 22(e) as well;

7. Discussions protected by the attorney-client privilege; and
8. Security matters.

Therefore, Mr. Davis said, portions of the minutes of the Authority's meetings in executive session through December 31, 2018 that were being released to the public 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 maintenance employees;
- b) The Authority's renewal of a lease with Prime Properties Limited Partnership for property located at 509 Falmouth Road, Mashpee, Massachusetts
- c) The Authority's potential acquisition of property owned by Joseph Arno located at 31 Easy Street, Nantucket, Massachusetts, with redaction of the appraisal value of the property pursuant to Mass. G.L. c. 4, § 7, cl. 26th (i)(1);
- d) The Authority's potential exercise of an option to renew its lease of 3.55 acres of land at the Martha's Vineyard Airport;
- e) The Authority's potential litigation with Senesco Marine, LLC, with redactions for materials protected by attorney-client privilege and confidential disclosures and agreements made at mediation;
- f) 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; and
- g) The Authority's strategy sessions in preparation for negotiations with nonunion personnel, including former Treasurer Gerard J. Murphy.

Application for MassDOT Low-No Discretionary Grant:

Mr. Davis said the Authority recently had been made aware of an opportunity to apply for the Massachusetts Department of Transportation's Low-No Discretionary Grant program as part of a partnership with area regional transit authorities. The notice was put out in March, and Mr. Rozum said the bid was to fund the purchase of 40-foot electric buses for the Authority, as well as the Vineyard Transit Agency and the Cape Cod Regional Transit Authority.

VTA Administrator Angela Grant asked the Authority to provide a letter of support for the application from the Board, Mr. Rozum said, noting that the VTA had already been successful in receiving grant money from this program. Mr. Rozum said the grant application was to cover the cost differential between an electric bus and a similarly sized diesel bus, plus the cost of the infrastructure needed to charge the bus.

Mr. Rozum noted that the Authority was going to borrow an electric bus from the VTA between July 8-17, 2019, to test it during high-traffic periods. Ms. Wilson remarked that she thought the grant application was a wonderful idea.

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Ms. Tierney – to send a letter from the Board in support of the Authority’s grant application from the MassDOT No-Lo Discretionary Grant program.

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

Approval of Change Order #32 as Part of Contract No. 16-2017 with Jay Cashman Inc.:

Mr. Davis said this change order is required for the remedial work on the 96-inch monopiles in order to get them driven to a satisfactory embedment. He recounted how, with the No. 8 monopile, an obstruction was encountered that prevented Cashman from driving the monopile to engineered depth. The obstruction not only damaged the monopile but also the diesel hammer. The No. 8 monopile was pulled out, the damaged bottom cut off and then driven to refusal at the same location. The No. 8 monopile needs additional support to perform as expected, Mr. Davis said, and many of the other monopiles required a second set up with the diesel hammer in order to achieve the required embedment.

The total cost of the additional work was \$168,450.57, Mr. Davis said.

Ms. Tierney stated that someone within Cashman would have reviewed the area where the monopiles were to be located prior to the pile driving and asked

why the cost included in the change orders was not something that had to be covered by Cashman. Mr. Davis replied that, when the Authority structured the contract for the marine work, it was unknown what obstructions may rest in the soil under the pier, which was not able to be tested due to the old administrative office still being in use. Therefore, a certain portion of the drilling depth, which Mr. Cloutier later clarified to be ten (10) feet, ended up being the contractor's responsibility and obstructions beyond that depth are costs the Authority has to incur. Mr. Davis said the contract was written that way so as to not have potential bidders inflating their contract costs based on obstructions that may not have been present once pile driving began.

In response to a question from Ms. Tierney, Mr. Davis said the additional costs did not appear to be able to be covered by any insurance policy. Ms. Tierney said she was concerned that, between this item and the next, the Board was being asked to approve nearly \$500,000 in change orders in a year in which the Authority is losing money.

Mr. Jones asked if this change order includes the cost to repair the No. 8 monopile, and Mr. Cloutier said it did not and that another change order would likely be forthcoming.

In response to a question from Ms. Tierney, Mr. Davis said the total change orders to date on the project, including the ones before the Board for approval today, were approximately \$2,200,000 against a \$43,000,000 project, of which the Authority has paid approximately \$15,000,000. Mr. Davis added that, from a construction standpoint, this portion of the work was anticipated to be more difficult because there was not an opportunity to explore the seabed prior to the commencement of work. Mr. Davis said the project budgeted for approximately \$5,000,000 in change orders.

In response to a question from Mr. Hanover, Mr. Cloutier confirmed there was more rock to the south but a different construction technique would be used in that area to compensate.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to execute Change Order #32 for Contract No. 16-2017, “Woods Hole Reconstruction – Waterside,” with Jay Cashman Inc. for a total cost of \$168,450.57, as recommended in Staff Summary #GM-717, dated April 4, 2019.

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

Ms. Wilson abstained from voting on the motion.

Approval of Change Order #33 as Part of Contract
No. 16-2017 with Jay Cashman Inc.:

Mr. Davis said the change order is required for the remedial work associated with the installation of the sheet pile bulkhead. At the Slip No. 3 transfer bridge location, the sheet piles had to be removed and realigned one (1) foot west of the original design location in order to avoid obstructions located at twenty-eight (28) feet underground. Mr. Davis recounted how the sheet pile bulkhead also shifted nearly one (1) foot in certain locations as a result of vibrations from the large vibratory hammer being used to drive the monopiles. The resulting vibrations caused liquefaction of the soil, which, in turn, required the excavation of the deadman wall and tie rod system. Nearly eighty (80) feet of the bulkhead sheets needed to be realigned as a result.

The total cost for the additional work was \$314,862.41, Mr. Davis said.

In response to a question from Mr. Hanover, Mr. Cloutier said the sheet pile was not square but it was in a better position than it was previously. He added that it was not possible to fully recover due to how far it shifted, but that Cashman was able to take tension off the tie rods, restore the sheet piles to their design heights and restore the tie rods. Mr. Cloutier further stated that there should not be a future issue due to the change in position.

In response to a question from Ms. Tierney, Mr. Davis clarified that the approximately \$2,200,000 in change orders he previously referenced did not include change orders related to the design of the terminal building. Those change orders, which include the construction management costs due to the structure of the contract, total approximately \$500,000 against roughly a \$10,000,000 contract.

Ms. Wilson asked if, in light of the result, there were any questions about the use of the vibratory hammer and if it made sense to use that tool in that

area. Mr. Davis said the diesel hammer broke during the pile driving of the No. 8 monopile; otherwise, that hammer would have been used to drive the monopile. Mr. Cloutier added that the vibratory hammer was needed when the monopile needed to be pulled out, which provided some benefit due to the falsework that needed to be set up for each pile when the diesel hammer was used. However, he said that guidelines have now been developed for how much vibration can be tolerated so as to prevent similar occurrences from happening in the future.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to execute Change Order #33 for Contract No. 16-2017, “Woods Hole Reconstruction – Waterside,” with Jay Cashman Inc. for a total cost of \$314,862.41, as recommended in Staff Summary #GM-718, dated April 4, 2019.

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

Approval of Contract No. 01-2019,
Dry Dock and Overhaul Services for the *M/V Martha’s Vineyard*:

Mr. Davis said the *M/V Martha’s Vineyard* is scheduled to enter shipyard availability from September 9, 2019 to October 20, 2019 to undergo a required U.S. 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; replacement of five (5) 01 deck side-shell weather-tight doors; installation of four (4) new line-handling doors; and numerous other minor improvements. Bid packages were sent to ten (10) shipyards; one (1) responsive bid was received, from Thames Shipyard and Repair Co. of New London, Connecticut, for a total contract price of \$589,330. Mr. Davis noted the 2019 operating budget estimate for the work was \$867,350.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to execute Contract No. 01-2019, Dry Dock and Overhaul Services for the *M/V Martha’s Vineyard*, to the lowest eligible and

responsible bidder, Thames Shipyard and Repair Company of New London, Connecticut, for a total contract price of \$589,330, as recommended in Staff Summary #E 2019-2, dated April 9, 2019.

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

Following the vote, Mr. Jones asked if the Authority really only has two (2) shipyards that it deals with on a regular basis. Mr. Walker said there are only two yards north of New York that can do the Authority's work. There are some in Boston, but it does not make logistical or financial sense for those larger facilities to have a small ferry in there.

Approval of Contract No. 07-2019, Engineering and Design Services – Falmouth Maintenance Facility New Shop/Office Building:

Mr. Davis recounted how, at the time the Authority purchased the Falmouth Maintenance Facility in 2012, the existing building was intended to serve as a bus/vehicle maintenance shop, but it was later determined to be too costly to perform the needed modifications. The Authority subsequently entered into a long-term lease for a property at 485 Thomas B. Landers Road to perform bus and vehicle maintenance.

During this time, the Woods Hole terminal was scheduled for demolition, so maintenance staff at that location were transferred to the existing shops at the Falmouth Maintenance Facility, Mr. Davis said. Although that building is capable of housing the majority of the trades assigned to the location, Mr. Davis said it does not have enough space to adequately segregate trades, nor does it have enough storage. Mr. Davis said shipping containers have been used to supplement both the workspace and storage capacity at the site.

Mr. Davis said the 2019 Capital Budget includes a \$3,000,000 contingency for the construction of a new maintenance and office building at the Falmouth Maintenance Facility site, with the cost estimate based on a similar-style pre-engineered building at the Authority's Fairhaven facility built in 2015. As office

space at the Authority's administrative offices on Palmer Avenue is insufficient to house some of the additional positions recommended in the HMS Consulting study, Mr. Davis said staff is proposing to relocate the Engineering and Maintenance Department offices to the second floor of a proposed new maintenance and office building at the Authority's property at 52 Bernard Saint Jean Drive in East Falmouth, Massachusetts.

The updated construction cost estimate for a maintenance building at that site is approximately \$4,500,000, Mr. Davis said. However, the Authority has accumulated nearly \$3,600,000 in grants through the Ferry Boat Formula Grant Program that need to be obligated by September 30, 2019; if they are not obligated, then the funds will be placed back into the pool and reallocated to other ferry operators. Mr. Davis said staff is recommending that the funds be applied toward the cost of construction of this new maintenance and office building; the Authority's match would be \$894,449, or twenty percent (20%) of the total cost.

In response to a question from Ms. Tierney, Mr. Davis said the Ferry Boat Formula Grant funds cannot be used for operational expenses and has to be used for specific capital costs. For example, they could not be used to purchase buses but could be used for repowering ship generators, but Mr. Davis noted that the Authority had already applied for grant applications to fund that project. Ms. Tierney asked if the vote could be deferred, to which Mr. Davis replied that staff was only seeking approval for design and engineering work and not the project as a whole. Working backwards from the September deadline, however, Mr. Davis stated that the Authority needed to begin work on the bid documents now to be able to bring an award to the Board for approval in either July or August of this year for a vote.

Ms. Tierney asked what other projects the Authority could spend the money on, to which Mr. Davis said that extending passenger shelters at the high-speed ferry dock at either the Nantucket or Hyannis terminals was a possibility. Mr. Davis noted that the Authority originally intended to accumulate several years of these funds and apply them toward the Woods Hole terminal building project, but unlike in previous years, the funds had to be used within a three-year window or else they would be reallocated. Ms. Tierney asked if the funds could be applied toward the purchase or construction of a new vessel; Mr. Davis replied that the Authority would have to have a commitment for either the design or acquisition of a new vessel by the end of September, which was a tight time frame.

Mr. Hanover asked if this property was connected to the Authority's Thomas B. Landers Road parking lot, to which Mr. Davis replied in the

affirmative and that it was accessed via a service road from the lot. There are restrictions on how much space can be cleared on that property, adding that it is, by and large, already cleared to its maximum amount. In response to a further question from Mr. Hanover, Mr. Davis said the building would be similar to the Fairhaven maintenance facility, but instead of a large, open bay, the second floor would have offices or storage space.

Ms. Wilson asked if this property fits within the purview of the Falmouth Economic Development & Industrial Corp. and if any variances would be required for its construction, to which Mr. Davis stated that no variances should be required but he needed to touch base with the EDIC regardless. Ms. Wilson said as little as the Authority needed to get permission for the project, the better.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to execute Contract No. 07-2019 with DHK Architects Inc. to provide architectural, structural, mechanical, electrical, plumbing and fire protection services for a new maintenance and office building at the Authority’s current Falmouth Maintenance Facility, located at 52 Bernard Saint Jean Drive, East Falmouth, Massachusetts, in the amount of \$145,554, as recommended in Staff Summary #E 2019-3, dated April 12, 2019.

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

Public Comment:

Bill Hallstein, representing the SMART Citizens Task Force, recounted an April 8, 2019 meeting in New Bedford regarding the South Coast rail line development, at which there was discussion about connectivity between other modes of transport in the area. Mr. Hallstein asked how the Authority envisioned itself participating in that effort, noting that Phase 1 of the rail line was scheduled to be completed in 2022 and is to include two (2) terminals in New

Bedford. Mr. Jones replied that he would not want to “shoot from the hip” in his response but that it was a good question that, ultimately, ties into the question of ferry service from New Bedford. Mr. Jones noted that the answer to those questions ultimately should be driven by the market.

Nathanial Trumbull, representing the SMART Citizens Task Force, discussed the Authority’s recent solicitation for feedback on the proposed Woods Hole terminal designs. He presented to the Members a 10-page document from the SMART group outlining its comments to the Authority on the terminal designs.

At approximately 11:44 a.m., Mr. Jones then said he would entertain a motion to go into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on March 19, 2019; to consider the purchase, exchange, lease or 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 negotiation and bargaining positions. These matters include:

- The litigation: “In re: Woods Hole, Martha’s Vineyard and Nantucket Steamship Authority; Civil Action No. 17-cv-12473-NMG; U.S. District Court for the District of Massachusetts;”
- The potential for 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;
- The potential for lease or 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.

The public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. Mr. Jones further noted that, after the conclusion of the executive session, the Board would not reconvene in public.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to go into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on March 19, 2019; to consider the purchase, exchange, lease or 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. Jones	10 %	
Mr. Hanover	35 %	
Ms. Wilson	10 %	
Ms. Tierney	10 %	
Mr. Ranney	<u>35 %</u>	<u> </u>
TOTAL	100 %	0 %

A TRUE RECORD

KATHRYN WILSON, Secretary

Documents and Exhibits Used at the
April 16, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

1. April 16, 2019 Meeting Memorandum, dated April 11, 2019.
2. Video and audio recording announcement.
3. Minutes of the February 19, 2019 meeting in public session (draft).
4. Minutes of the March 19, 2019 meeting in public session (draft).
5. Minutes of the April 3, 2019 meeting of the Port Council, dated April 11, 2019 (draft).
6. Business Summary for the month of February 2018.
7. Power Point Presentation delivered by William J. Cloutier regarding the Woods Hole Terminal Reconstruction Project.
8. Media release, "Steamship Authority adds to management team," dated April 16, 2019.
9. Staff Summary #OPER-2019-2, Preliminary Version of Proposed 2020 Winter and Spring Operating Schedules, dated April 8, 2019.
10. Staff Summary #GM-719, Release to the Public of Portions of the Executive Session Minutes, dated April 10, 2019.
11. Staff Summary #GM-717, Woods Hole Terminal Design Change Order #32 as Part of Contract #16-2017 with Jay Cashman Inc., dated April 4, 2019.
12. Staff Summary #GM-718, Woods Hole Terminal Design Change Order #33 as Part of Contract #16-2017 with Jay Cashman Inc., dated April 4, 2019.
13. Staff Summary #E 2019-2, Contract 01-2019, Dry Dock and Overhaul Services for the *M/V Martha's Vineyard*, dated April 9, 2019.
14. Staff Summary #E 2019-3, Contract 07-2019, Engineering and Design Services – Falmouth Maintenance Facility New Shop/Office Building, dated April 12, 2019.
15. Plan of Existing Conditions Prepared for Woods Hole, Martha's Vineyard and Nantucket Steamship Authority, prepared by Holmes and McGrath Inc., undated.
16. Letter from Southeast Massachusetts Regional Citizens Task Force (SMART) to Board Chairman Robert R. Jones, regarding comments

concerning the Woods Hole terminal design alternatives, dated April 12, 2019.

17. 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 21, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21th day of May, 2019, beginning at 9:35 a.m., in the Discovery Room of the Nantucket Whaling Museum, 15 Broad Street, Nantucket, Massachusetts. Four members were present: Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; Moira E. Tierney of New Bedford; and Robert F. Ranney of Nantucket. Chairman Robert R. Jones of Barnstable was absent.

Port Council Chairman George J. Balco of Tisbury was also present, as were the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Port Captain Jordan Baptiste; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Human Resources Janice L. Kennefick; Nantucket Terminal Manager Elaine Mooney; Health, Safety, Quality and Environment Manager Angela M. Sampson; and Director of Engineering and Maintenance Carl R. Walker.

Recognition of Public Officials

Mr. Hanover recognized the public officials in the audience, including Nantucket Town Manager C. Elizabeth "Libby" Gibson and Nantucket Director of Travel and Tourism Janet Schulte. Ms. Gibson noted she could not stay but thanked the Authority for its work on behalf of the town.

Video and Audio Recording of Today's Meeting:

Mr. Hanover 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. Mr. Driscoll was making an audio recording of the meeting, as was Joshua Balling (representing the Nantucket *Inquirer and Mirror*) and Louisa Hufstader (representing the *Vineyard Gazette*).

Minutes:

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Wilson – to approve minutes of the Authority’s April 16 meeting in public session.

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

Port Council’s Report:

Mr. Balco reviewed with the Members the topics covered at the Port Council’s May 1, 2019 meeting, which included:

- A review of the March business summary and the Authority’s financial performance to date.
- An update on the Woods Hole Terminal Reconstruction Project. Mr. Balco noted that the transfer bridge at the new Slip No. 3 had been installed. He also noted that the Port Council discussed the terminal design and a new study of the flood velocity zone by the Woods Hole Group, which would reveal if any changes would be necessary to the building’s plans.
- The new accounting system, which provides more flexibility and ability to get detailed reports on an as-needed basis of all aspects of the Authority’s operations.
- The ongoing implementation of the recommendations contained in the comprehensive review of the Authority’s operations by HMS Consulting, Glosten Associates and Rigor Analytics. Mr. Balco noted that the Authority had made several new hires who were introduced to the Port Council at their meeting.
- The 2020 draft budget policy, which the Port Council members voted to recommend after discussion.
- The Authority’s participation in a dredging project in New Bedford Harbor at the Authority’s Fairhaven facility. After discussion, the Port Council members voted to recommend that the general manager be authorized to send a letter of intent for the Authority to participate in the project as specified.

Results of Operations:

Mr. Davis provided an update on the Authority's operations for March 2019. The Authority overall carried more passengers (up 20.1%), more automobiles (up 26.4%) and trucks (up 28.3%) than it did in March 2018, although Mr. Davis noted that those figures, in large part, reflect the challenges the Authority faced in the same month last year.

The net operating loss for March 2019 was approximately \$2,679,000, which was \$1,388,000 lower than the amount anticipated in the 2019 budget. Operating revenues and other income was approximately \$4,946,000, which was approximately \$504,000 higher than budgeted, while total operating expenses and other expenses were \$7,624,000, or \$884,000 lower than budgeted.

Mr. Davis noted that, of the 1,540 trips made in March 2019 on both routes by the Authority's vessels, there were no cancellations for mechanical reasons on the Vineyard route – a fact Mr. Hanover said should be underlined in the business summary – and only one (1) on the Nantucket route.

Year-to-date, Mr. Davis said the Authority has a net operating loss of \$12,560,000, or approximately \$727,000 lower than the amount anticipated in the 2019 operating budget. Total operating revenues through March were up \$455,000, while operating expenses and fixed charges were \$272,000 lower than anticipated.

Mr. Davis noted that the fund balances were in relatively good shape.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis said that Jay Cashman Inc. has continued the work on the monopiles, including welding fender standoffs and pad eyes and setting the rebar for the concrete tops, as well as installing the ferry tie-up bollards. Cashman continues to work on monopile No. 8 remediation and installed catwalks around the slip.

Mr. Davis recounted how, on Thursday, May 9, 2019, the *M/V Martha's Vineyard* entered the new Slip No. 3 briefly so that the Authority could check the transfer bridge alignment with the head dolphins. He said the exercise showed everything fit as designed. Other recent activities included:

- The concrete contractor finished the sheet pile cap.
- The electrical contractor worked on electric and communication conduits and wiring.
- The fuel oil piping contractor installed the underground fuel oil piping and leak detection system.
- Lawrence Lynch Corp. finished the work on much of the underground utilities and started backfilling the site.
- The plumbing contractor was on site to plumb the water to the utility platform.
- The concrete contractor finished the work on the west sheet-pile cap. The contractor also was scheduled to pour the concrete for the north sheet-pile cap later that week.

Regarding the sewer pump-out project, Mr. Davis said Robert B. Our Co. completed installing the valves at the town's forced-main sewage line and excavated around the old pump-out vaults so that the covers can be removed to allow for access to the equipment. The company then completed equipment installation in Vineyard Haven for its sewer pump-out system. Robert B. Our is setting the foundation for a small, above ground equipment building in the employee parking lot in Woods Hole. They also trenched an underground conduit from the freight shed to the equipment building for electrical power. The old concrete chambers were backfilled with sand. They will be connecting the equipment and installing the chamber access shafts.

Mr. Davis noted that the Authority will be finishing work at the site Thursday due to the upcoming Memorial Day weekend. The barges will move out of Slip No. 3 for the weekend but will return for a few weeks to finish preparation for the summer season.

Thus far, the Authority has sent out sixty (60) "Community Emails" on what to expect in the coming weeks.

Mr. Cloutier then shared some recent photographs depicting the site.

Update on Woods Hole Terminal Building Design:

Mr. Davis then provided an update on the design process for the Woods Hole terminal building, recounting how, at the prior month's meeting, he noted that the Authority would engage engineers from the Woods Hole Group to conduct a velocity zone study. Mr. Davis noted that staff met with the principals of the group and our architects and engineers have supplied any requested information. The report was initially due this past Friday, May 17, 2019, but

production of it has been delayed; at this point, Mr. Davis said, the report is expected to be delivered this coming Friday, May 24, 2019. Once it is, staff will review it with the Woods Hole Group and evaluate what effects, if any, it may have on the proposed siting of the building.

Mr. Davis further noted that the Woods Hole Community Association, with whom the Authority has been working since 2012 on this project, recently sent an email in which they said they would discontinue any further discussions regarding the project with the Authority. Mr. Davis said he sent an email in reply stating he was disappointed in their decision and that the Authority has been working to make the terminal as compatible with the village as possible.

Ms. Wilson said communications between the Authority, the Town of Falmouth and residents in Woods Hole are “quite strained” at the moment, which she said was “discouraging.” She said the various parties all have different points of reference in terms of their priorities and expectations and that the Authority should be mindful that these opinions that it is not really responding to, such as the size of the terminal building. She said she knows there are so many things in play that the Authority cannot roll back big aspects of the project but, at the same time, she said she does not want to lose track of the complaints that are being voiced.

Ms. Wilson said the Falmouth Board of Selectmen has asked the Authority to meet with them in public session to discuss current issues, which would likely include the terminal project but also include the Authority’s insurance coverage. Ms. Wilson said that relationships to the Authority are strained in Falmouth right now and she wanted the Members to know that.

Mr. Davis stated that the Authority has undoubtedly tried to work with the Woods Hole Community Association and Woods Hole Business Association, as well as other community groups, during the terminal design process. Mr. Davis stated that it was recognized at the onset that there would be conflicting outcomes and that the Authority would take as many of those into account as possible when staff presented the Authority with a recommendation for the terminal’s design. Ms. Wilson said the Authority should continue to do the best it can to design the best terminal building it can while addressing the community’s concerns as best as it can.

Status on the Implementation of HMS Recommendations:

Mr. Davis then provided an update on the Authority’s implementation of the recommendations of HMS Consulting, Rigor Analytics and Glostern

Associates. The Authority received four (4) responses to its Request For Proposals for a Safety Management System (SMS) and a Quality Management System (QMS). The responses are currently being evaluated, Mr. Davis said, and he anticipates having a recommendation for the Members at the June 2019 Board meeting.

Mr. Davis also reminded the Members that HMS Consulting and Glosten Associated would be on site between June 5, 2019 and June 8, 2019 to conduct workshops with the Board, Port Council and staff on implementation planning. Mr. Davis said staff was reviewing the agenda for Wednesday, June 5, 2019, to determine the time requirements for the Members but it appeared that the session would run a little longer than half a day. The second Board meeting, on Saturday, June 8, 2019, should be shorter and focus on the action plans developed during the previous two (2) days of work with staff.

Proposed 2020 Budget Policy Statement:

Mr. Davis reviewed the draft 2020 Budget Policy Statement with the Members. He noted that, for the estimated revenue projection, the Authority would be using actual traffic statistics for the most recent twelve (12) month period, or August 1, 2018 through July 31, 2019. The projected operating expenses will be based on the proposed 2020 operating schedules, anticipated maintenance and repair schedules and roughly the same number of employees as 2019.

Other highlights of the draft policy included:

- The Authority will continue to provide training for its employees at levels that ensure safe and efficient operations.
- The Authority will use information technology systems to improve customer services and reduce operating costs, where possible.
- Mr. Davis noted that staff have already been working on incorporating its training materials into its Learning Management System in advance of a company-wide launch of the MarineLS product, which will be a centralized hub for training and assessment programs. In addition, once the proposals for the SMS and QMS are vetted, staff should have a clearer assessment of what those costs will be for 2020.
- The cost for vessel fuel oil will reflect the then-current forecast for oil prices or the Authority's hedge program cost cap, including the hedging premium, whichever is lower.
- The proposed 2020 Operating Budget will include a full year of

depreciation for the M/V Sankaty bow thruster replacement and a partial year for a portion of the Woods Hole marine reconstruction project.

- The Authority will maintain sufficient fund balances to meet the currently scheduled debt services requirements plus the additional balance required by the upcoming issuance of bonds during 2019, currently estimated at \$1,000,000.

Additionally, Mr. Davis said the Authority will look to avoid rate increases as it takes into account staffing changes as a result of the implementation of the HMS report's recommendations. Mr. Hanover said that he appreciated that but, at the same time, he did not want to "go cheap" on the implementation plans and that he would have no problem raising rates to do so. Mr. Davis said there will definitely be a cost to the implementation plans and that, given that the Authority has an extensive dry dock list for 2020, the additional positions and products for the Authority make a rate adjustment inevitable.

Mr. Davis noted that the Port Council voted to approve the draft policy as presented at its May 1, 2019 meeting. He further said he expects to have a draft budget ready for the September meetings of the Port Council and Board and to ask for a vote at the respective bodies' October meetings.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Wilson – to approve the 2020 Budget Policy Statement as proposed in Staff Summary #GM-720, dated May 15, 2019.

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

Results of Pre-Season Promotion
for the High-Speed Passenger Ticket Books:

Mr. Davis then reviewed the results of the preseason sale for high-speed ferry ticket books, stating that 4,361 books were sold this year, representing a 3.2% increase compared to a year ago. He noted that approximately 50% of all high-speed ferry ticket books sold are done

during this time frame and that 55% of all the sales were to island zip codes. This year, one company bought fifty-two (52) books, which represented the highest sales for a single profile this year, and another bought fifty (50) books.

Fairhaven Dredging Agreement:

Mr. Davis recounted that the Authority was approached by the New Bedford Port Authority about a program to continue dredging activities in the harbor and asked if the Authority would need any dredging done at its Fairhaven Vessel Maintenance Facility. Mr. Davis said a survey at that facility showed some sediment building on the ocean's bottom and that it was important to ensure there was sufficient water under its vessels. Mr. Davis further recounted how, following a recent storm, staff had discussed how many vessels it may be able to berth at the facility to keep them out of harm's way. Rafting the vessels together is not a feasible option due to the differences in freeboard and rub rail heights, so the Authority has been examining the construction of monopiles on the south side of the property line and installing a fendering system and catwalk to allow the Authority to berth another two (2) vessels at the facility. Mr. Davis said staff was in the process of identifying federal grant funds dedicated to storm hardening that could fund the installation of the dolphins.

Mr. Davis said the area to be dredged would include the space for the additional vessel berthing; regardless of whether or not that project proceeds, however, the dredging is a necessity. The project engineering costs, dredging activities and tipping fees are combined into one bid, estimated at \$100.00 per cubic yard, to be managed by the New Bedford Port Authority. The Authority would be responsible for 20% of the costs; with an estimated dredging volume of 7,000 cubic yards, the total of the Authority's share would be approximately \$140,000 he said. Mr. Davis noted that the Port Council unanimously voted to recommend sending a letter of intent to the New Bedford Port Authority regarding the project.

Mr. Walker noted that the additional fendering system would allow the *M/V Governor* to be stored in Fairhaven over the winter instead of out of state. In response to a question from Ms. Tierney, Mr. Walker said it costs approximately \$30,000 to \$40,000 to store the vessel at Thames Shipyard in New London, Connecticut, including the cost of electricity and mooring fees. Mr. Davis further noted that the Authority has, at times, had to move the *M/V Iyanough* to the Fairhaven Shipyard, so the additional berthing space would be a huge benefit to the Authority.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Tierney – to proceed with maintenance dredging at the Authority’s Fairhaven Vessel Maintenance Facility and, furthermore, to authorize the general manager to sign a Letter of Intent with the New Bedford Port Authority to pay dredge material disposal costs of an estimated \$140,000 to the City of New Bedford for the disposal of dredge materials into the newly formed CAD cell, as proposed in Staff Summary #E 2019-4, dated May 15, 2019.

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

Letter of Support for Designation of
Nantucket Sound as National Historic Landmark:

Mr. Davis said the Authority was approached by the Alliance to Protect Nantucket Sound regarding a letter of support to designate permanent protection of Nantucket Sound through federal legislation declaring it a National Historic Landmark. The Authority was subsequently able to obtain and review a copy of the proposed letter, along with letters of support authored by the Office of the Governor of the Commonwealth and the Cape Cod legislative delegation.

Mr. Davis noted that other marine sites, such as the Erie Canal in Montgomery County, New York, have similarly been designated National Historic Landmarks because, like Nantucket Sound, they have archeological and historic significance.

Mr. Davis said the Authority confirmed with the Commonwealth’s State Ethics Commission that no conflict of interest rule prevents the Authority from lending its support to the enactment of the proposed federal legislation. The Authority also considered if the legislation would have an impact on its operations, but it was unable to identify any such impact. Mr. Davis said the legislation would preserve the sound in its current state and, therefore, would allow the Authority to continue to provide transportation to and from Nantucket and Hyannis.

Mr. Hanover noted that the Alliance was trying to protect the Sound from development from wind farms and oil rigs. He asked Mr. Davis if there would be any impact on the Authority's operations and Mr. Davis said at this point he was not aware of any, noting that Hy-Line had signed on to the letter as well.

IT WAS VOTED – upon Mr. Ranney's motion, seconded by Ms. Tierney – to confirm and publicize its support for the enactment of the proposed federal legislation establishing Nantucket Sound as a National Historic Landmark for the reasons set forth in Staff Summary #GM-721, dated May 16, 2019

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Wilson	10 %	
Mr. Ranney	35 %	<hr/>
TOTAL	80 %	0 %

Ms. Tierney abstained from voting on the motion.

Discussions with Town of Tisbury regarding use of the Authority's Pump-Out Station in Vineyard Haven:

Mr. Davis noted that he and Mr. Rozum recently met with the harbor master for the Town of Tisbury regarding shoaling in the harbor and that, during those conversations, the vessel pump out boat that the town uses was discussed. The town had been offloading its pump out boat at Packer's Marine, but recently, the town ran into trouble with that arrangement, so the town was looking to the Authority to see if its system was capable of pumping out the town's boat. Mr. Davis said staff had concerns about the impact on the Authority's system and that the vacuum used could have a negative impact on the town's boat. One of the options discussed was to have the town run a pump-out line that only it could access along the dingy dock. The town is planning sidewalk work nearby, and would coordinate that work with the connection of the pump-out line to the town's sewer main. Mr. Davis said he told the town it would have to submit its proposal to the Authority by Friday, May 17, 2019, in order for the Board to consider it at this meeting; however, the town had yet to submit any proposal. Mr. Davis said he would like the town to show a proof of concept for the plan before issuing a letter of intent to proceed, which in turn, would allow the town to seek Coastal Zone Management funding for the project.

Mr. Balco noted that he had some discussions with harbor officials and the town's Department of Public Works and said a problem that has not been discussed is that the water from the town's pump-out boat is saltwater, which would then enter into a freshwater system and would present a problem. Mr. Balco said the waste should be handled separately, ideally at the wastewater treatment plant itself, and that he did not think the Authority should move forward until the entire concept was discussed more thoroughly. Mr. Hanover said he would also like to talk with Ralph Packer about the situation, and Mr. Davis said staff would continue to follow up with the town.

Disclosure of Potential Conflict of Interest:

Mr. Davis said the Authority had sent a draft disclosure to the State Ethics Commission relative to himself, Mr. Kenneally, Ms. Kennefick and Counsel Steven M. Sayers advising the commission – and by virtue of this discussion, their appointing authority – about the nature of a particular matter in which they may have a financial interest; namely, the Authority's potential compliance with the Massachusetts Family and Medical Leave Law.

Mr. Davis stated that, when Governor Charlie Baker signed the bill into law on June 28, 2018, it was understood at the time that not all governmental entities would be subject to the act. The Authority was operating on the basis that it would not be subject to it; however, on May 15, 2019, the state's Comptroller notified the Authority that it is considered a covered employer under the law. Therefore, starting on July 1, 2019, the Authority would be required to contribute 0.63% of each employee's wages to the Family and Employment Security Trust Fund.

Mr. Davis stated that the law also allows an employer to allocate responsibility for a portion of the payment to the trust fund to the employees through payroll reductions. Therefore, the conflict arises because, however the Authority ultimately proceeds in regards to the collection of the trust fund contributions, Messrs. Davis, Kenneally and Sayers and Ms. Kennefick stand to be financially affected by any decision by the Members, including whether or not to contest the Commonwealth's conclusion that the Authority is an "employer" under the law.

Ms. Wilson asked if the Board gave consent to waive the conflict now and then developed concerns could that consent be withdrawn; Mr. Kenneally responded in the affirmative, since the Board can dictate the activities of the Authority's employees. However, the Board would have to communicate such a desire to management.

In response to a question from Ms. Tierney, Mr. Davis stated that Mr. Sayers was included in the disclosure because he will work with the Authority's unions to negotiate the matter through collective bargaining. By his involvement in that process, he would also, ultimately, help determine how nonunion personnel are treated as well. Mr. Davis noted that Messrs. Kenneally and Sayers and Ms. Kennefick had already made their disclosures to him and he had approved them; it was now up to the Members to decide if they would do the same for Mr. Davis.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Wilson – to declare that the Members agree that the financial interest of Mr. Davis in the aforementioned matter is not so substantial as to be deemed likely to affect the integrity of the services which the Commonwealth may expect from him.

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

Public Comment:

Mr. Hanover asked for public comment, but none was offered.

At approximately 10:36 a.m., Mr. Hanover then said he would entertain a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on April 16, 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or 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. These matters include:

- The 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;
- The litigation: “In re: Woods Hole, Martha’s Vineyard and Nantucket Steamship Authority; Civil Action No. 17-cv-12473-NMG; U.S. District Court for the District of Massachusetts;”

- The potential for lease or acquisition of real property;
- Negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority’s Reservation Clerks and other Customer Service Department employees; and
- Anticipated Negotiations with the Unions (Teamsters Union Local 59, SEIU Local 888 and MEBA) of All the Authority’s Represented Employees Regarding the Implementation of the Massachusetts Paid Family and Medical Leave Act and the contributions to be paid by the SSA and its employees under that Act beginning July 1, 2019.

The public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. Mr. Hanover further noted that, after the conclusion of the executive session, the Board would not reconvene in public.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Wilson – to enter into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on April 16, 2019; to discuss the Authority’s strategy with respect to pending litigation; to consider the purchase, exchange, lease or 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. Hanover	35 %	
Ms. Wilson	10 %	
Ms. Tierney	10 %	
Mr. Ranney	35 %	<hr/>
TOTAL	90 %	0 %

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the
May 21, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. May 21, 2019 Meeting Memorandum, dated May 16, 2019.
2. Revised May 21, 2019 Meeting Memorandum, dated May 20, 2019.
3. Video and audio recording announcement.
4. Minutes of the April 16, 2019 meeting in public session (draft).
5. Minutes of the May 15, 2019 meeting of the Port Council, dated April 11, 2019 (draft).
6. Business Summary for the month of March 2018.
7. Power Point Presentation delivered by William J. Cloutier regarding the Woods Hole Terminal Reconstruction Project.
8. Letter to Robert Jones, Chair, Woods Hole, Martha's Vineyard and Nantucket Steamship Authority, from the Woods Hole Community Association, dated May 16, 2019.
9. Staff Summary #GM-720, 2020 Budget Policy Statement, dated May 15, 2019.
10. Multi-Ride Passenger Book Sales, 2014-2019
11. Staff Summary #E 2019-4, Authorization of "Letter of Intent" to participate in Phase V dredging project in New Bedford Harbor, dated May 15, 2019.
12. Staff Summary #GM-721, Support for establishing Nantucket Sound as a National Historical Landmark, dated May 16, 2019.
13. Letter to State Ethics Commission, dated May 20, 2019.
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

June 5, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 5th day of June, 2019, beginning at 10:00 a.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. Four members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County (who left at approximately 2:10 p.m. following discussion of the Engineering Resources recommendation); Secretary Kathryn Wilson of Falmouth; Robert F. Ranney of Nantucket. Member Moira E. Tierney of New Bedford was absent during the initial portion of the meeting but arrived at approximately 2:19 p.m.

Port Council Secretary Robert V. Huss of Oak Bluffs and Port Council Member Rob Munier of Woods Hole were also present, as was Dukes County Commissioner Leon Brathwaite and the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Director of Information Technologies Mary T.H. Claffey; Director of Human Resources Janice L. Kennefick; Director of Marketing Kimberlee J. McHugh; Director of Operations Mark K. Rozum; Health, Safety, Quality, and Environment Manager Angela M. Sampson; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Jones 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. Mr. Driscoll was making an audio recording of the meeting, as were Louisa Hufstader (representing the *Vineyard Gazette*), Rich Saltzberg (representing the *Martha's Vineyard Times*), and Nat Trumbull.

Introductions and Overview:

Mr. Jones noted the day's session would be more informal than most in terms of asking questions and submitting comments during the day and would entirely consist of discussing the recommendations contained in the comprehensive overview of the Authority's operations conducted in 2018 by HMS Consulting, Glosten Associates and Rigor Analytics. He then introduced the Members who were in attendance at the session.

Mr. Jones then turned the meeting over to John Sainsbury, president of HMS Consulting, who introduced Matt Lankowski and Ed Garrahy, ocean engineer and senior marine engineer, respectively, with Glosten Associates. Mr. Sainsbury noted the team has worked with the Authority for a while and become familiar with its operations.

Mr. Sainsbury noted this workshop would be a departure from the norm for the Board meetings in that it is intended to be a workshop, in which discussion, comments and questions from the Board and staff are to be encouraged. Mr. Sainsbury said he and his team need that perspective as they start to address the ten (10) recommendations contained in the report and said it is vital to receive the input of the people who will be conducting the implementation of the recommendations.

Mr. Sainsbury described the strategic improvement process and recounted how, last year, the Authority had identified the need to reduce the risk of not being able to deliver the expected level of service, which was the objective of the process. The subsequent review generated ten (10) recommendations, each one inspiring initiatives, which represent the strategic goals of the process. The initiatives require a strategy to accomplish; the planning phase includes details of the implementation of the selected strategy, identifies the necessary tasks and measures success. Mr. Sainsbury noted that the workshop would cover the last two (2) portions of the process and would hopefully get the Board and Authority management from the recommendations to identifying strategies to implement them. He added that planning is, by definition, a life cycle that includes not only developing the plan but also executing it and monitoring its progress to ensure success.

Mr. Sainsbury said the goal at the end of this day was to have identified, through consensus, a high-level strategy for each initiative. In subsequent days, Messrs. Sainsbury, Lankowski and Garrahy will work with staff to fully vet the strategies and put them into project plans that will be combined into overarching implementation plans that will be presented to the Board for final approval at its meeting scheduled for Saturday, June 8, 2019. Mr. Sainsbury said it is essential

that any questions the Members have be addressed and that they are each clear on the strategy for implementing each initiative, how the initiatives will work together and that the Authority has adequate resources and timing to accomplish each in a logical way.

Mr. Sainsbury then reviewed the participants and their respective roles in the process: (1) the Members will provide direction and approval of the project plans; (2) the staff will provide input and execute the planning for each project; and (3) the consultants will provide facilitation and advice throughout the process.

Mr. Sainsbury reviewed the ground rules for the workshop: focus on improving the Authority and not finding faults (i.e. looking toward the future, not the past); encourage participation from all stakeholders; and to stay focused and keep to the agenda. Mr. Davis added that he hoped everyone would view the recommendations in terms of how the Authority can improve itself moving forward and not rehash what has already occurred.

Mr. Sainsbury then described the workshop process as follows:

- **Review and clarify:** Review the recommendations and possible initiatives, clarify the intent and answer questions.
- **Brainstorm:** Group brainstorm on each recommendation, identifying any issues and considering solutions.
- **Reflect:** Consider alternatives that may or may not be better suited to the recommendations.
- **Strategize:** Develop a preliminary strategy for the preferred alternatives and prioritize them as necessary.
- **Plan:** Further develop the proposed strategies.
- **Propose:** Propose initiative strategies for approval.

Mr. Garrahy noted that there is a lot more background work that the consulting team did to develop the ten (10) recommendations and reminded the participants that the recommendations represent the distilled version of the Authority's operations in order to find the biggest opportunities for improvement.

Mr. Sainsbury said that the brainstorming sessions would follow the review of each recommendation to keep the conversation focused on that topic. The issues raised would be written on large Post-It pads and affixed to the wall so that, as the reviews proceeded the participants could compare questions, strategies and potential challenges that could occur over multiple projects. (See Appendix A for reproductions of the notes referenced above.)

For each recommendation, Mr. Sainsbury said the discussion would include background, what the objective of the recommendation is, what the Authority is trying to achieve by implementing the recommendation, what the requirements are for the implementation, and what actions have already been taken to date, if any, on the recommendation.

Safety Management System:

Mr. Sainsbury noted that, during the consultants' visits in 2018, they noted a lack of process at the Authority that contributed as a root cause of all the incidents that were reviewed. While humans make mistakes, Mr. Sainsbury noted that the objective of the recommendation is to train people as best as possible and give them the proper tools to avoid mistakes as much as possible. That is what the Safety Management System (SMS) is focused on, and it also allows for learning from mistakes when incidents happen in a spirit of continuous improvement.

Mr. Garrahy noted that implementation of an SMS is required for many ocean-going vessels, but it is not specifically required for the Authority's vessels. Mr. Sainsbury added that the recommendation is to implement it in the spirit of not just trying to comply with a regulatory requirement but as a best practice. Ms. Wilson asked if that process had already started, to which Mr. Davis replied it had but the recommendation was for a more formal SMS system that would house the policies and procedures already created by the Authority as well as expand on them. Mr. Davis also said the recommendation includes standardizing the documentation of procedures as a lot of knowledge has been passed from one person to another over the years and not documented.

Ms. Wilson asked if the Authority would choose to follow that standard practice or to pick certain elements of the SMS to implement, to which Mr. Sainsbury said there is no point to doing it unless the Authority is fully committed. While it is not a regulatory requirement under U.S. Coast Guard regulations, it is under international regulations, he said. Mr. Amundsen added that an SMS represents the best marine practices wrapped up in one package and that, in international operations, the goal was to get all operators working from the same requirements and the best marine practices.

Mr. Sainsbury said the objective of the recommendation was to develop a process-based culture at the Authority regarding the operation of the fleet and ends up touching on every aspect of vessel operations, although it does not address shoreside operations.

The requirements of the recommendation are that staff take the time to fully document all the Authority's policies and procedures, Mr. Sainsbury said. While a lot of that is already done, the SMS will pull it all into a system that will allow for tracking and control of the documents as part of the process of continuous improvement. The SMS also requires external auditing to bring outside perspective and experience to the system and the appointment of a "designated person" who will actively manage the system and ensure it is doing what it is intended to do.

Mr. Sainsbury said the Authority's actions to date include issuing a Request for Proposals ("RFP") for both a Safety Management System and a Quality Management System; Mr. Davis said four (4) responses have been received and are being evaluated by staff. Mr. Garrahy noted that the Authority's RFP was consistent with what was recommended in the comprehensive review. Additionally, Mr. Sainsbury said the Authority has named its designated person for the SMS by virtue of hiring Ms. Sampson as its health, safety, quality and environment manager. He added that the Authority has already accomplished a lot on this recommendation and noted that it is a long process that will continue to take a lot of time and effort, both to develop and implement as well as to see results from the project.

Mr. Sainsbury then asked for possible limitations to the plan the Authority had already embarked on in this regard, to which Mr. Jones said he did not understand how to respond without the plan for the SMS in place. Mr. Sainsbury gave the example of a SMS being developed but not properly implemented, adding that it is not as simple as creating a manual and sending it to the boats to learn. The SMS requires a culture change, he said, and crews need to be indoctrinated to the culture change if the plan does not address it.

Mr. Jones said the system would need to be somewhat consolidated as volumes of paperwork and technical manuals would take a weeklong course to get through, so it would make sense to focus on a particular set of positions on a boat first. Mr. Sainsbury said that, if implemented properly, the crews will quickly understand the documentation process and it will become less daunting than it initially seems. Eventually, the documentation will make a crewmember's job easier as he or she will spend less time on issues they typically run into on a given day.

Mr. Garrahy noted that, when he was at sea, safety management systems were fairly new and the companies that implemented one were doing so to "check a box" and the systems did not end up enhancing anyone's job. He said it is easy for an SMS to be implemented in a way that makes them a paperwork burden that does not have value, but he further noted this is the very beginning of the

process and, over the next two days, staff and the consulting team would work together to develop a strong implementation plan. He noted that embracing the SMS would mean a big cultural shift for the Authority.

Mr. Sainsbury said another barrier is that vessel crews need to focus on the operation of the vessels while on duty, but the process change needs to start at the top with an actively involved management team who will be responsible for managing the system. He said, based on what was addressed in the RFP and in the responses so far, those problems are common and are being addressed by the responsive vendors, who are very qualified firms with experience in this area. Additionally, Mr. Sainsbury said the Authority has added people to staff who also have experience with SMS protocols. Mr. Davis noted that the crews have to be an active participant in the process to achieve the cultural shift Mr. Sainsbury noted.

Regarding the designated person required for the SMS, Ms. Wilson said communication would be key to a successful implementation and asked whom the vessel crews could talk to if they perceived a problem and if there was a hierarchy to address any concerns. Mr. Sainsbury replied that such a hierarchy is a key to the system and its functionality. A chain of command will need to be established so complaints and concerns do not go unaddressed; additionally, he said, if a crewmember is not comfortable speaking to his or her supervisor, the designated person is an alternative who can speak to the concerns in a confidential manner. The designated person has access to higher levels of the chain of command and is outside of the vessel operation process so there would be no conflicts, Mr. Sainsbury said. Mr. Amundsen also noted that it is common for the external auditors to interview crews as part of their process.

Mr. Walker said crews need to know management is involved and that if manuals are simply presented to them it is difficult to have buy-in for a new system.

Regarding the required external resources, Mr. Sainsbury noted that the process will require an external vendor and possibly consultants to get the SMS operational and it will take a lot of internal resources as well in terms of labor, expertise, and funding. Mr. Walker noted that, in addition to high-level resources from the managerial level, one of the things that needs to be discussed is support staff and the work they will have to do to assist in the implementation process.

Mr. Lankowski said all of the process-based improvements recommended in the review will shed light on other areas of the Authority that can be improved. One of the complications with the lack of having processes to help identify the small, latent issues is the difficulty in identifying where the resources are lacking

or where inefficiencies are hidden; the process-based improvements will help to do just that, he said.

Regarding the timeline for the project, Mr. Sainsbury said the RFP went out quickly following the issuance of the report. The responses to the RFP and issuance of a contract are the next steps, but from that point the development of the SMS itself will take a good length of time before the implementation begins. In relative terms, the timeline for the total process is long, he said.

In response to a question from Ms. Wilson, Mr. Davis said the RFP process is closed and the four (4) responses received are the only ones under consideration. The review team will examine them without the financial information, then the financial proposals will be opened before the final rankings are determined and the proposal brought to the Members for their review.

In response to a question from Mr. Jones, Mr. Sainsbury said development of an SMS typically takes six (6) months to a year depending on how much material already exists. Following that, implementation can take another six (6) months to a year to complete. Mr. Garrahy said while the target for completion is further out, if the implementation is embraced and all is done well then, once the culture of process is in place, the benefits will be apparent. Mr. Amundsen said he believed it would be three (3) years before the system was fully implemented.

Mr. Munier noted that the ships operated by the Woods Hole Oceanographic Institution, where he serves as director of marine operations, use an SMS and the organization is “all in” on them being a priority. Mr. Munier asked if the SMS and Quality Management System would be integrated; he said he believed the SMS to be of higher priority and, as such, it would be his suggestion to detach the two as, relatively speaking the SMS can be implemented more quickly than the QMS, which covers the entire organization. Additionally, Mr. Munier said the implementation of the SMS could serve as a kick-start to the culture change that will be needed to fully embrace process-based culture. Mr. Garrahy noted that, because the QMS is a bigger goal, it will be a harder item to implement. Mr. Sainsbury said that the consulting team wanted to make sure the Authority had options and that the two (2) systems could be handled separately, but they felt having a single outside expert to help with both was the best way to proceed.

In response to a question from Mr. Jones, Mr. Sainsbury clarified that an SMS focuses on the fleet while the QMS focuses on the service being provided by the Authority. The latter system touches on all aspects of the organization, from ticket selling to vessel overhauls to IT systems, which is why it takes longer to

implement. However, it is basically the same process as the SMS, which is why it makes sense to tackle them in tandem.

Regarding risks to implementation, Mr. Sainsbury said the largest is likely the potential of a QMS to hold up the implementation of the SMS and a poor implementation of the program.

Regarding the alternatives, Mr. Sainsbury said none have been identified but that question can be explored with the staff during the following days. Mr. Sainsbury said what the consultants essentially wanted from the Board now, on the SMS issue and the subsequent projects, was a consensus that the project was headed in the right direction and that the consultants and staff could continue to develop this and explore answers to further questions that might arise; on the SMS project, the Members concurred with the discussion thus far.

Quality Management System:

Regarding the requirements and actions taken to date, Mr. Sainsbury said they are essentially the same as for the SMS project because the two will be implemented in tandem. He said it is safe to say that the basic outline of the QMS project is the same as for the SMS project, except that the timeline is a little longer and the resources will involve the entire organization, not just the vessel crews. That brings up some risk, he said, as the Authority does not want the QMS implementation to delay the SMS implementation.

Mr. Jones asked what an example of an alternative would be to these projects, to which Mr. Sainsbury replied that the Board could identify alternate approaches to some projects but that, in the cases of the SMS and QMS projects, there are no true alternative methods to explore.

Learning Management System:

Mr. Sainsbury noted that, while the Authority has a lot of training material created, it is not in a system that allows for easy and consistent maintenance, management, and access. The marine industry has developed multiple systems that can be used to this end, and the Authority's objective is to develop an efficient system to administer and catalogue, easily disseminate and track all training evolutions. Mr. Sainsbury noted that some people might use programs such as Microsoft Excel to track employee training; an LMS simplifies the process.

Mr. Sainsbury said the Authority has already undertaken this process by engaging Marine Learning Systems LLC (MLS) to provide and maintain an LMS. The system will allow the Authority to identify gaps in training and provide a motivation for employees to keep track of their own training opportunities and requirements. Mr. Sainsbury noted the MLS software was very efficient in that it is web-based so any employee can access the training and continue the process.

Mr. Davis noted that, while this will be a separate system from the SMS and QMS, those products and the LMS will have a degree of integration, which will help insure the LMS is effective.

Regarding the actions taken to date, Mr. Sainsbury noted that the Authority has already signed a contract with Marine Learning Systems. Mr. Davis added that staff have been working on developing the platform so it is tailored to our organization and that a team has been working in-house on a weekly basis. So far, reaction to the system has been enthusiastic, he said, and testing is underway to determine how easy the system is to use.

Mr. Sainsbury noted there appeared to be no limitations regarding this project.

Regarding the timeline, Mr. Davis said initial use of the system is probably about one month away and that staff was working on getting as much content in the system as possible. He added that it would end up being somewhat of a work in progress as new material is developed.

As to the project's risks, Mr. Davis noted the system will need continuous management to be successful. Mr. Jones added that it will need to become part of the Authority's ongoing culture and embedded in the Authority itself to be deemed a success. Mr. Garrahy said that, having spoken with employees at other organizations that have implemented an LMS, those individuals have seen how valuable it is to have those materials in one place.

In response to a question from Mr. Brathwaite, Mr. Sainsbury said he would view the LMS as a tool to deliver the training necessary for the items included in the SMS and QMS.

Mission Statement:

Mr. Lankowski said there has been longstanding confusion between various stakeholders about the Authority's mission, which has been aggravated by the lack of a clear mission statement for the organization. The most powerful

language now in use has been “Lifeline to the Islands,” but there remains confusion as to what, exactly, that means. Mr. Lankowski said it is generally understood that the Authority’s mission is to provide safe and reliable transportation, but, as far as deciding tradeoffs in achieving that goal and arriving at answers to hard decisions, the organization would benefit from having more of a foundation on which to rely.

Therefore, the objective of the recommendation is to provide management with guiding principles for decision-making and to align the expectations of all the Authority’s stakeholders, Mr. Lankowski said. He noted that it is easy to see there is a lot of interest and discussion on what the mission of the Authority should be, so the objective is to make that more clear to all involved.

Mr. Sainsbury said his team have talked a lot about “culture” during the review process, and the mission statement speaks to just that – telling employees and the community what the culture of the Authority is all about. If employees have that ingrained in their head as they go through their job on a day-to-day basis, they can use the mission statement as guidance for their decisions.

Mr. Jones said he agreed that the mission statement should be very condensed and that he has seen examples of ones that go on for a page or more. The mission statement should set the parameters that subsequent decisions will be based on, he said.

The requirements for the project are that the mission statement be clear and concise; provide unifying direction from all constituencies and buy-in from the Members; and that it be easily accessible to all stakeholders. Mr. Garrahy added that it should allow Mr. Davis to have support for his future decisions.

Mr. Lankowski identified some limitations to the project, namely the time and energy it will take to implement. Mr. Jones noted that a mission statement will have to contend with the Authority’s multiple groups of stakeholders with varying ideas. He said that the mission statement that was developed in the 1990s deliberately mirrored the Authority’s Enabling Act for that very reason and said that another limitation of this project is that it may not be all encompassing for all people.

Mr. Sainsbury agreed that the mission statement will not satisfy everyone but that it will be something that everyone can agree on, despite conflicts that will arise in differing communities. The statement will need to be reflective of the environment the Authority operates in, he said, and attempt to find common ground. There cannot be two mission statements that are in conflict, and that is another limitation of the project as a whole, he said.

Ms. Wilson noted that finding common ground and reflecting all the port communities would be important to consider. She said that the perspective from each community is different than how other port communities regard each other because everyone is at the center of their own world and that it is hard to transplant yourself to how other port communities may view the same topic.

Mr. Jones said it will be hard, if not impossible, to address the needs of every single village with which the Authority interacts, but the strategic plan can have more definition and complexity to it. Mr. Jones said he did not understand why the Authority's mission statement needed to change from "Lifeline to the Islands,"¹ but Ms. Wilson said it would need to be broader than that.

Mr. Jones said he was in favor of going out for professional review of the mission statement and strategic plan, but they should be considered separately. Mr. Sainsbury said the Members had addressed several risks to the project, namely that the mission statement either may not provide enough direction or may address too much.

Regarding the strategy to develop the mission statement, Mr. Lankowski said it would take a lot of time and effort to do internally because of the Authority's multiple constituencies. While the Authority can attempt to do the project in-house, he noted that a lot of companies end up seeking outside resources. Mr. Lankowski asked if there was another alternative, to which Mr. Hanover replied he felt the Board should give it a shot and that the Members could produce relatively quickly. Mr. Brathwaite provided to Mr. Hanover a suggestion of "to provide safe and reliable transportation for the islands while maintaining a good relationship with the port communities."

Mr. Sainsbury said the Members would certainly be able to address the common ground needed between the port communities, but the Members would have to work to ensure the mission statement was realistic. Using internal resources would take less time, but require more resources, while an external vendor would take less staff time, but potentially be a longer and more expensive process. In response to a question from Mr. Driscoll, Mr. Sainsbury said the scope of a consultant's work to gather input from the port communities would vary depending on their specific proposal.

¹ Reporter's note: Although "Lifeline to the Islands" has been a phrase that has long been associated with the Authority, it was developed as a marketing tagline and was never formally adopted as the Authority's mission statement.

Ms. Kennefick said while the mission statement could be created internally, the challenge would be getting it communicated to the employees and, in turn, getting them to own it as their own.

Mr. Garrahy noted another risk was, if meetings were held in the communities, an expectation could be created regarding their comments and their inclusion in the mission statement, and that may be an expectation that cannot be met. Even in a smaller group, the creation of the mission statement could be a long process with many varied opinions to reconcile.

Ms. Wilson said the mission statement should be pinned to the Enabling Act, which is the underlying foundation for the Authority. She said it also should be as short as possible and attempt to resolve some of the ambiguity of the Act. Mr. Jones said her comment was well put and that, in his experience in the nonprofit community, a broad process can end in disaster.

Mr. Sainsbury said the two (2) options identified have different risks and resource needs, but the decision on which path to take boils down to the Board's confidence level of being able to address the risks involved if the process proceeds internally versus using an outside consultant.

Strategic Planning:

As background, Mr. Lankowski said the Authority has historically been good at reacting, but there is significant room to improve on its long-range planning. Additionally, there is unclear decision-making direction throughout the organization. Therefore, the objective of this recommendation is to prioritize and align efforts throughout the organization. The requirements of the project are to clearly define where the organization is now, where it wants to be, and to identify the steps needed to get there.

Mr. Sainsbury said strategic planning is not something that is done once and then completed, but rather an ongoing process. He said some ferry systems are required to do 10-year or 15-year strategic plans and that, typically, those plans go on a shelf and there is no continuance of the process after that time. A proper strategic plan should become part of the Authority's culture and something that is constantly worked on.

Mr. Lankowski added that this recommendation is where the Authority can solicit more detail from its stakeholders on their priorities for the Authority, what compromises need to be made to achieve those priorities, and what the Authority's long-term plans should be.

Regarding resources, Mr. Lankowski said someone needs to lead the effort and that it would take a fair amount of effort from the Authority's leadership to develop the plan. This is an area, he said, where the Authority may be well-served to have external help, especially as the level of expertise required for such a project is high.

Mr. Lankowski said he would expect the timeline to be at least three to six months to develop the first medium to long-range plan, and then more time to develop an annual maintenance schedule of that plan. Mr. Davis said, knowing the number of different stakeholder groups the Authority has to address, he said the timeline would have to include community input for the planning process. Mr. Lankowski noted that the recommendations were being discussed individually, but some prioritization would be needed as to which ones should be undertaken first. He also said that some recommendations were necessary prerequisites for other recommendations.

Mr. Lankowski noted that the risks would vary depending on the strategy selected. Mr. Jones said if the process does not result in any consensus being reached than that could be a "game stopper" and would turn the planning process into a political issue. If that is the case, he said he would rather not do strategic planning or would have it include only those goals and objectives that were not specific. While the process can be a great one, it must also be done deliberately to make sure it is done right, he said.

Mr. Garrahy said he would assume that the conflicts being discussed will play out somewhere and that, if a small group can be convened to develop a strategic plan, it would give management cover to make decisions that could prove unpopular with certain constituencies.

Mr. Hanover noted that, via its capital budget, the Authority had already listed the things it needs to do first – replace boats, replace slips, and other capital projects that are a part of its operations. Mr. Garrahy replied that starting with the items that the Authority "needs" to do takes away the ability to make decisions that could affect those needs. Mr. Sainsbury said, when he has observed in-house strategic planning efforts, they often stall out because everyone on the team already had their own jobs to do. There is a definite risk to the effort not being maintained, regardless of whether or not it is an internal or external process, he said, but the Board would need to decide in which direction it wished to proceed. Mr. Jones said he saw that decision as an agenda item for the Board to consider and that, while the strategic plan is necessary, it was very important to properly consider how it would be done. Mr. Sainsbury said he agreed and said that was essentially what was trying to be accomplished today.

Performance Metrics:

Mr. Lankowski said the consultants found the Authority's employees to have diverse skills and have a desire to help wherever they can, and that this recommendation was not intended to quell either of those traits. However, the review did uncover some inefficient uses of human resources, so the recommendation's aim is to tie performance metrics to the mission statement and the strategic plan to more closely align the organization's goals with how employee performance is measured, he said.

Mr. Jones said this procedure would be a completely new vernacular for most of the Authority's employees, who have not historically been reviewed according to a performance matrix or similar tools. He said this is an area where he believed that some professional assistance would be of use. Mr. Lankowski said one of the risks of developing more clear and precise performance metrics that are now being used to judge employees is that, without careful thought, the adherence to the metrics could end up being detrimental to the organization. Ms. Kennefick said that a review of an employee's core job responsibilities would also be a driving force in developing metrics that will lead to beneficial change to the Authority.

Regarding the requirements for the recommendation, Mr. Lankowski said the performance metrics should follow the SMART guideline and be specific, measurable, achievable, relevant, and time-bound. Mr. Lankowski reiterated that one of the problems the study team found during its review is that too many employees were performing jobs that were outside of their job description; by forcing the employees' evaluations to be tied to performance metrics, the goal is to let everyone specialize at what they are best at, he said.

Mr. Davis said he believed that the metrics would have to be carefully balanced, giving the example of a dock worker who is evaluated on the on-time performance of the vessels, that individual might then let a boat leave while someone is walking toward it across the parking lot instead of holding it for another minute to accommodate the passenger. The goal might be accomplished, Mr. Davis said, but at the cost of customer service. Mr. Sainsbury said that was part of the reason that this recommendation should be addressed following the successful completion of the mission statement and strategic planning processes so that the metrics could follow those organizational priorities.

Mr. Sainsbury said the question remained as to whether the development of the performance metrics would be done in-house, if an outside consultant should be used, or if there was a third option. Mr. Jones noted that the Board evaluates the general manager on a yearly basis, in part based on the goals that

Mr. Davis sets for himself for the prior year. Mr. Jones said the process was very difficult to do precisely and he said he imagined it would only be harder for a larger group of people. Mr. Sainsbury said part of the reason that the Members may have had difficulty was that Mr. Davis' goals did not adhere to the SMART guidelines in that most of them were not measurable, they were not very specific and several of them were repeats from the prior year. Mr. Sainsbury said that is why he and his colleagues were suggesting changes to the process that would carry throughout the organization, starting with the general manager and working their way down.

Ms. Kennefick said typically goals for a year are limited to three to five and that there may need to be given new thought to how they are rated as part of this process. Mr. Lankowski said those decisions would be part of the performance metrics recommendation; he noted that the review had stopped short of actually developing the actual metrics as those decisions would be part of the development process.

Mr. Sainsbury said the development of the metrics would not be simple and would require a certain amount of expertise, so the question was if the Authority would develop them in-house (following the strategic planning process) or if it would seek an outside consultant. Ms. Kennefick said she felt they could be done internally, and Mr. Jones concurred, saying what essentially is being discussed is what is known in the military as an efficiency rating. Mr. Jones said the process did not need to be more difficult than it had to be, to which Mr. Sainsbury agreed but added that it had to be done right and with precision since the Authority would be starting from scratch.

Mr. Ranney asked if the LMS system would be able to help track employee performance and goals, to which Ms. Kennefick said the system would be accessed by most employees only on an annual basis. Employee evaluations tend to include more behavioral ratings and a greater structure needs to be developed around those evaluations, although Mr. Lankowski said the LMS could be an aid to ensure that required trainings are being received by an employee.

Mr. Davis noted that he had begun to have conversations with nonunion employees about needing to look at the Authority's evaluation forms and identify areas for improvements. The Board will have the opportunity to provide direction as to what needs to be included on those forms, Mr. Davis said, adding that some more measurable intermediate and long-term goals for the respective positions need to be added.

Recess:

At approximately 12:45 p.m., Mr. Jones called the meeting into recess for lunch.

At approximately 1:23 p.m., Mr. Jones ended the recess and called the meeting to order. Four (4) members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County (who left at approximately 2:10 p.m. following discussion of the Engineering Resources recommendation; Secretary Kathryn Wilson of Falmouth; Robert F. Ranney of Nantucket. Member Moira E. Tierney of New Bedford arrived at approximately 2:19 p.m. during discussion of the Health, Safety, Quality and Environment Manager recommendation.

Port Council Secretary Robert V. Huss of Oak Bluffs was also present, as was Dukes County Commissioner Leon Brathwaite and the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Director of Information Technologies Mary T.H. Claffey; Port Engineer Stephen Clifford; Director of Human Resources Janice L. Kennefick; Director of Marketing Kimberlee J. McHugh; Director of Operations Mark K. Rozum; Health, Safety, Quality, and Environment Manager Angela M. Sampson; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Jones reminded the attendees 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. Mr. Driscoll was making an audio recording of the meeting, as were Messrs. Saltzberg (representing the *Martha's Vineyard Times*) and Trumbull.

Mr. Sainsbury's Comments:

Prior to restarting the meeting, Mr. Sainsbury told the Members that the objective today was to get a general direction from the Board on these recommendations with the understanding that the Members may have specific questions or wish to pursue alternatives to some of them. Those items were ones that he and Messrs. Lankowski and Garrahy would work on with Authority staff over the next several days prior to Saturday's scheduled Board meeting.

Engineering Resources:

Mr. Garrahy stated that the Authority is a large and complicated operation that he and his fellow consultants did not understand until they visited in July 2018 and how its employees are dedicated to all manner of activities with the purpose of providing safe and timely carriage of people and goods. However, he said that the consultants also believe that the Authority is underserved in certain areas, one of which is engineering resources. He said the understaffing in that area is increasing the likelihood of operational issues and is affecting the Authority's ability to accomplish its key tasks.

Mr. Garrahy said the consulting team looked at the issue a number of different ways, examining the engineering department's training, planning, and management of repair projects, all of which directly and substantially affect the reliability of the Authority's vessels. There is a small number of people carrying out those functions, he said, and the consulting team recognized that there were not enough employees to achieve the Authority's goals.

Therefore, the objective of this recommendation is to add resources and reorganize to separate project operations from vessel repair efforts and to shift efforts from reactions to deliberate planning. Given the size of the Authority's fleet, Mr. Garrahy noted that vessels are in repair, overhaul or dry dock all year round and that the group of employees responsible for managing operations are torn between two (2) different functions. When there is a problem with operations, then project efforts suffer; likewise, when overhaul projects need more attention, then the operations efforts are shortchanged. From the many conversations the consultants had in this regard, Mr. Garrahy said it became clear that the activities of these key personnel were being determined by items out of their control.

The recommendation is to hire an additional port engineer, an additional assistant port engineer, and to create a new position of project engineer to oversee the management of capital and overhaul projects, Mr. Garrahy said. Having in-house organizational capacity and keeping it separate from the operational side of the Authority would be a better fit than contracting for the work and would avoid issues around the lack of integration with an external resource. Mr. Garrahy noted that the requirements of the recommendation would be to separate vessel engineering operations from project efforts to ensure sufficient organizational capacity for the new team.

Mr. Sainsbury noted this recommendation was one of the largest included in the report, so he opened the floor to questions from the Members. Mr. Hanover noted that the fleet has ten (10) vessels and he counts five (5) engineers in the

HMS recommendation and asked if it was normal to have that many engineers. Mr. Sainsbury said there are many variables to consider in that, including the fact that the Authority has ten (10) vessels that are very different from one another. Additionally, the vessels are split between two (2) routes that present geographic challenges to address. Mr. Sainsbury said if the fleet had ten (10) identical vessels on one (1) route, it would be a different story, but once the noted variables are considered, then he said the number of engineers being proposed is appropriate. He further noted that the port engineers and assistant port engineers are on call twenty-four (24) hours a day, seven (7) days a week and they need more backup than they currently have on hand.

Mr. Garrahy said the consulting team tried to look at comparable operations but it is not easy to determine how their staffing works. However, in general, those organizations have more staff dedicated to engineering functions than the Authority does relative to fleet size. While it may seem like many engineers, Mr. Garrahy said the consulting team strongly believes it is not. Mr. Garrahy noted that the current staffing levels would make it very difficult for the engineering department to undertake the process-based management tasks that have already been recommended.

Mr. Davis asked if the consultants had examined the staffing levels at the Fairhaven maintenance facility, noting that at one point this past year multiple vessels were in repair and the lone manager there was left to oversee sixty to seventy (60-70) workers at one time. Mr. Garrahy noted they had not, and Mr. Davis replied that he felt the recommendation did not go far enough to address the issues that could be happening elsewhere in the Authority. Mr. Sainsbury noted that, at the time of their site visit, the vessel maintenance manager position was one that the Authority was working to fill so there was no chance to speak to that individual, but added he had no doubt additional resources could be of benefit.

Mr. Sainsbury also noted that a goal was to separate operations and project planning so port engineers can focus on the former and project engineers can focus on the latter. He added that the separation would not mean that the port engineer would ignore a vessel when it goes into repair, but there would be another individual to handle the administrative workload.

Mr. Clifford noted that he and Assistant Port Engineer Joshua Marshall already split the fleet up, with each being responsible for five (5) vessels. But starting this year, at least one vessel will be in dry-dock through April, meaning either of them will have a boat that is either 95 miles away or 165 miles away, as there is no available dry-dock facility closer to the Authority. He noted that the work on the *M/V Iyanough* is practically a full-time job alone.

Mr. Hanover asked Mr. Clifford if he thought the Authority needed more help in Fairhaven, to which Mr. Clifford replied that he needed more help on this side of the operations since, with two (2) vessels due to be in dry-dock at once, both he and Mr. Marshall can't be at a shipyard at the same time.

Mr. Hanover asked what the job responsibilities of a project engineer would be, to which Mr. Garrahy replied that the individual would handle the preparation and planning for the vessel overhaul and dry-dock projects. Mr. Hanover asked what the Authority's current maintenance planner position does, to which Mr. Davis replied that he handles work orders, sourcing supplies and making sure the proper tradesmen are being assigned to a vessel.

Ms. Wilson asked if this recommendation goes far enough to respond to the issues that have been brought up, to which Mr. Clifford stated that, for the operations and vessel side, he felt it did. Mr. Amundsen added that the staffing would be consistent with the industry standards.

Mr. Walker stated that there remains room to talk about how the department will operate with the additional staff and how the project and port engineers will hand off issues and interface with each other. However, as the department head, he said the additional staff is great and he believes this will give them the individuals they need. However, he said there remains a need to provide additional support to the Fairhaven maintenance facility and noted that the review was not tasked to look at the facilities side of the Authority's operations, which is responsible for twenty-two (22) support facilities and has only one (1) manager. On that front, the dynamic is the same as the port engineers, wherein that individual, Greg Endicott, is putting out fires and does not have time to plan. The Authority will also need another manager to replace Woods Hole Terminal Reconstruction Manager William J. Cloutier upon the eventuality of his retirement, or at least provide Mr. Endicott with an assistant as long as the Authority was looking to hire additional personnel.

Mr. Hanover said the Authority has paid the price for being cheap and that he does not want to operate on the cheap anymore. Mr. Walker said there needs to be additional attention paid to the trades side of the operation in addition to management. Mr. Sainsbury said some of these items are intricacies that can be developed during staff workshops in the next few days and that there will need to be an overarching strategy to deal with these issues.

Mr. Jones noted that the Authority clearly needs more resources and that now is the time to do it. Mr. Garrahy noted that limitations or barriers to the recommendation are the cost of reorganization and the overall shifting of roles. The recommendation will also need significant financial resources.

The timeline for the project would be roughly three (3) months, Mr. Garrahy said, plus time to plan for the department's further development. Mr. Walker noted that the Authority would be competing with pay scales that are double what an individual can receive as a merchant marine, to which Mr. Sainsbury said the Authority has an advantage in that employees can go home at night and not be at sea for extended periods. The challenge will lie in making the right match with the employee who is looking for that lifestyle. Mr. Garrahy said the Authority's proximity to the Massachusetts Maritime Academy will likely help in that regard, but Mr. Amundsen said the Authority would not necessarily be looking for someone coming off a ship as the individual would have to be trained in dry-dock repair.

Mr. Garrahy noted that the risks in the recommendation would be ones inherent in any hiring situation. Mr. Walker said the workload has often been an issue for people coming on board, but that the additional resources will help make these jobs more attractive.

Mr. Kenneally noted that all the Authority's employees will have to buy in to these plans no matter who is hired, and at the end of the day, the Authority will have to find people who will join the company and want to be part of the process.

Mr. Garrahy noted that several alternatives had been identified within this recommendation and that those details would be discussed in the subsequent days with staff.

At approximately 2:10 p.m., Mr. Hanover exited the meeting.

Health, Safety, Quality and Environmental Management:

Mr. Garrahy noted that, for an organization of the Authority's size, it would be expected to have an individual who was tasked with ensuring compliance and developing a system that helps shift responsibilities from individuals to processes. He said the Authority has already hired Ms. Sampson in that role, and that hire has already accomplished a lot of what this recommendation entailed.

Mr. Sainsbury noted that, although the Authority has already made this a priority, it should not forget that the role will be tasked with a lot and will need organizational support. In response to a question from Ms. Wilson, Mr. Sainsbury noted that the support would entail not only administrative help but also assistance in making a cultural change at the Authority as it works to implement the process-based systems discussed today.

Mr. Clifford noted that Ms. Sampson has been with the Authority since April and has already been extremely helpful and willing to help the engineering staff, which is, in turn, a help to him.

With Ms. Sampson's hiring, Mr. Garrahy noted that discussion of this recommendation could turn more toward the implementation of the processes and the HSQE manager's role and function within the Authority.

At approximately 2:19 p.m., Ms. Tierney arrived at the meeting.

Ms. Sampson noted that success in this arena depends on making safety everyone's business and having the support of staff and management. Her job is to drive home those principles and increase the strengths that already exist within the organization.

Vessel Operations:

As background, Mr. Garrahy noted that the Authority's current structure splits the chain of command from the vessels, creating a conflict in the decision-making process. The vessel side runs through the operations manager to Mr. Davis, while the vessel engineers have another chain of command where they report to the director of engineering, who also reports to Mr. Davis. This creates two (2) separate chains of command, both running through the vessels, Mr. Garrahy said.

Mr. Garrahy noted that engineering is typically a support function, not a staff function that is involved in the decision-making process. The objective of the recommendation is to establish an effective chain of command that would ensure adequate levels of authority in the decision-making process and add key positions to the command structure.

Mr. Garrahy said the recommendation called for adding a chief operating officer ("COO") and a director of marine operations, a post that has already been created and filled by Mr. Amundsen. The COO position is still under discussion, and Mr. Garrahy noted that the main purpose of that role is to elevate the level of decision-making for the Authority's core disciplines so that, when there are conflicts between divisions, there is someone well-placed within the organization to resolve the conflicts and make the ultimate decision, subject to the approval of the general manager. Right now, that function falls to Mr. Davis, who has several other departments reporting to him.

Mr. Garrahy noted that Mr. Amundsen has been hired and the question of the role and necessity of the COO position remains, as does the overall alignment of the operations division.

Mr. Garrahy noted there are several alternatives to this recommendation, including the question of whether or not to hire a COO and the timing of such a hire, were it to take place. He said there is time to make that decision, but that the COO position as envisioned would be a key position to drive the strategic planning process.

Limitations to the recommendation were identified as recruitment and finding the right candidate, either internally or externally, to fill the position. Mr. Ranney noted he thought it would be difficult to fill this role outside of the organization, as the individual would have to be very familiar with the Authority's operations, particularly, as Ms. Wilson noted, with the additions being made. Mr. Sainsbury said there is always a benefit to having the right candidate in house as they bring institutional knowledge with them, which Mr. Ranney said he sees as being necessary for the COO position.

However, Mr. Sainsbury said being isolated to only one organizational system could mean that the Authority misses out on the opportunity to gain knowledge from outside the company. He noted that Mr. Amundsen has a great industry perspective to bring with him and said that strong arguments could be made on both sides of the hiring question for this position.

Mr. Jones said he felt it was too soon to make a decision about the COO position, as there are number of other positions to fill. Additionally, Mr. Davis already has his hands full and he does not necessarily need to have one other person to integrate into the Authority's system and train. Mr. Sainsbury said he is going to try to convince the staff and Board that now is the time to add the COO, or at least to develop a strategy to add the position now so that, whenever the hiring happens, the right decision can be made.

Ms. Wilson asked if there was a benefit to hiring a COO before filling positions further down the organizational chart; Mr. Sainsbury said, in an ideal world, there would be, but he also agreed with Mr. Davis' decision to quickly create and fill the director of marine operations position. Mr. Garrahy noted that the Authority needs to push past some of the challenges to filling this position, but adding the role also needs to be examined relative to the entire organizational structure.

Mr. Davis noted that some of the other positions discussed have more defined roles and duties, so that by moving ahead with those positions there

would be more resources to examine the idea of adding a COO. Mr. Jones asked Mr. Davis if he was in favor of adding the position, to which Mr. Davis said that a number of new elements are already being added to the Authority. He said there has to be a consideration of the culture change that will be under way as a result and that, while his initial reaction was to wait, subsequent conversations with Mr. Sainsbury have allowed him to see the value in the role. However, he said he remains concerned about staff being spread too thin with the changes that are already being made.

Mr. Kenneally noted that it was a struggle to come up with concise job descriptions for the new positions added thus far, and that the staff has not yet had sufficient time to give the COO position serious thought.

Mr. Sainsbury said he believes the question can be addressed in the future, but he also thinks Mr. Davis has too many people reporting directly to him. Since he does not have an operations background, vetting the issues that are coming to him in conflict can be a challenge, so it would be of value to have someone to give him feedback on a daily basis. Furthermore, implementing the SMS, QMS and LMS are long-term strategies, and the Authority will need additional organizational support to free everyone up from day-to-day responsibilities.

Mr. Jones said he does not disagree, but as he looks at all of the items the Authority is supposed to do within the next weeks or months, he considers the COO to be next to the top cut. While it is an important step, he said he believes the Authority has to put other plans together to make the picture clearer and to get the workers and vessel crews more acclimated to the changes.

External Recruiting:

Mr. Lankowski said, by way of background, that more external perspective could help the Authority keep up with industry standards and best practices. Long-tenured employees are good, but the other side is that a large percentage of internal promotions and limit the Authority's exposure to evolution within the maritime industry.

The requirements for the recommendation are to develop an HR recruiting strategy and to coordinate with external recruiting agencies when filling key positions. Mr. Lankowski said some great progress has already been made in this regard, noting the hires of Mr. Amundsen and Mses. Kennefick and Sampson. However, Mr. Lankowski said he wished to reinforce that the box cannot quite be checked on this goal yet, as it stands to be seen how well the Authority will follow through with it in future hires.

In response to Mr. Lankowski's question as to whether the staff had noted any barriers regarding this recommendation, Mr. Davis said there needs to be a balance between internal and external recruitment. The Authority has a lot of long-tenured internal employees and that he wants to provide a balance between rewarding that tenure and bringing in new employees. Mr. Sainsbury said he agreed and that his hope was that the Authority's human resources department and senior leadership would consider external recruitment to be "a tool in the toolbox" going forward.

Ms. Kennefick said part of these discussions should be a development plan for employees to talk in their performance evaluation about their individual development, where they would like to go, where they see themselves, etc., and start incorporating that into the culture. Mr. Walker added that he believes the Authority needs a more robust program to provide for continuing education for its employees. While individuals are allowed to take coursework, there is no formal program to allow an individual to receive advanced degrees, which Mr. Walker said he thinks there should be to help younger employees develop. Mr. Davis noted that there is such a program, but the coursework has to be related to their core employment function.

Review and Development of Initial Directions:

Mr. Sainsbury then reviewed each of the initiatives and their alternatives to get some initial direction from the Members prior to the staff workshop.

- Safety Management System: the development is well on its way, Mr. Sainsbury said, with the issuance of the RFP. He said the consultants will work with staff to make sure there is a clear project plan for management of that effort, but the direction has already been established.
- Quality Management System: The initiative was included in the same RFP for the Safety Management System, Mr. Sainsbury said, and therefore has the same status.
- Learning Management System: Mr. Sainsbury noted this is already well under way, but that the consultants will work with staff to make sure there is a designated project manager to oversee the effort.
- Mission Statement: Mr. Sainsbury noted there are two clear paths; namely, for the Members to develop one versus using external resources to help the Authority through that process. Mr. Sainsbury reviewed the identified risks – that the mission statement ends up being too long and includes too much, or is too vague to assist to the Board and management – and said an external consultant could

help mitigate those risks, but he was not sure one was necessary. After discussion, it was determined that both alternatives would be developed with staff over the next several days and that the Board could decide which direction at their Saturday meeting.

- Strategic Planning: Mr. Davis said, while this initiative is tied to the mission statement, the course of action will be different than for that project and will be a bigger overall undertaking. Even with an external consultant, Mr. Sainsbury said there will still be considerable staff resources necessary for this project. Following a review of the potential risks, Mr. Sainsbury recommended that staff work to develop a strategy to bring in an external consultant and allow the Members to decide on Saturday if that is the direction in which they wish to go.
- Performance Metrics: Mr. Sainsbury said the decision on how to proceed on this would likely wait until after the mission statement and strategic planning processes were done, but that staff would work to provide some definition to the project for the Board to review.
- Engineering Resources: Mr. Sainsbury said the recommendation is supported all around, but some details needed to be discussed during the staff workshop prior to presenting to the Board on Saturday.
- Health, Safety, Quality and Environmental: Mr. Garrahy noted that this recommendation has essentially been completed and that, while there are items to be completed in this regard, it will not have a formal project plan.
- Vessel Operations: Mr. Sainsbury said the big question on this recommendation is the COO position, so during the workshops the proposal will be refined to allow the Members to make a decision as to the position's possible creation.
- External Recruiting: Mr. Garrahy said there would not be a project plan on this recommendation. but the matter would continue to be discussed throughout the workshops.

Mr. Lankowski said the consultants would, at a regular frequency, check in with the project manager assigned to each initiative and receive a status update. The consultants will use those updates to monitor the progress of the overall initiatives program and provide oversight and facilitation as requested. They will then provide status reports to the Board once per quarter based on their oversight and will do so both in person and in a written format.

Mr. Sainsbury said now that staff and the consultants had their direction, workshops would start the following day to work through each one of these as a group and make sure everyone has input on each of the initiatives. The ultimate

goal for Saturday’s meeting is to bring developed strategies to the Members as a unified proposal and ask for a vote of approval on what has been developed. Mr. Jones noted that he thought the staff meetings would be good, as the real work will start “in the trenches.”

Public Comment:

Mr. Trumbull asked what role the consultants see for other members of port communities to play in these processes, adding that he thought he heard mention of a task force. Mr. Sainsbury said it would vary depending on the strategy that is ultimately decided on for some of the initiatives. For example, the strategic planning process would typically include some form of public outreach and communication with the communities, whereas other initiatives would be maintained internally or be done with consulting help.

Mr. Trumbull asked if the Authority’s annual spending on advertising had been reviewed and if the consultants had deemed that spending as justified, to which Mr. Sainsbury said that had not been a part of the review process.

Then, at 3:21 p.m., Mr. Jones stated he would entertain a motion to adjourn.

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Mr. Ranney – to adjourn the meeting in public session.

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

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the
June 5, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 5, 2019 Meeting Agenda, dated May 31, 2019.
2. Video and audio recording announcement.
3. Power Point Presentation delivered by John Sainsbury, Matt Lankowski and Ed Garrahy regarding the recommendations contained in the comprehensive review of the Authority's operations conducted by HMS Consulting, Glosten Associated and Rigor Analytics and plans for their implementation.
4. Ten (10) poster-sized pieces of paper upon which notes were taken for each of the initiatives noting their limitations/barriers, resources required, timelines, risks, and alternatives.

APPENDIX A

**PHOTOGRAPHIC REPRODUCTIONS OF NOTES TAKEN AND
PRESENTED PUBLICLY DURING REVIEW
AND DISCUSSION OF THE TEN (10) RECOMMENDATIONS
CONTAINED IN THE COMPREHENSIVE REVIEW OF THE
AUTHORITY'S OPERATIONS.**

SMS (Priority)

LIMITATIONS - IMPLEMENTATION
Buy-In

RESOURCES - ~~EXTERNAL~~
INTERNAL

TIMELINE - LONG

RISKS - QMS DELAYS
POOR IMPLEMENTATION

QMS

LIMITATIONS

RESOURCES

ALL ORGANIZATION

TIMELINE

LONGER THAN SMS

RISKS

CULTURE

LMS

LIMITATIONS
NONE NOTED

RESOURCES EXTERNAL - MLS
NOT JUST MARINE - PERSONNEL

TIMELINE - 4-6 WEEKS

RISKS - CONTINUOUS MGMT

MISSION

DEVELOP NEW
BOARD / HIRE

LIMITATIONS - Common Ground
REALISTIC

RESOURCES - TIME / ENERGY
LESS MORE

TIMELINE

HIGHER ~~BE~~ LOWER
COMMONS STRATI.

RISKS - NOT ENOUGH DIRECTION
ADDRESSES TOO MUCH

STRATEGIC PLANNING

EXTERNAL CONSULTANT

Limitations - Balance/Compromises

RESOURCES - LEADERSHIP / Comm. INPUT
TIME
MANPOWER
EXPERTISE

TIMELINE 3-6 mo +

RISKS - FOLLOW-UP - NOT INCLUSIVE
- LACK OF CONSENSUS - STALLS

PERFORMANCE METRICS

INHOUSE

EXT

LIMITATIONS -

RESOURCES - MISPPOWER
EXPERTISE

CAN THIS BE BUILT INTO LIMS

TIMELINE - STRAT PLAN RREQ.

RISKS - CONFLICTING GOALS (BALANCED)

ENGINEERING Resources

LIMITATIONS

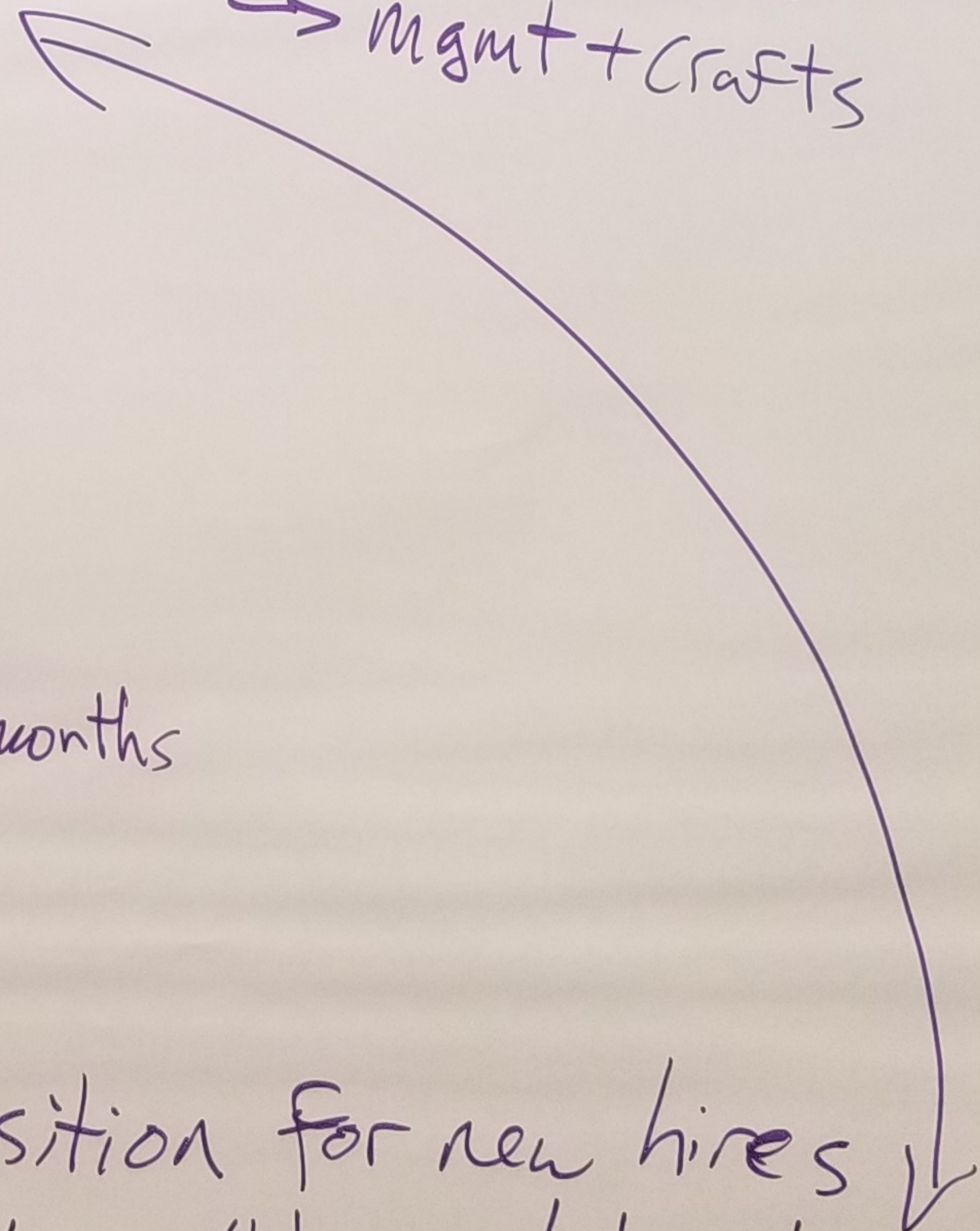
- Costs of staff
- Shifting responsibilities
- Competitive job market

Resources

- Financial (hiring staff)

Alternatives

- +more resources?
(vessels + facilities)
↳ mgmt + crafts



Time line

- Recruiting \approx 3 months
+ plan development

Risks

- Difficult transition for new hires
- Finding people who will buy in / integrate well

HSDQE

Limitations

Alternatives

Resources

- Administrative support
- Everyone's Buyin/support

Timeline

- Hiring done!

Risks

- too much work for one person w/out support of mgmt team

VESSEL OPERATIONS

Limitations

- Finding the right candidate
- Difficult to fill ~~internally~~ internally?

Alternatives

- Timing of COO hire?

Resources

Financial

Time line

- 3-6 months?
- Time to integrate right now?

Risks

- Risks to hiring inside and outside (which must be weighed)
- Takes time to bring up to speed (training)

EXT RECRUITING

Barriers - Development

Resources

Timeline

Risks - Needs Balance

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

The Meeting in Public Session

June 8, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 8th day of June, 2019, beginning at 9:42 a.m., in the second-floor meeting room of the Authority's Hyannis Terminal, located at 141 School Street, Hyannis. Four (4) members were present: Chairman Robert R. Jones of Barnstable; Secretary Kathryn Wilson of Falmouth; Moira E. Tierney of New Bedford (who participated telephonically); and Robert F. Ranney of Nantucket. Vice Chairman Marc N. Hanover of Dukes County was absent.

The following members of management were present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Director of Human Resources Janice L. Kennefick; Health, Safety, Quality, and Environment Manager Angela M. Sampson; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Jones 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. Mr. Driscoll was making an audio recording of the meeting, as was Ethan Genter (representing the *Cape Cod Times*).

Remote Participation by New Bedford Member Moira E. Tierney:

Mr. Jones 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. Jones 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. Jones 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. Jones 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.

Overview of Today's Meeting:

Mr. Jones announced that this meeting was the second in a series with HMS Consulting and Glostén Associates to develop plans to implement the recommendations contained in the comprehensive review of the Authority's operations conducted by those firms, along with Rigor Analytics, in 2018. Mr. Jones noted that, at this meeting, the Board would be finalizing some of the thoughts and ideas that had previously been discussed.

HMS Consulting President John Sainsbury thanked the Members for their time and noted that the June 5, 2019 meeting had been a long one, but they reviewed a lot of information. Mr. Sainsbury then introduced himself, Matt Lankowski and Ed Garrahy, ocean engineer and senior marine engineer, respectively, with Glostén Associates. Mr. Sainsbury also noted that they had been working with the Authority for about a year and they appreciated the opportunity to continue to do so, saying this was an interesting project and they were excited to see its progression following these sessions.

Mr. Sainsbury said he would update the Board on the initiatives discussed at the previous meeting and the strategic direction developed by staff in workshops over the last few days. Each of the ten (10) recommendations will have a project plan, the first step of which is to identify a project manager. The project manager plays a different role than the project sponsor. For all the projects, Mr. Davis serves as sponsor and has the ultimate authority for providing direction and decision-making capabilities prior to elevating it to the Board. Each project manager handles the day-to-day duties of the project and reports their progress to the sponsor; generally, Mr. Sainsbury said, the project manager and project sponsor should not be the same person, although there is one case in which that is the situation.

Mr. Sainsbury said, for the most part, the consultants wanted to make sure that each project manager was someone who was familiar with that project and may or may not be a stakeholder. They were also careful not to load one person up with too many projects.

The project manager's responsibilities include providing leadership and motivation to the project team; other responsibilities will change as project tasks are completed, he said. The project manager also will be responsible for coordination communications and activities for the team, identifying the

necessary resources for each task and then serve as a conduit for communications into and out of each team.

The first step that each project manager needs to tackle is to complete a detailed project plan, for which Mr. Sainsbury said the consultants have provided a template so that the tool can be used consistently across all projects. The plan includes key sections such as identifying the project scope, identifying the schedule and budget, and creating a communications plan that details how team members will communicate with each other.

During the previous days' workshops, Mr. Sainsbury said project leaders and teams were identified, although those may change over the course of the project. At that point, the consultants met individually with the project teams and worked to establish a high-level overview of each project, focusing on the scope, strategy and a general timeline for each, Mr. Sainsbury said. Those plans then were combined into a general, overarching implementation plan that allowed staff and the consultants to identify any conflicts in time or resources, any tasks that may affect another task in a different project, and to identify overall cost estimates, which necessarily will become more specific as the projects proceed.

Mr. Jones noted that these plans have primarily been laid out for staff, but he did not see any place for the Members to be involved. Mr. Sainsbury said he agreed 100% and did not believe the Members would want to get into the minutiae of each project, but there should be periodic workshops scheduled to keep control of what is going on and to provide their input. Mr. Sainsbury noted that most of the projects, one way or another, will take a turn toward the Board at some point, be it for approval of a budget or a timeline. Furthermore, the project plans would assist in that regard as they will provide the Board with updates and an overall plan, Mr. Sainsbury said.

Mr. Jones said the Board wants to stay on top of the implementation plans, to which Mr. Davis replied that the consultants would be providing quarterly reports on the progress of the implementation projects at the Board's regularly scheduled meetings, and that he would provide updates on a monthly basis. If anything arises that would require the Board's attention, Mr. Davis said it would be brought to the Members for their consideration.

Mr. Davis then said it would be up to the Members if they would prefer to vote to approve each initiative's project plan as it is presented or if they would prefer to vote on them collectively at the end of the meeting. Ms. Tierney asked if a vote on a particular project was exclusively to vote on that project or if it was a vote to implement the project as guided by HMS Consulting. Mr. Davis said the

project teams may necessarily expand or contract throughout the scope of the implementation, but HMS would be overseeing the work as part of their contract with the Authority. Mr. Jones asked Ms. Tierney if that addressed her question; she said it did not, but the meeting could proceed.

Safety Management System/Quality Management System:

Initiative: Implement a Safety Management System (“SMS”) and Quality Management System (“QMS”) in support of a move toward a process-based culture.

Project Manager: Ms. Sampson

Scope/Strategy:

- Procure an external vendor to develop and implement an integrated SMS/QMS, with an option for an environmental management system.
- Internal resources to support the process by developing and maintaining procedures.
- Internal training during implementation.

Estimated timeline:

- Proposals are currently being evaluated.
- Three (3) to four (4) months for analysis and system design.
- Twelve (12) to eighteen (18) months for implementation and training.
- Six (6) months for a certification process, which Mr. Sainsbury noted must be provided by a qualified, recognized organization such as the American Bureau of Shipping.

Estimated cost:

- \$500,000 to \$700,000 to develop a system, plus \$50,000 to \$75,000 a year for external auditing and support, including:
 - Vendor (cost to be determined).
 - SSA staff and crew time for development and maintenance of processes.
 - Internal training during implementation.

Mr. Sainsbury noted that this project was already well under way, with four (4) responses to the RFP having been received. It was decided during the staff workshops that these recommendations be combined into a sole project, which makes sense as it is essentially one initiative.

Mr. Jones asked how much of the staff’s time would be taken up by the project, to which Mr. Sainsbury said it depended on the vendor’s proposal. However, the training involved in the system itself would be considerable and the scheduling would be a time- and labor-intensive process. Mr. Sainsbury further

noted that the project plan and the expertise of Ms. Sampson and the vendor would come into play.

Ms. Wilson asked if all employees would be trained on these systems, to which Mr. Sainsbury replied that it would vary by position. However, at some point or another, the system would touch everyone in the company. Mr. Garrahy noted that there would be a large learning curve at the outset, but it would be overcome over time.

Mr. Davis said a portion of the development cost could be a capital expense, but the training and development costs would be operating expenses. In response to a question from Ms. Tierney, Mr. Davis said the 2019 capital budget did not include anything for an SMS or QMS, but there are some funds that have not been assigned in the capital budget that could be used, if needed. Ms. Wilson asked if the costs described in the project plan were in line with what was mentioned in the study, to which Mr. Sainsbury said they were although the proposals received in response to the RFP had yet to be evaluated.

Learning Management System:

Initiative: Adopt and implement a Learning Management System (“LMS”) across the organization.

Project Manager: Ms. Kennefick

Scope/Strategy:

- Work with a vendor Marine Learning Systems on development and implementation of an LMS.
- Review the scope of the contract, identify gaps, and address with Marine Learning Systems to ensure needs of all departments are fully met.
- Evaluate LMS via a pilot project and assess infrastructure and hardware needs for effective access by employees.
- Continue to evaluate and upload training content.

Estimated timeline:

- Pilot testing process to be conducted throughout summer 2019 to allow for evaluation prior to full implementation.

Estimated cost:

- A user-based subscription of \$1,800 a month.
- Additional infrastructure and hardware expenses to be determined during pilot testing period.

Mr. Sainsbury noted that this project was also well under way and that, in his opinion, the vendor chosen would provide a good value to the Authority.

Mission Statement:

Initiative: Develop a mission statement and promote it throughout the Authority and its constituent communities.

Project Manager: Mr. Driscoll

Scope/Strategy:

- Option A: starting with 1990s-era draft mission statement, engage the public and create an updated and improved draft mission statement. Present to Port Council and Board for input and final approval.
- Option B: procure an external consultant to develop mission statement in tandem with the strategic planning process, with input from the public, Authority staff and crew, Port Council and Board.

Estimated timeline:

- Option A: public comment through July 15, present at Port Council on August 7, present and seek Board approval on August 20.
- Option B: three (3) to six (6) months.

Estimated cost:

- Option A: internal human resources only; negligible additional costs.
- Option B: to be determined.

Mr. Jones said he believed this could certainly be done in-house and that he would lean on the side of brevity for a mission statement.

Strategic Planning:

Initiative: Develop and maintain a strategic plan to provide the Authority with medium- and long-term decision-making guidance and a basis for measuring organizational performance.

Project Manager: Mr. Davis

Scope/Strategy:

- Procure an external consultant to develop a strategic plan, with significant input from Authority staff, Port Council, Board, constituent communities and other stakeholders.
- Set up framework for future maintenance of the plan.

Estimated timeline:

- Contract awarded by end of 2019.
- Strategic plan delivered in twelve (12) to eighteen (18) months.

Estimated cost:

- To be determined as the scope is further defined.
- Initial estimates indicate \$200,000 to \$300,000.

Mr. Jones noted that some other strategic plans he had reviewed went on for pages and pages and, while some systems may need a complicated one through necessity, he said the Authority's is more simple. However, as with the Washington State Ferries, a lot of very serious long-term planning is involved, which the Authority needs to do as well, so he asked Mr. Sainsbury how cumbersome the Authority would need to make its plan. Mr. Sainsbury said in other systems the plan needs to cover items such as identifying funding sources, justifying in detail what capital requests they are making, and forecasting traffic on specific routes, which is not the direction the consultants feel the Authority needs to go in. Rather, he said the project was more focused on starting to consider planning as part of the Authority's culture and to determine how a planning system was managed and how it would relate to capital project planning, keeping up with technological demands, managing workplace demands and the like.

Mr. Sainsbury noted that, as with the SMS and QMS, the scope of the request for proposals that would be issued would affect the overall cost of this project. The plan would try to account for internal costs as well as external costs, he said.

In response to a question from Mr. Jones, Mr. Sainsbury said the timeline was probably accurate given the geographic spread of the Authority's communities, which would amplify the time requirements considerably.

Engineering Resources:

Initiative: Satisfy the critical resource needs the engineering department and further evaluate additional needs.

Project Manager: Mr. Amundsen

Scope/Strategy:

- Immediate engineering resource needs identified for immediate recruitment and hire:
 - Two (2) port engineers
 - One (1) assistant port engineer
 - One (1) project engineer
 - One (1) assistant vessel maintenance manager
- Project team to further evaluate need for additional engineering tradespeople.

Estimated timeline:

- Three (3) to four (4) months to fill immediate needs.
- Additional time to fully evaluate tradespeople needs.

Estimated cost:

- Recruiting: \$75,000 to \$100,000, although Mr. Davis said some of this expense could be reduced by internal work through the human resources department.
- Annual: \$600,000 to \$700,000
- Reduction in engineering consulting fees for services currently being outsourced.

Mr. Garrahy noted that the assistant vessel maintenance manager was not a focus of the review, but that it became clear that individual was being pulled in multiple directions to the detriment of the Authority. It also became clear that Mr. Amundsen should perform additional reviews to make sure no needed personnel are being missed, especially in the area of maintenance tradespeople.

Mr. Jones said he was in favor of what was being done and adding the key players that have, thus far, been lacking. He also noted Mr. Amundsen would have his hands full integrating these individuals into the Authority and said the new positions would require clear, concise job descriptions. Mr. Garrahy said that was also the topic of much discussion and that the timing and phasing of these new hires would be important considerations, especially relative to upcoming shipyard periods for the vessels.

Health, Safety, Quality and Environmental:

Mr. Garrahy noted this recommendation had been completed with the hiring of Ms. Sampson, who would serve as a champion for the Authority's move toward a process-based culture. He added that, during the course of the workshops, there was a lot of discussion about how to achieve that move relative to the other projects being undertaken.

Vessel Operations:

Initiative: Realignment of operational departments and potential addition of an operations department head.

Project Manager: Ms. Kennefick

Scope/Strategy:

- Develop plan to address reorganization of operations departments (marine operations, shoreside operations, and engineering) to address chain of command, shared functions, lines of reporting, modified job descriptions, delegation of authority, et cetera. The project team is to further evaluate need for additional engineering tradespeople.

- Evaluate need for Operations Department head and additional shoreside operations resources.

Estimated timeline:

- Three (3) to six (6) months.

Estimated cost:

- Internal resources only.

Mr. Sainsbury noted that this project was closely related to the engineering resources project and that there were still a lot of questions that had to be sorted out in both regards. This project is not as simple as drawing up a new organizational chart and will occur in phases because the changes will be significant to the organization. Mr. Sainsbury further noted that the team would also evaluate the needs for an operations department head, formerly referred to as the chief operating officer.

Mr. Jones said, given the breadth and scope of the project, that an external consultant would be a wise investment. Mr. Sainsbury acknowledged that additional resources would be helpful and may be added later. Mr. Garrahy said the project manager would be responsible for looking at what has to be done and could advise as to the need and value of outside assistance.

Mr. Davis said an additional part of the project would include the staffing levels on the shoreside operations as well as the marine operations and engineering resources.

External Recruiting:

Mr. Sainsbury noted that this recommendation had been completed with the understanding that Authority staff would understand that external recruitment would be a tool available for use in future hiring and should be balanced with internal promotions for key roles.

Performance Metrics:

Initiative: Develop and maintain metrics tied to the strategic plan for measuring the performance of SSA supervisory staff.

Project Manager: Ms. Kennefick

Scope/Strategy:

- Develop and maintain metrics tied to the strategic plan for measuring the performance of SSA supervisory staff.

Estimated timeline:

- To be delivered in the year following the delivery of the strategic plan.

Estimated cost:

- Negligible external resources.

Mr. Jones noted that the strategic plan would be complete in approximately two (2) years, so he asked if that meant there would be additional expenses at that time for this project. Mr. Lankowski said there may be internal resources that can be used to make more immediate moves in an effort to make management reviews more objective. Ms. Kennefick noted that, rather than conducting one year-end review, she plans to implement a mid-year review and incorporate feedback from peers to make the system easier on supervisors.

The overall timeline:

Mr. Sainsbury presented a chart showing the overall timeline of the projects discussed, noting that, as the overall scope of the implementation plans become more informed as they develop, the timelines may shift one way or another. He said there is quite a bit of work to be done immediately and that, as project plans continue to develop, the consultants will be on the lookout for areas where there are resource issues or conflicts.

Public Comment:

Mr. Jones asked if there was any public comment, but none was offered.

Approval of Project Plans:

Mr. Davis said the staff would like the Members to vote to approve these initiatives so they can get going as quickly as possible. He also asked the Members to specify which option regarding the mission statement project they preferred in their vote.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Mr. Wilson – approve the project plans as presented, with the choice of Option A (using internal resources) in regards to the mission statement project, as recommended in Staff Summary #GM-722, dated June 7, 2019.

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

Mr. Jones then thanked the consulting team for their hard work and for explaining the nuances of several items, especially the SMS and QMS system.

Then, at 11:01 a.m., Mr. Jones stated he would entertain a motion to adjourn.

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Mr. Ranney – to adjourn the meeting in public session.

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

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the
June 8, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 8, 2019 Meeting Agenda, dated June 5, 2019.
2. Video and audio recording announcement.
3. Staff Summary #GM-722, Approval of Seven (7) Project Plans to Implement HMS Recommendations, dated June 7, 2019.
4. Power Point Presentation delivered by John Sainsbury, Matt Lankowski and Ed Garrahy regarding the project plans developed regarding the recommendations contained in the comprehensive review of the Authority's operations conducted by HMS Consulting, Glostten Associates and Rigor Analytics.

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

The Day's First Meeting in Public Session

June 18, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of June, 2019, beginning at 1:30 p.m. in the second-floor conference room of the Authority's Hyannis terminal, located at 69 South Street, Hyannis, Massachusetts. Four members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; Moira E. Tierney of New Bedford (who arrived during discussion of the food bank policy) and Robert F. Ranney of Nantucket.

Port Council Secretary Robert V. Huss of Oak Bluffs was also present, as were the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; 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 Human Resources Janice L. Kennefick; Director of Marketing Kimberlee J. McHugh; Health, Safety, Quality and Environment Manager Angela M. Sampson; Operations Manager Mark K. Rozum; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Jones 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. Mr. Driscoll was making an audio recording of the meeting, as were Louisa Hufstader (representing the *Vineyard Gazette*) and Rich Saltzberg (representing the *Martha's Vineyard Times*).

Port Council's Report:

Mr. Huss, noting that Mr. Balco was unable to attend today's session, reviewed with the Members the topics covered at the Port Council's June 18, 2019 meeting, which included:

- A review of the April business summary and the Authority's financial performance to date, which was looking very good.
- An update on the Woods Hole Terminal Reconstruction Project. Mr. Huss noted that the Slip No. 3 transfer bridge was now operational and that its operation should go fairly smoothly this summer.
- The ongoing implementation of the recommendations contained in the comprehensive review of the Authority's operations by HMS Consulting, Glosten Associates and Rigor Analytics. Mr. Huss noted that the implementation process was likely to affect the Authority's bottom line substantially and that both the Port Council and Board need to be cognizant of that and continue to monitor the situation.
- A modification of the Authority's advertising policy, which staff recommended be changed to specify that marijuana and marijuana-related products be included in the list of items that are prohibited from being advertised. Mr. Huss noted that, pursuant to his suggestion, the Port Council also recommended that e-cigarette and "vaping" products also be banned.
- A policy to allow food banks on Martha's Vineyard and Nantucket the opportunity to get a 50% discount on automobile and passenger fares while transporting food from the mainland. Mr. Huss noted that the Port Council voted to recommend passage of the policy and that the organizations in question do a lot of good for both communities.
- The 2020 winter and spring schedules, which the Port Council voted to recommend passage.

Minutes:

Mr. Hanover noted that the minutes should reflect Elaine Mooney as the Nantucket terminal manager, not Woods Hole as was stated.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to approve minutes of the Authority's May 21 meeting in public session as amended.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Wilson	10 %	
Mr. Ranney	35 %	<hr/>
TOTAL	80 %	0 %

Mr. Jones abstained from voting on the motion.

Results of Operations:

Mr. Davis provided an update on the Authority's operations for April 2019. The Authority overall carried more passengers (up 3.2 %), more automobiles (up 2.2%) and trucks (up 6.2%) than it did in April 2018, although Mr. Davis noted that those figures continue to reflect the challenges the Authority faced in the same month last year.

The net operating loss for April 2019 was approximately \$774,000, which was \$317,000 lower than the amount anticipated in the 2019 budget. Operating revenues and other income was approximately \$7,868,000, which was approximately \$240,000 higher than budgeted, while total operating expenses and other expenses were \$8,642,000, or \$77,000 lower than budgeted.

Mr. Davis noted that, of the 1,860 trips made in April 2019 on both routes by the Authority's vessels, there were no cancellations for mechanical reasons on either the Vineyard or Nantucket route.

Year-to-date, Mr. Davis said the Authority has a net operating loss of \$13,337,000, or approximately \$1,045,000 lower than the amount anticipated in the 2019 operating budget. Total operating revenues through April were up \$695,000, while operating expenses and fixed charges were \$350,000 lower than anticipated.

Mr. Davis noted that the fund balances were in relatively good shape.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis provided an update on Jay Cashman Inc.'s activities over the last month, which included:

- Completing remediation work on monopile No. 8, including installing its fender and completing concrete work.
- Installing barriers and security fencing around the public perimeter of Slip No 3.
- Continuing work on a trestle over the water that will be used for next year's passenger platform work.
- Working on the installation of the catwalks to the mooring bollards.
- Setting the ticket booth while utility contractors finished their work to support the slip operations.

Mr. Davis said Lawrence Lynch worked on paving and installing the drainage and bollard structures at the slip. The electrical contractor powered the transfer bridge and continued work on electrical and communication wiring, as well as installed the shore power connection on the utility platform. The transfer bridge contractor worked on the operational details of the bridge, while the masonry contractor installed the granite cap on the bulkhead perimeter. Finally, the plumber completed the potable water piping on the utility platform.

Mr. Davis said that, at the end of the day on May 23, 2019, the new Slip No. 3 was available for public use. Cashman has completed demobilizing for the season. The barges have left the site for the summer, and divers will install anodes on the piles and sheet pile piping.

Mr. Davis thanked Mr. Cloutier and workers at Cashman and all the subcontractors for their work in making Slip No. 3 operational.

Regarding the sewer pump-out project, Mr. Davis said Robert B. Our Co. continues to be on site setting conduits and installing the concrete risers for the equipment vaults. Mr. Davis noted that, due to a change order on the project, the vaults were to be deeper than expected, which created a concern about accessing a confined space on a regular basis, so the equipment was moved above ground for safety and accessibility purposes. They now expect to have all work completed by June 30, Mr. Davis said.

Thus far, the Authority has sent out sixty-three (63) community emails on what to expect in the coming weeks.

Mr. Cloutier then shared some recent photographs depicting the site. Mr. Hanover noted that, while the transfer bridges are quite a bit longer than what is currently at the site, the bulkheads will also be three (3) feet higher, so he asked if that would create problems with high and low tidal conditions. Mr. Cloutier said the transfer bridges will, under most conditions, be accessible; additionally, the three (3) slips will be at different heights to adjust for the freeboard of the various vessels.

In response to a question from Mr. Hanover, Mr. Davis noted that two (2) or three (3) spaces in the employee parking lot will be lost due to the equipment being located above ground for the sewer pump-out project.

Mr. Jones asked if, between the north side of Slip No. 3 and the Naushon Trust dock to the north, if the Authority holds any water rights in between those two (2) points. Mr. Cloutier replied that the Authority did not, despite its property line directly abutting the Trust's property, because no one has water rights in

Great Harbor. Mr. Cloutier further stated that the only place where the Authority has water rights is at its maintenance and repair facility in Fairhaven.

Mr. Jones further asked if the Authority's riparian rights would allow for a dinghy dock or similar structure to be placed to the north of Slip No. 3. Mr. Davis noted that idea had been considered as part of the Authority's Chapter 91 license, but it was ultimately rejected for a number of reasons, including but not limited to, its proximity to an operating ferry slip and the security considerations at the terminal site.

Mr. Jones noted that the Authority owns a dock at the Hyannis terminal that has more or less been commandeered by the Town of Barnstable for use by its police and fire departments, which to him is a similar situation to what would happen in Woods Hole if a dock were placed in that area. Mr. Davis said that, in Hyannis, a fixed pier separates the dock from the operating slip, while that would not be the case in Woods Hole.

Proposed Amendments to the Authority's Guidelines
Regarding Advertising at Authority Facilities:

Mr. Davis recounted that, in November 2007, the Members approved management's proposed guidelines to regulate the display of advertising at the Authority's facilities. The policy was subsequently revised in May 2008 to expand the scope of the guidelines to include not only the Authority's physical facilities but its website, brochures, schedules, and video informational displays. The May 2008 revisions also included prohibitions on the advertisement of alcoholic beverages and the advertisement of competitors' operations.

Mr. Davis said the staff is currently proposing that the Authority further revise its advertising guidelines to specifically address relatively recent changes in the laws of the Commonwealth of Massachusetts concerning the sale or use of marijuana or marijuana-related products. Mr. Davis said that, under Massachusetts law, marijuana or marijuana-related products cannot be used in public or on federal land. Furthermore, federal law defines marijuana as a controlled substance and prohibits its transportation and/or use by licensed merchant mariners. As a ferry operator licensed and certified by the United States Coast Guard, Mr. Davis said the Authority must comply with all applicable federal regulations.

Mr. Davis said, at its meeting earlier that day, the Port Council raised questions about e-cigarettes and "vaping" and whether or not those would be considered banned from advertising under Part V, Section B, Article 2 of the

guidelines. It was recommended that the guidelines be further refined to specifically include e-cigarettes and vaping devices, Mr. Davis said. With that change, the Port Council voted unanimously to recommend approval of the amended guidelines.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to approve the revised Guidelines Regulating Advertising on the Steamship Authority’s Facilities as proposed in Staff Summary #L-490, dated June 14, 2019, with the addition of specifying that e-cigarettes and vaping-related products also be prohibited from advertisement under Part V, Section B of the guidelines.

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

Proposed Food Program Travel Policy:

Mr. Davis said staff has met with representatives of various town and county agencies, nonprofit organizations, and other entities that distribute food on the islands through local food pantries, community health centers and other agencies for island residents in need. After hearing their concerns and the benefits they provide the island residents, the staff worked with Dukes County and Town of Nantucket to have those governmental bodies sponsor a program to coordinate and administer the program for their respective islands.

Mr. Davis said the proposed program would allow vehicular and passenger travel related to the delivery of food for the food bank programs to be included in the Town & County Travel Voucher Program currently provided to the islands. Mr. Davis reminded the Members that the program provides a fifty percent (50%) reduction in the cost of official town or county travel onboard the Steamship Authority ferries.

The policy, as proposed, would require Dukes County and the Town of Nantucket to administer which island agency or agencies are eligible to participate in the program. Mr. Davis said a separate account(s) would be set up that would be restricted to food bank travel; the individual agencies would be

responsible for paying their cost of travel, although at a fifty percent (50%) discount, at the time of the food shipment.

Mr. Hanover said he thought the policy was only to be used for the Boston Food Bank and asked if other agencies would be eligible, to which Mr. Davis responded that some island agencies do get their food from the Boston Food Bank while others source their products more locally. Mr. Davis said the intent of the policy was to have the town and county distinguish which agencies are eligible for the policy and then inform the Authority.

Mr. Hanover asked if the Authority had any idea what the usage would be; Mr. Davis replied that staff was still working on the exact numbers, but the total travel was expected to be in the \$35,000 to \$40,000 range, so the cost to the Authority of the discount would be between roughly \$15,000 and \$20,000. Mr. Davis also noted that the policy would require staff to report to the Board on its usage on an annual basis.

Mr. Davis noted that the Port Council voted to recommend passage of the policy at its meeting earlier that day.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Mr. Hanover – to approve the Proposed Food Program Travel Policy for the County of Dukes County and Town of Nantucket as proposed in Staff Summary #OPER-2019-3, dated June 14, 2019.

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

Ms. Tierney did not vote on the motion.

Proposed 2020 Winter and Spring Operating Schedules:

Mr. Davis then reviewed the proposed 2020 winter and spring operating schedules with the Members. The schedules cover the period from January 4, 2020 through May 14, 2020.

Mr. Davis said the schedule from January 4, 2020 to March 15, 2020 is similar to the operating schedule for this year:

- On the Vineyard route, it is proposed that there is no change in the sailing times, quantity of available trips or vessel crewing. The biggest difference is that, from February 24, 2020 through March 15, 2020, the *M/V Woods Hole* would operate in place of the *M/V Island Home*, which will be completing its annual overhaul period.
- On the Nantucket route, the *M/V Gay Head* would be triple-crewed and operate Monday through Saturday, with the ability to provide service on Sundays if needed.

Mr. Davis said the schedule from March 15, 2020 to April 2, 2020 would, likewise, be similar to this year's schedule. Again, the *M/V Woods Hole* would be operating in place of the *M/V Island Home* on the Vineyard route as the latter vessel completes its overhaul period. The *M/V Katama* will take the place of the *M/V Woods Hole* during that timeframe. There is no change to the Nantucket schedule during this period compared to 2019.

Mr. Davis said the schedules from April 3, 2020 through May 14, 2020 would be similar to this year's schedule.

Mr. Davis said, after advertising the schedules in the local and regional papers, only one comment was received. It pertained to the language regarding "additional trips being added during peak periods" such as school vacation weeks; the arrival time of trucks; and included a copy of a letter issued by the Falmouth Board of Selectmen back in June 2017. Mr. Davis noted that the Staff Summary omitted that the schedules were advertised in the *Falmouth Enterprise* in addition to the publications listed. He further noted that no 5:30 a.m. trip from Woods Hole is proposed during this period.

Mr. Davis said the Port Council voted to recommend that the Board pass the schedules as proposed at its meeting earlier that day.

Mr. Hanover asked if there would be a problem with the *M/V Woods Hole* replacing the *M/V Island Home* during that timeframe due to the difference in passenger capacities; Mr. Rozum responded that, during this time of year, it would not pose an issue. Mr. Davis added that, since the *M/V Woods Hole* does not allow for side-loading of passengers, it may present issues with the trips on which there is a 15-minute turnaround, but some of that time will be made up during sailing. Furthermore, due to the construction at the Woods Hole terminal, all passenger loading may be relegated to the transfer bridges at various points during this schedule.

Mr. Jones asked if, following the Authority's issues last year when various boats were offline at different points, if there was enough slack in the schedule to accommodate that or if the schedules would have to be altered to do so. Mr. Davis said that the *M/V Sankaty* or the *M/V Katama* are available as a spare vessel during this time. Mr. Jones noted that the decision several years prior to keep the *M/V Governor* turned out to be a wise one, but he remained concerned about the matter. Mr. Davis further noted that the lift decks aboard the *M/V Island Home* also would act as a "safety valve" to allow for additional vehicular transport should an issue arise.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to approve the Proposed 2020 Winter and Spring Operating Schedules as proposed in Staff Summary #OPER-2019-4, dated June 14, 2019.

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

Annual Salary Increases for Non-Union Personnel:

Mr. Davis said, as part of the annual performance review for non-union personnel, the Authority commissions Willis Towers Watson for updated market data that is used for wage and salary structure adjustments. This year, the advisory firm recommends a salary

structure adjustment of 2.2% and an overall wage increase of 3.1%; Mr. Davis said the program applies to approximately 90 employees.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to approve the 2019 non-union performance wage and salary increase program as proposed in Staff Summary #HR-2019-58, dated June 14, 2019.

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

Approval of Change Order No. 1 for Contract No. 08-2018, Sewer Pump-Out Modifications – Woods Hole and Vineyard Haven:

Mr. Davis said Contract No. 08-2018 required, among other items, for the Woods Hole terminal sewer pump-out station to be relocated under the employee parking lot. The original design for this portion of the project called for the electrical equipment and air compressors to be located underground in concrete vaults similar to the original 2012 design; however, upon review of the physical construction, the Authority determined that, for personnel safety and maintenance reasons, it would be better to have the electrical equipment and compressors located above ground in an equipment shed, leaving the sewage holding tanks in the concrete vaults below ground level. This change in scope required the siting of an equipment shed with an associated concrete foundation, as well as changes in piping and electrical routing.

Mr. Davis noted that the total cost of the change order was \$135,827.24.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to execute Change Order No. 1 for Contract No. 08-2018, Sewer Pump-Out Modifications – Woods Hole & Vineyard Haven, with Robert B. Our Co. at a total cost of \$135,827.24, as recommended in Staff Summary #GM-724, dated June 14, 2019.

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

Election of the Authority's next treasurer:

Mr. Davis recounted that, following the resignation of Gerard Murphy at the end of 2018, staff prepared and distributed a job posting for the treasurer/comptroller position to identify qualified candidates either internally or externally for the position. In addition to the Authority's website, the Authority enlisted the services of KLR Executive Search Group LLC ("KLR") to assist in its recruitment efforts.

Mr. Davis said KLR reached out to over 600 candidates and, in response to the postings, just over eighty (80) applicants submitted their resumes. Following a review of the applications, five (5) external and three (3) internal candidates were selected to interview for the position. The initial round of interviews was conducted by the team at KLR, and viable candidates were then interviewed by the Messrs. Davis and Kenneally (the latter additionally acting in his capacity as interim director of human resources). For the ensuing round of interviews, Ms. Kennefick joined the Authority's interview team.

As a result of this process, Mr. Davis said Mr. Rozum emerged as the unanimous choice for the position. Mr. Rozum, who is currently the operations manager at the Authority, began his career with the company in 1996 as a member of the its accounting and finance team. After a stint as reservation manager, Mr. Rozum returned to accounting to serve as internal audit manager before transitioning to director of terminals and parking and then to operations manager. Based upon his familiarity with Generally Accepted Accounting Principles, Governmental Accounting Standards, his strong technical skills and the more than twenty-three (23) years of experience working at the Authority, Mr. Rozum is an ideal candidate for the position of treasurer/comptroller, Mr. Davis said. Should his election be approved, Mr. Rozum would start in his new role effective July 1, 2019.

Mr. Davis said the next step in the process would be looking at filling Mr. Rozum's position. With the addition of Mr. Amundsen as director of marine

operations, Mr. Davis noted that the next occupant of that role may require different skill sets as it will focus more on shoreside operations. Mr. Rozum will continue to advise and assist the new hire as needed, Mr. Davis said.

Mr. Jones noted he could not think of a better person for the position.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to elect Mr. Mark K. Rozum to serve as the Authority’s treasurer effective July 1, 2019, subject to contract negotiations, as recommended in Staff Summary #GM-725, dated June 17, 2019.

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

Public Comment:

Mr. Jones asked for public comment, but none was offered.

At approximately 2:31 p.m., Mr. Jones said he would entertain a motion to go into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on May 21 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or 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. These matters include:

- The 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;
- The litigation “In re: Woods Hole, Martha’s Vineyard and Nantucket Steamship Authority; Civil Action No. 17-cv-12473-NMG; U.S. District Court for the District of Massachusetts;”
- The potential for lease or acquisition of real property;
- Negotiations with SEIU Local 888 for a new collective bargaining

agreement for the Authority's Reservation Clerks and other Customer Service Department employees; and

- Anticipated Negotiations with the Unions (Teamsters Union Local 59, SEIU Local 888 and MEBA) of All the Authority's Represented Employees Regarding the Implementation of the Massachusetts Paid Family and Medical Leave Act and the contributions to be paid by the SSA and its employees under that Act beginning October 1, 2019.

The public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. Mr. Jones further noted that, after the conclusion of the executive session, the Board would not reconvene in public.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Ms. Wilson – to enter into executive session to discuss and approve the minutes of the Authority's meeting in executive session on May 21, 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or 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. Jones	10 %	
Mr. Hanover	35 %	
Ms. Wilson	10 %	
Ms. Tierney	10 %	
Mr. Ranney	<u>35 %</u>	<u> </u>
TOTAL	100 %	0 %

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the
June 18, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 18, 2019 Meeting Memorandum, dated June 14, 2019.
2. Video and audio recording announcement.
3. Minutes of the May 21, 2019 meeting in public session (draft).
4. Business Summary for the month of April 2018.
5. Power Point Presentation delivered by William J. Cloutier regarding the Woods Hole Terminal Reconstruction Project.
6. Staff Summary #L-490, Proposed Amendments to the Authority's Guidelines Regulating Advertising at Authority Facilities, dated June 14, 2019.
7. Staff Summary #OPER-2019-3, Proposed Food Travel Policy for the County of Dukes County and Town of Nantucket, dated June 14, 2019.
8. Staff Summary #OPER-2019-4, Proposed 2020 Winter and Spring Operating Schedules.
9. Staff Summary #HR-2019-58, Proposed 2019 Annual Salary Increases for Non-Union Personnel, dated June 14, 2019.
10. Staff Summary #GM-724, Approval of Change Order #01 for Contract No. 08-2018, Sewer Pump-Out Modifications, Woods Hole & Vineyard Haven, dated June 14, 2019.
11. Staff Summary No. GM-725, Staff's Recommendation for the election of the Authority's next Treasurer, dated June 17, 2019.
12. Statement to be read prior to going into executive session.

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

**The Day's Second Meeting in Public Session
June 18, 2019**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of June, 2019, beginning at 5:35 p.m. in the auditorium of Falmouth High School, located at 874 Gifford Street, Falmouth, Massachusetts. All five members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; Moira E. Tierney of New Bedford; and Robert F. Ranney of Nantucket.

Port Council Secretary Robert V. Huss of Oak Bluffs was present, as were the following members of management were present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; 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 Security Lawrence S. Ferreira; Director of Human Resources Janice L. Kennefick; Director of Marketing Kimberlee J. McHugh;; Director of Operations Mark K. Rozum; Health, Safety, Quality and Environmental Manager Angela M. Sampson; and Director of Engineering and Maintenance Carl R. Walker.

Recognition of Public Officials:

Mr. Jones recognized Falmouth Board of Selectman Chairwoman Susan L. Moran, Selectman Douglas C. Brown and Falmouth Town Manager Julian M. Suso in the audience.

Video and Audio Recording of Today's Meeting:

Mr. Jones 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. Falmouth Community Television and Nat Trumbull were also making video recordings of the meeting. Mr. Driscoll was making an audio recording of the meeting, as were Steven Withrow (representing the *Falmouth Enterprise*), James Doubek (representing WCAI), and George Brennan (representing the *Martha's Vineyard Times*).

Comments by Mr. Jones:

Mr. Jones thanked those in attendance for coming and said that tonight's meeting would be more informative in nature. He said, over the past several months, the Authority's staff have met with many people regarding the terminal building in Woods Hole and that a great many more had shared their thoughts via email, and that the Board and staff had reviewed every single one of them. Regarding the opinions from the community that the Authority does not care about their input or that it is not listening, he said that the Members and staff do care and are listening, otherwise they would not be here tonight. He further noted that the building was not further along in the design and construction process because the Authority continues to get input from the public.

He said none of the Members wants to do something that the people of Falmouth do not want, but he said they needed input as to what the community *does* want. He said the emails are inconsistent as to the building's design and, if the Authority did everything that had been asked, the building would resemble one of his grandchildren's Lego creations. While the Authority appreciates the comments, he said that it cannot act on all of them.

In closing, he said the meeting was meant to be for the attendees to offer their thoughts on the project.

Request for Authorization to Develop a
Revised Woods Hole Terminal Building Design:

Mr. Davis said that staff was asking for authorization to direct BIA.studio, the Authority's architects for the Woods Hole Terminal Reconstruction Project, to undertake revised design schematic design phase services for the new Woods Hole terminal building as follows:

1. The building's design should be developed to relate to the character, look and feel of Woods Hole as much as possible within the Authority's requirements and, before commencing work to revise the building's design, the architects should hold another public meeting to receive and discuss input and suggestions from the public regarding the design.
2. Subject to the Authority's requirements, the building should have a low roofline to reduce its height and, in order to reduce

- its overall mass, an even lower roofline over the one-story portion(s) of the building in which its waiting room is located.
3. The building must be able to accommodate all of the Authority's program space requirements as most recently revised by the staff.
 4. The building shall be located within the footprint for the building and plaza as shown on the current proposed site plan for the project, and its first-floor elevation and number of stories shall not exceed those set forth in that site plan. The architects should also shift the location of the building northward within that footprint by at least ten (10) feet to provide more of the view of Woods Hole Passage to the south of the building, as viewed from the Crane Street bridge and the Woods Hole Road/Water Street intersection, provided that this shift of the building does not require any additional or amended permits, licenses or other approvals for the project that would delay the project's current construction schedule.
 5. The building must be designed to be dry flood proofed to an elevation of at least seventeen (17) feet NAVD88, as originally recommended by the Massachusetts Office of Coastal Zone Management in 2014 and described on pages 2-4 of the Authority's supplemental MEPA submission for this project, dated October 2, 2015 under the title "The Intersection of Climate Change and Accessibility."
 6. Both the building and the terminal site should incorporate principles of sustainable design and environmental conservation as are practicable and economically feasible.
 7. The building must comply with all existing and applicable codes, standards, regulations, permits, licenses and other approvals for the project.

Mr. Davis said, in October 2018, the Authority's staff and architects gave presentations to the Falmouth and Martha's Vineyard communities on a proposed schematic design of the Woods Hole terminal building. On October 15, 2018, State Senator Vinny DeMacedo and State Representative Dylan Fernandes asked the Authority to consult with the Woods Hole Business Association (WHBA) and the Falmouth Historical Commission, as well as with the WHCA, and to work with them to develop a design of a new terminal building that meets the Authority's needs while respecting Woods Hole's unique character and the input of its residents.

On February 7, 2019, Mr. Davis said the Authority provided the WHCA representatives with its initial version of the three-story crossing gable roof design option, which features a gable roof similar to the Woods Hole Community Hall and eaves on both sides of the building's three-story center, as well as a revised two-story saltbox roof design option and a two-story gable roof design option.

Mr. Davis noted that:

- The low-sloped roof of the reduced two-story saltbox roof design option resulted in the elevation of the top of the entire building's roofline being 40.5 feet.
- Although the 42-foot elevation of the top of the roofline of two-story gable roof design option was higher than the two-story saltbox design option, the elevation of the top of the roofline over the waiting lobby (which accounted for around 40% of the building's length) was able to be lowered to an elevation of 33.5 feet.
- In the three-story crossing gable roof design option, the top of the roofline of the gable roof over a portion of the building (which accounted for less than 30% of the building's length) was at an elevation of 58.4 feet.
- The Authority also revised its previous program requirements for the building so that its architects could shorten the building's length by ten (10) feet, from 123 feet to 113 feet, resulting in an additional 10-foot wide walkway area and view to the building's south side.

Mr. Davis said the Authority then received a number of comments about the three (3) design options. Most (78%) of the 100 people who submitted comments were opposed to all of the Authority's most recent design options, and the most common reason for their opposition was that none of the design options reflected what they consider to be the character, look or feel of Woods Hole. Individuals also said the building would obstruct views, would be too big, or would be too tall.

Of those who expressed a preference for one of the design options, nine (9) said they preferred the two-story gable roof design; three (3) asked for the smallest design possible; two (2) preferred the reduced two-story saltbox design; and one (1) preferred the three-story crossing gable roof design, Mr. Davis said.

Other comments about the designs included:

- Requests that the building be shingled and/or have clapboard. Mr. Davis noted that, because of the need for the building to be dry flood-proofed up to an elevation of at least seventeen (17) feet, the building's envelope construction requires specific material considerations and details that exceed the performance of commonly used residential materials and construction techniques.
- Requests that the building be more "green" and have solar panels. Mr. Davis noted that, regardless of what building design is ultimately selected, the architects' plans include incorporating a number of sustainable elements into the building, including solar and geothermal power.
- Requests that the building should better reflect the surrounding community. Mr. Davis noted that the Authority was working to determine what, exactly, that was.

Mr. Davis said a number of people also requested that the building be located elsewhere on the site, either without specifying a location or suggesting that it be located farther away from the water, such as at the back of the vehicle staging area where the temporary terminal building is now, in the employees' parking lot, or parallel to Railroad Avenue. Mr. Davis said the Authority had reviewed all of those options, noting that the current location was chosen out of twenty-six (26) possible options and was deemed the best compromise for all stakeholders involved.

Mr. Davis recounted how, in early June 2014, the staff presented a preliminary version of what became known as Concept E2 to the Woods Hole Community Working Group, who asked that it be presented to the entire Woods Hole community at a meeting of the Woods Hole Community Association. The Authority presented a slightly revised version of Concept E2 to the Woods Hole community on June 9, 2014 and understood that the public reaction to the concept was generally favorable. Since this meeting, the Authority has been working with the revised version of Concept E2.

Also regarding requests to move the building, Mr. Davis said:

- All of the Authority's permits, licenses, and other approvals for the project are based upon the terminal building's current proposed location, footprint, and elevation, including the

certification of the Massachusetts Secretary of Energy and Environmental Affairs; the Falmouth Conservation Commission; and the Massachusetts Department of Environmental Protection. Mr. Davis said all of those permits will have to be addressed if the building's location changes.

- The suggested alternative locations for the terminal building would have adverse impacts on safety and the Authority's operations and, in some instances, would result in more of the water view being blocked. Mr. Davis noted that the one-story roofline is not much shorter than the two-story roofline because of the mechanical equipment being located inside the building.
- Requests to relocate certain functions in the terminal building to a second building in order to make the terminal building smaller would not result in the terminal building blocking less of the view of the water from Woods Hole Road or the Crane Street bridge. Additionally, Mr. Davis said the footprint of the terminal building will not decrease, as it is determined by the amount of space needed on the first floor for public areas and the Authority's customer service functions. Conservatively, a second location would cost around \$3,000,000 to \$3,500,000, he said.
- Relocating the terminal employees to the administration building and shuttling them to the terminal would result in additional costs to the Authority of around \$14,500,000 over the building's 50-year lifespan.
- Reorienting the building to minimize blockage of the water view would increase the risk of vehicle/pedestrian conflicts, and the building's protrusion into the middle of the automobile staging area would reduce the number of cars that can be staged there and would further complicate the Authority's vehicle boarding process.

Mr. Davis said staff believe the terminal achieves the operational needs of the Authority. Staff understood going into the process that there were a number of objectives to be considered, including input from the surrounding community and the Authority's customers, and that some of those requests would be at odds with one another. Mr. Davis said the Authority is working to achieve a balance, and to do so it is asking the Board to give authorization take one more pass at getting thoughtful input and suggestions on how the building can be made more palatable to the community.

Public Comment:

Mr. Jones asked those in attendance to err on the side of brevity and to concentrate on the key element, which he said appeared to be making the building compatible with and blending into downtown Woods Hole, and noted that the Board needed to know what that aesthetic was. Mr. Davis noted that in attendance that evening were Chris Iwerks and Lian Davis from BIA.studio.

John Woodwell¹ from Woods Hole said the constraints that were laid out by staff effectively preclude the possibility of the Authority caring or listening to the community. Rather, it requires that the Authority build what it chose to build before this process began. He noted that the operation has done fine with a terminal building that is half the size of what it says it requires and that the program space requirements are falsehoods and just not true. He said to do the project correctly and at an appropriate scale for Woods Hole, the Authority will need to move the building.

Mr. Jones requested that the audience members do not applaud and allow people to say what they wish to say. He said the Members understand what their passions are and they respect them, but the meeting will go much easier otherwise.

Damien Kuffler from Woods Hole said he objected to Mr. Jones' comment and said that the community is here to express their feelings. He said the community has too many ideas because it is a diverse group of individuals and that the Authority has not had any common meetings on this topic. He noted that the Woods Hole Community Association and Woods Hole Business Association do not represent the community as a group and that they are working for their own aims. Mr. Kuffler said this meeting should have been held five years ago, not after the fact.

Mr. Kuffler noted that Option A has a low-profile building out of the way and would have been the best option. Everything the Authority has done has been after the fact, he said. Positioning the building right in front of the water does not provide much sea view and all the space in front of the building will be used by boats and trucks. He asked where the pedestrians would wait and actually have a sea view with all the

¹ Reporter's note: While every effort has been made to accurately note those who spoke, in some cases names may be misspelled. Additionally, some speakers did not give their name, or did not clearly state it for the record.

traffic that would be in the area. Moving the building away from the water would not make it bigger but would change the views.

Mr. Kuffler said the building's design has many failings that are never going to be addressed and that the Authority has never attempted to address these issues.

Mr. Jones said that the entire process has been in the public eye and covered extensively in the process. He said that, in looking at the emails received on this topic, he could see that they were extremely honest and passionate and, overall, very polite. He said that is heartwarming because everyone has seen emails that are not like that.

Andrew Maddox from Falmouth asked for a clarification regarding the statement that it would take \$3,000,000 to build a second structure to house some of the administration outside of Woods Hole; Mr. Davis clarified that the figure was related to building a second building on the terminal property to house items now planned to be located on the terminal's second floor, including the employee locker rooms. Mr. Maddox then asked if Mr. Davis was saying that those functions were, therefore, not needed there, to which Mr. Davis said they were essential functions for the terminal. After further clarification from Mr. Davis, Mr. Maddox said that eliminating the second floor from the terminal seemed to be an obvious step to take.

Ms. Moran noted that the meeting was being turned into an "us versus them" situation and that the purpose for the meeting should have a reset right now so that the Members can truly listen to the public. She noted that true outreach takes time and multiple rounds of effort. As has been noted before, the Authority was first working with the Woods Hole Community Association and Woods Hole Business Association before coming to the public at large and that, while the initial concepts for the building had some assets, the point of the meeting was to find community agreement. She said it does not appear that was what the Members were trying to do and that, rather than criticize the community, they should welcome the public's thoughts in an effort to make it work for the community.

Judy Lasseter said she applauded the Authority's efforts this evening in attempting to gather input about its ideas. However, she said she was disturbed at what she perceived as a misrepresentation of things that happened in the past.

She said, while she had not read the entire Staff Summary, that the Authority seemed to be focusing on the roughly 100 emails it had received on the project and not the 1,000 comments from a petition that was sent to the Authority. She said she would have expected that the Authority would have distributed them to the Members and that they would have read the comments.

She said eventually the Authority is going to make the decision it wants regardless of public input. She said she does not believe the Authority means to come across that way, but she pointed to determining the cost of an additional building only as a negative financial effect instead of considering the people who will have to live with the consequences of the decision. She said she is constantly awakened at 4:00 a.m. by traffic noises, which have only gotten louder and worse as time has gone on. Regardless of what happens with the building, Ms. Lasseter said that it is but one symptom of a larger problem; namely, that the effects of the Authority are unsustainable on the community. She said the least the Authority can do is work with it in an honest fashion instead of just writing the community off as an annoyance. She said she observed recent comments made by Mr. Hanover at a Dukes County Commissioners' meeting² and was disturbed by how he characterized the people of Woods Hole.

Ms. Lasseter said it is time to push the reset button on how the Authority receives the Woods Hole community and said it is not their job to tell the Authority how to do its job. The relationship should not be the way it is, but it has become this way and she said she does not know if it can ever be such that the two sides trust each other again.

Mr. Jones noted that when the Authority moved its Nantucket-bound traffic from Woods Hole to Hyannis, the people of Barnstable were not happy either. He said the Members and staff are looking at the criticisms that need to be accepted and addressed and that they are here to listen.

An individual from Woods Hole said he would like to hear more about the building, but since the topic of New Bedford has come up, he would like to know what can be done to make that more of a reality. He said his sense was that only a small amount of truck traffic would go through that port and that it would only make financial sense if all the

² Reporter's note: In her comments, Ms. Lasseter mistakenly referred to the body as the Martha's Vineyard Commission.

truck traffic were to go through that port. Mr. Jones said that the Authority would continue to assess the "New Bedford issue" and added there is a report on the Authority's website on the matter.

Mr. Woodwell said it was about twenty (20) years ago that the Authority tried to run freight boats from New Bedford, but the company closed the operation because it wanted to run independently of the Authority. The Authority decides whether or not it is going to have competition because it has to permit any service to or from the island. The solution, he said, is for the Authority to get out of the way because it has become too big for what it needs to do. He asked if the Authority cared that this is what the community believes and asked if anyone was listening.

Judy Fenwick said she has lived for thirty (30) years at Woods Hole Road and Locust Street and said that she can hear the traffic clearly from her house. She said she finds two (2) sentences toward the end of the staff summary telling: "Nor would the terminal building be designed any differently if the SSA had a long-term strategic plan based upon projections that, ten or twenty years in the future, it would be carrying fewer freight trucks to and from Martha's Vineyard via Woods Hole because of the development of an alternative off-Cape port. The terminal building and the terminal site itself need to be designed to meet all of the project's goals and objectives regardless of how much, or how little, traffic flows through the terminal at any given time."³ She said what scares her is that the Authority does not have a strategic plan to discuss anything that is not Woods Hole based. Until the Authority has a strategic plan, she said it is not doing its job.

Nora Brown said Mr. Jones asked the attendees to give the Board their suggestions; however, if one were to look at the emails and petition, it is clear what they want, she said.

She said she had two (2) questions that still puzzled her. First, how it can cost \$3,000,000 for some locker rooms and a meeting room to be built atop the freight shed. Second, why a building would need to have a different design just because the locker rooms would have to be located there.

³ P. 78 of Staff Summary #GM-723, quoting from the Recommended Final Decision, OADR Docket No. 2016-025, at pp. 47-48 (March 27, 2017).

Nan Schanbacher of Woods Hole said that she was one of about eight (8) neighbors who was most adjacent to the terminal and that she has never been consulted about anything going on at the property. She said when the freight shed was built it devalued her property considerably; then, when a row a trees was added that is much higher than the freight shed, whatever residual view she had was taken away and she was never consulted about that, either. She said she was having trouble believing that the Authority was really listening because she has had construction happening on both sides of her house in recent years and that the U.S. Coast Guard treated its neighbors far differently than the Authority has. The Coast Guard, she said, held public meetings from the very beginning and spoke with each neighbor individually, looked at the views from their house and took into consideration how they could have the least amount of effect on each property. Ultimately, the project at Station Woods Hole underwent substantial changes as a result of those discussions.

Ms. Schanbacher said the community has been dealing with the effect of traffic for years. She said it is in the Authority's business interests to keep passengers coming, but that, over the years, neighbors have been bombarded by more and more traffic. She said she has had a dog killed by traffic, and there was one weekend where Juniper Point was completely inaccessible due to the gridlock. Employees at the Coast Guard station were unable to get to work, and an ambulance would have been unable to get to the neighborhood should an emergency have occurred. She said these are parts of their everyday life and the Authority does not care. She said she does not see how anyone can listen to the Authority's expressions of sympathy when it has such an abysmal track record She said she urged the Members and staff to put themselves in the neighbors' shoes, noting that they live and work there and none of the people making these decisions are affected by them. She said she wished that the Authority could find a way to take the situation more seriously.

Mr. Jones said to say that the Authority does not care is disingenuous and that it really does care. It does have a mission to carry out, however, and it is trying to do so in the best way possible, which is what the Board was seeking input on at the meeting.

Susan Shepherd said she has been following the Authority's activities for at least two (2) decades and while she appreciates having a listening session, Mr. Davis closed many doors in his opening statement. She said she personally doubted that anything would

change, but she was glad that the residents were being given a chance to speak. She told those in attendance to get ready for a big building.

Barbara Blair said she lives on Woods Hole Road and has done so for twenty-six (26) years. She works in Falmouth and a lot of what she does is in Woods Hole, she said. One of the things that haunts her and continues to haunt her is the public health risk, what she called the "elephant in the room." She said the Authority will be culpable when there is an accident on Woods Hole Road as hazardous materials come down the road every day and that it will only take one spill.

Ellen Tully said, regarding the Authority's strategic planning efforts, that the economic effects of climate change should also be planned for. In ten (10) years, there may not be much of an interest in Martha's Vineyard, she said, and the world could be very different.

Ms. Tully also said that the Authority should not turn the building into a copy of a saltbox or other residential-style building in its efforts to make a building that respects the Woods Hole environment. When building a commercially sized building, different building styles pertain. She acknowledged that the Authority cannot shingle the building because of the flood proofing, but she suggested that a shingled roof might be a tip of the hand to the shingle style. She said a saltbox is a small building so to try to expand it to this enormous building does not make any sense. What the community needs is a beautiful building with style and a building with interest, she said, noting the roofline of what used to be the Leaside as an example of a building with dormers and gables and visual variation. The building should stand by itself as one that is interesting and worthwhile, she said.

Jonathan Goldman of Woods Hole said he had questions about the Enabling Act and how much change had happened that the Authority has a huge impact on; namely, the transportation-related "conflagration" that he said is occurring from the Bourne Bridge all the way down to the village. He said he knows the Enabling Act was done when there was much different access to the island and, for example, one could not easily fly to the Vineyard.

He said community outreach is huge and that, in essence, that is why social media has proven to be explosive over the last fifteen (15) years. Regardless, doing the outreach is hard work and includes going out and meeting with the people, he said.

Mr. Goodman noted that he is a painter and often paints portraits of people in Woods Hole. He said the second-to-last one he did was a bosun's mate second-class with the U.S. Coast Guard and, while painting the picture, he asked him about the Authority's statement that it needed a large meeting room in the terminal to allow for meetings with the Coast Guard during times of crisis. The bosun's mate said that would not be true, and Mr. Goldman said it is endemic of the larger picture of the Authority saying one thing and the opposite being the case.

Mr. Goldman noted that everyone in the village is besieged by Woods Hole Road's growth and specifically noted the Jake braking by trucks, which he estimated happened four or five times in the morning. He said there is no policing of that and, even if the Authority says it tells the truckers not to use their Jake brakes, the trucker will not necessary listen. He asked where the follow through is on that point.

Regarding the architectural renderings, Mr. Goldman said the use of a "saltbox" as regional vernacular historically referred to the addition of the long, deep, sloping roof, usually to cover the wood to heat the house. When talking about a larger-scale building, it does not compute, he said.

Mr. Goldman said there is no sense of belief in the community than what the Authority says is anything other than an imposition on the residents' lives. He said an earlier reference to Authority's leadership being able to go home at the end of the day and not hear the things the Woods Hole residents are hearing are falling on deaf ears. He said while he appreciates that the Authority wants to be able to reach out and hear the residents, there is a "leaden ear" to the process. Mr. Goldman said he thinks it is given to the Authority by the Enabling Act, which he said needs to be reexamined. The amount of power the Authority ends up having is a monopoly and is not consistent with how some change could actually happen.

Ted Fitzelle said he wanted to go back to the start of the project when the community was told that, by virtue of the administration building being constructed on Palmer Avenue, that it would be unnecessary to put a lot of building on the waterfront. Now, he said, three years later, the community is being presented with plans for a terminal that does just that. That is why the Authority is here, he said, because the community realizes that it does not listen.

Mr. Woodwell said the purpose of the meeting is to listen and get ideas from the community; he said a number of ideas have been expressed that show where the community's unanimity is, but at the same time he wished to know what would come from the meeting. He asked the staff and Members what they have learned from the community and if that can be a part of the meeting as well. He said it requires a dialogue back and forth and that the attendees want details, not platitudes.

Mr. Jones said he sees many people who are frustrated with the Authority and that they certainly do not appreciate that. He said that the staff and Members will try to do whatever they can and will continue to try for a long time.

Rachel Pearson from Woods Hole said there is a lot that people get out of being in Woods Hole and that she has seen it in herself and in her children, but she does not understand why the Authority's community outreach has happened until now. Woods Hole is a place of communicating, of belonging and feeling heard. She referenced Mr. Hanover's comments at the Dukes County Commissioners' hearing, calling them "horrifying" and noted that there was laughter in the room. She said, as a relatively new resident to Woods Hole, it is clear that people are feeling very strongly about this issue. She said she does not understand why the Authority has not had a history of reaching out to its neighbors. If you are going to plant trees that block your view, you reach out to your neighbors, she said. She said she wants to be hopeful, but does not understand why the Authority is being conflict avoidant.

Margaret Hines from Woods Hole said this was her first time being part of a community event like this and noted that everyone is hearing from the different sides of the conflict that has been happening. She said she has been absorbing the information and asked the Members and staff what the five (5) takeaways are that they have heard so far.

Mr. Hanover said the video of his comments to the Dukes County Commissioners that was posted online was not the entirety of his comments. What people saw, he said, was his frustration at not being able to provide for the community what they would like and not being able to provide for the Authority Board what they would like. What was not shown in the video was that Mr. Hanover flagged instances of the Authority still trying to get trash trucks barged to New Bedford. He said the Authority also diverted 72,000 people through Seastreak who ordinarily would have been traveling through Woods Hole. The Authority

is looking at electric buses and talking about electric boats and that the Authority was constantly trying to make less of a burden on the community. He said he personally likes the temporary terminal building, but it does not work in the long run. He said what people saw in the video was his frustration, but he would continue to do what he could to lessen the passenger load and truck load in Woods Hole.

A member of the audience noted that the Authority, at its own request, asked a consultant to come in and review its operations. The review resulted in a lot of suggestions and, since what was being seen was a credibility gap that the Authority may need a third party to come in and guide the Authority through this process. What is missing, she said, is that everyone wants this process to succeed, but that success looks very different for each person. Without that outside assistance, she said that the community and the Authority will be back here again every time there is a problem, and everyone knows there will be another problem again. The Authority's reputation has taken a hit in the last year and she said she thought it would be in its best interest to beg the community to participate in a process that would end in something everyone would feel good about.

Regarding the recommendations contained in the comprehensive review of the Authority's operations conducted in 2018 by HMS Consulting, Glosten Associates and Rigor Analytics, Mr. Davis said staff was at work on implementing those. Specifically, the strategic planning portion will require an outside consultant to guide staff through that process, and other initiatives are at various stages of implementation.

Regarding the takeaways from today's meeting, Mr. Davis said he saw the frustration in the room and he hears it in the tone of what everyone is saying. He said staff and the Members are frustrated, too, and they would like to get to a point where it is workable for both sides and they are trying to find a way to get there. Mr. Davis said that staff continue to look at the building's design and that there has been input on the process over the years, although perhaps not to the level that has been seen in other projects. Obviously the location and size of the building remain an issue, and he said staff will try to see what can be done to address some of those concerns identified in this process.

Ms. Wilson said she has been synopsisizing for her fellow Members what she has heard from the community on this issue and, while writing it has a certain effect, hearing the voices themselves provides another dimension. She said she thinks the building should be smaller, but the

location is probably the safest spot when considering pedestrian and vehicular issues. She said what she likes and what might work best are not necessarily the same thing, but she said that if this was planned in any of the other port communities, the same conversation would be happening.

Regarding the building and the process of communication, Ms. Wilson said that the Authority has not understood that, to get a good read from Falmouth, the town is not set up particularly well to communicate. She said she does not know how to fix that, but she noted that the Woods Hole Community Association does not represent all of Woods Hole so it is difficult to get a reliable read on what the community wants.

She said the Authority has an issue wherein it needs to move two million people through an area where only a few thousand live year-round and that the needs of the business are so different from the needs of the community. It is critical that the terminal property be safe, but it is also critical that more work be done.

Ms. Tierney said that New Bedford is very interested in expanding its relationship with the Authority, but that is a process that does not happen overnight. There are some people who want it and some people who do not, and she noted that real estate has gotten very expensive in New Bedford. When the Authority invests in real estate, she said, that means that other projects, such as a new vessel, may become more difficult. There are a lot of intricate, balancing issues involved that the Authority's management and Board have handled better than they are being given credit for.

Ms. Tierney said it has been heavily implied that Woods Hole does not want the Authority there in its present formation and that, if that is the case, residents should be straightforward with the Board about it. It would be a significant change in the way the Authority is structured and in the way it fulfills its primary duties, which she said people cannot forget is to serve the residents of Martha's Vineyard and Nantucket. She said the Authority obviously has to respect and work with the communities that are represented on the Board but that the residents of the islands are, as she reads the Enabling Act, their first priority. To the extent that anyone does not want the presence of the Authority in Woods Hole, they should let that be known.

Roger Day of Woods Hole said, when the Authority hires a consultant to help with its strategic planning process, that it make it a mandate that community input is received. He said it might be helpful to get that kind of input. He added that he, personally, would be thrilled if the Authority was to move some of its freight traffic to New Bedford and would make the trip down Woods Hole Road more pleasant.

At approximately 7:05 p.m., Mr. Hanover exited the meeting.

Ellen Tully said she had two (2) comments. She said there is a movement, a process, in which the safest situations for pedestrians is slow-moving traffic, noting a ferry terminal in Holland in which buses and people are interweaving and it works because the traffic is moving very slowly. The second item is that, having been married to an architect for more than fifty (50) years, there is always another solution even if you think you have come up with the only one.

Mr. Davis noted that, as one of the Members has left the building and another one will be leaving soon, if the Board wished to entertain the recommendations as they stand or if they would like to defer them to a later time. Mr. Jones said he is not sure if more time will make the issue any clearer and that the architects need to get moving on finalizing the plan. While there is always a different plan that can be made, which he agrees with, but what is happening is that the building is being squeezed in and can prohibit some innovative architecture. He asked the Members how they wished to proceed, and Mses. Tierney and Wilson said they would prefer to defer a vote. Mr. Jones said the intention had been to give the architect direction to move forward, but he was not sure if they had enough information to do so.

At approximately 7:08 p.m., Mr. Ranney exited the meeting, which was then adjourned for lack of a quorum.

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the Second
June 18, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 18, 2019 Meeting Memorandum, dated June 14, 2019.
2. Video and audio recording announcement.
3. Staff Summary #GM-723, Request for Authorization to Develop a Revised Woods Hole Terminal Building Design, dated June 13, 2019.

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

The Meeting in Public Session

July 24, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 24th day of July, 2019, beginning at 9:30 a.m. in the Community Room in the Rear of the EMS Building at the Tisbury Fire Station, located at 215 Spring Street, Vineyard Haven, Massachusetts. All five Members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; Moira E. Tierney of New Bedford (who arrived during discussion of the Woods Hole Terminal Reconstruction Project) and Robert F. Ranney of Nantucket.

Port Council President George J. Balco of Tisbury and Secretary Robert V. Huss of Oak Bluffs were also present, as was Dukes County Commissioner Leon Brathwaite and the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Mark K. Rozum; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Vineyard Haven Terminal Manager Richard Clark; Director of Human Resources Janice L. Kennefick; Health, Safety, Quality and Environment Manager Angela M. Sampson; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Jones announced that Lynne Fraker 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 Louisa Hufstader (representing the *Vineyard Gazette*) and Rich Saltzberg (representing the *Martha's Vineyard Times*).

Minutes:

Mr. Jones noted that he was in attendance at the day's first meeting of June 18, 2019 meeting and, as such, the minutes should reflect that he read the recording announcement, not Mr. Hanover.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to approve the minutes, as amended, of the Authority’s first meeting of June 18, 2019.

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

Port Council’s Report:

Mr. Balco reviewed with the Members the topics covered at the Port Council’s June 18, 2019 meeting, which included:

- A review of the May business summary and the Authority’s financial performance to date, which was coming in very close to budgeted estimates. Mr. Balco said Mr. Davis estimated the break-even date to be around August 15, 2019.
- An update on the Woods Hole Terminal Reconstruction Project. Mr. Balco said work was scheduled to resume after Labor Day and continue through May 2020. Following several public meetings and input received by the Authority, various changes to the terminal design are now under consideration.
- The ongoing implementation of the recommendations contained in the comprehensive review of the Authority’s operations by HMS Consulting, Glostten Associates and Rigor Analytics.
- Preliminary discussion of the summer and fall 2020 operating schedules. While there were comments on some of the finer points of the schedules, overall there is very little change to the schedules from this year’s version. The Port Council made no vote on a recommendation, as the schedules need to be presented to the public before a vote is requested in September.
- The process for evaluating the general manager. Mr. Balco noted that the forms had been distributed to the Port Council members both in hard copy and electronically and were due to be reviewed at the Council’s next meeting.
- Mr. Balco related that Port Council Member Robert S.C. Munier of Falmouth brought up a recent news report he read about computer hacking and ransomware and the new trend of targeting small

governmental agencies such as the Authority. Mr. Balco said Mr. Davis responded that the Authority has a consultant working on this topic and ensuring the safety of its electronic systems.

Results of Operations:

Mr. Davis provided an update on the Authority's operations for May 2019. The Authority overall carried fewer passengers (down 0.4 %), and automobiles (down 1.3%), but more trucks (up 1.1%) than it did in May 2018. The net operating income for May 2019 was approximately \$1,163,000, which was \$1,051,000 lower than the amount anticipated in the 2019 budget. Operating revenues and other income were approximately \$11,190,000, which was approximately \$102,000 lower than budgeted, while total operating expenses and other expenses were \$10,027,000, or \$949,000 higher than budgeted.

Mr. Davis noted that, of the 2,277 trips made in May 2019 on both routes by the Authority's vessels, there were four (4) cancellations for mechanical reasons on the Vineyard route and two (2) on the Nantucket route.

Year-to-date, Mr. Davis said the Authority has a net operating loss of \$12,174,000, or approximately \$6,000 higher than the amount anticipated in the 2019 operating budget. Total operating revenues through May were up \$593,000, while operating expenses and fixed charges were \$599,000 higher than anticipated.

Mr. Davis noted that the fund balances were in relatively good shape.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis said the construction season wrapped up during the past month prior to the start of the summer operating schedule on June 19, 2019. Slip No. 3 is operational and has been used primarily for the *M/V Sankaty*, although there have been some occasions in which the *M/V Nantucket* has used it. Mr. Davis noted there are a few minor issues that need to be addressed, including the chains on the fendering system being too tight and the platforms on one of the monopiles being located on the wrong side for the freight boats, necessitating a bollard for the top of one of the monopiles. However, in general, the slip has been well received, he said.

Mr. Davis said Cashman is actively working on a platform for the south side of Current Slip No. 2 (the southernmost slip). Shortly after work resumes

after Labor Day, Mr. Davis said the passenger embarkation platform between the slips will need to be removed to accommodate the scheduled work on the middle slip. The ramps will be reused for the temporary passenger platform on the southern side. The temporary passenger tent, which will also need to be removed, will be placed into storage until a new location is identified for its use.

Mr. Davis said the project's engineers are still looking at options to address the north bulkhead. The plans for the fall construction call for the monopiles to be driven prior to the sheet pile for the bulkhead so that there is not a reoccurrence of the soil liquefaction that occurred at Slip No. 3.

Mr. Davis said Robert B. Our Co. completed installing all of the equipment for the sewer pump-out project. He said the system has been turned on and is operational, although some minor items need to be addressed, such as a ventilation fan in the equipment shed that needs to be installed to address the heat generated by the equipment.

Mr. Hanover said he is concerned about not having enough shelter for the Authority's customers at the slips and said having shelter at the site is essential. Mr. Davis said, when the tents were first installed, the Authority investigated having a roll-down shade to provide additional cover, but the state building code would then necessitate a much more substantial shelter. Mr. Davis said the oil storage shed adjacent to the southern slip causes a space issue as the company that picks up the Authority's waste oil needs access to that site; however, staff is continuing to look for a solution in that area.

A member of the audience suggested that if the tent was placed in front of the temporary terminal building that the Authority could provide staged loading and have personnel on hand to usher passengers over to the slip.

Status on the Implementation of the HMS Consulting Recommendations:

Mr. Davis provided an update on the implementations of the recommendations contained within the independent review of the Authority's operations performed by HMS Consulting, Glosten Associates and Rigor Analytics. He noted that project managers had been named for the seven (7) project implementation plans covering eight (8) of the recommendations contained in the comprehensive review.

- Safety Management System/Quality Management System: Ms. Sampson and her team have been reviewing submissions by vendors to provide the SMS and QMS systems; the Members will be receiving

staff's recommendation later in the meeting for consideration. Earlier this month, a meeting of captains and chief engineers was held, and the staff has received positive feedback about the implementation of the systems and word that the crews see the value in making the change.

- Learning Management System: Ms. Kennefick and her team are meeting weekly with Marine Learning Systems and continuing to populate the system with as much data as possible. The goal is to get a pilot of the system live this summer, although portions of the materials are already being used for new hire orientations.
- Mission Statement: Mr. Driscoll and his team have started hosting a series of public outreach sessions (including 2 p.m. to 4 p.m. that day in the same room as the Board meeting and 2 p.m. to 4 p.m. on Tuesday, July 30, 2019, at the Authority's administrative offices in Falmouth) and have created a page on the Authority's website for individuals to provide their comments. The team anticipates presenting a draft of the mission statement to the Board in September; the strategic planning and performance metric projects will follow the completion of the mission statement. Mr. Driscoll noted that comments would be accepted through August 23, 2019.
- Engineering Resources: Ms. Kennefick and Mr. Amundsen have been interviewing candidates for the project engineer, assistant vessel maintenance manager, port engineer, and assistant port engineer positions, as well as for the vacant port captain position.

Presentation of Preliminary 2020 Summer and Fall Operating Schedules:

Mr. Davis presented the preliminary draft of the 2020 Summer and Fall Operating Schedules, which cover the period from May 15, 2020 through January 3, 2021. Mr. Davis noted that the proposed schedules are similar to the schedules run this year during the same periods.

- The early summer schedule from May 15, 2020 through June 16, 2020 starts on the same date as this year's schedule but ends three (3) days earlier.
 - On the Vineyard route, it is proposed that there is no change in the sailing times, quantity of available trips or vessel crewing. The vessels and dates for the "spruce up" repair periods will be finalized at a later date.
 - On the Nantucket route, the *M/V Gay Head* would be tripled crewed and operate three (3) round trips Monday through Friday and two (2) round trips on Saturdays and Sundays,

with the ability to provide an optional trip on Saturdays and Sundays if needed.

- The schedule from June 17, 2020 through September 8, 2020 would start three (3) days earlier than this year's schedule.
 - On the Vineyard route, it is proposed that there is no change in the sailing times, quantity of available trips or vessel crewing.
 - On the Nantucket route, it is proposed that there is no change in the sailing times, quantity of available trips or vessel crewing compared to 2019, with the exception that the *M/V Gay Head* would serve as the primary freight vessel as the *M/V Katama* will have a scheduled dry-docking.

- The schedule from September 9, 2020 through October 20, 2020 would be similar to this year's schedule, except it will end three (3) days earlier.
 - On the Vineyard route, it is proposed that there is no change in the sailing times, quantity of available trips or vessel crewing.
 - On the Nantucket route, it is proposed that there is no change in the sailing times, quantity of available trips or vessel crewing compared to 2019.
 - Mr. Davis pointed out that, during the schedules from May 15, 2020 through October 20, 2020, the staff is proposing that the 5:30 a.m. trip from Woods Hole operate in the same manner that it is during this years' schedule.

- The schedule from October 21, 2020 through January 3, 2021 would be similar to this years' schedule, except it will start three (3) days earlier.
 - On the Vineyard route, it is proposed that there is no change in the sailing times, quantity of available trips or vessel crewing.
 - On the Nantucket route, it is proposed that there is no change in the sailing times, quantity of available trips or vessel crewing compared to 2019. However, since the *M/V Eagle* will be undergoing its scheduled dry-docking, the *M/V Nantucket* will be running in its place. As a result of the lower capacity of the *M/V Nantucket* versus the *M/V Eagle*, it is proposed that the *M/V Woods Hole* would serve as the freight vessel during this entire schedule period.

Mr. Davis noted that the staff was continuing to examine some of the time periods in which construction will be ongoing as part of the Woods Hole Terminal Project and evaluate whether or not the reservation-only periods will need to be expanded to not only better manage traffic flow but expectations as to when individuals can get their vehicles on a ferry. Mr. Davis said, if that were to be the case, staff would also reexamine the Blue Line and expanding the number of cars taken under that program, as well as adding options for preferred spaces. Mr. Davis said staff would present that recommendation when the final versions of the schedules were presented in September. In response to a question from Mr. Hanover, Mr. Davis confirmed that staging issues were the primary reason for the consideration of expanding reservation-only periods.

Analysis of Rates Versus Cost of Services for 2018:

Mr. Rozum presented the Analysis of Rates Versus Cost of Services for 2018 report to the Members, noting that the staff broke down how much it costs to transport a car to each island and where that money goes.

- On the Martha's Vineyard route, the cost of vessel operations and indirect non-vessel costs increased by \$7,053,346 during 2018 versus 2017, a 13.8% increase. Mr. Rozum noted that some of the increase was due to one-time costs while other reasons included additional vessel fuel oil expense and the addition of the *M/V Sankaty* to the summer schedule.
 - The Authority operated 742 more trips between Woods Hole and Martha's Vineyard in 2018 compared to 2017.
 - The average revenue per standard fare automobile was \$64.43, while the average revenue per excursion fare automobile was \$19.81.
 - The average standard-fare car covered 97.4% of the cost of travel, while the average excursion-fare car covered 29.9% of the cost of travel. The average truck covered 86.8% of the cost of travel.
- On the Nantucket route, the cost of vessel operations and indirect non-vessel costs increased by \$381,147 during 2018 versus 2017, an increase of 1.2%.
 - Overall, the Authority added 70 trips to the Nantucket schedule in 2018, not including *M/V Iyanough* trips.
 - The average revenue per standard-fare automobile was \$192.38, while the average revenue per excursion-fare automobile was \$53.71.

- The average standard-fare car covered 147.1% of the cost of travel, while the average excursion-fare automobile covered 41.1% of the cost of travel. The average truck covered 89% of the cost of travel.

In response to a question from Mr. Hanover, Mr. Davis noted that, regarding the excursion automobile fares, since a portion of that cost includes passenger tickets, the study has consistently allocated a portion of the fare received to passenger revenue totals and the rest to automobile revenue totals.

Authorization of Changes in the List of Authorized Check Signers:

Mr. Rozum noted that four (4) individuals are currently authorized to sign checks and/or authorize wire transfers. Historically, the treasurer/comptroller, the assistant treasurer, the accounting manager and one of the internal auditors have been the individuals authorized to sign. With the naming of Mr. Rozum as treasurer/comptroller, he will be added to the list of authorized signers and Mr. Davis, who was temporarily serving in that role, will be removed. Internal Audit Manager Kelly C. Conrad will also be added to the list, bringing the total number of authorized check signers to five (5), which Mr. Rozum said will be an assistance to staff when they need two (2) signatories on a check.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Tierney – to approve adoption of the provided resolutions relative to the authorized signers on the Authority’s bank accounts, as proposed in Staff Summary #A-637, dated July 19, 2019.

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

Approval of Contract No. 12-2019, Supply and Deliver Two (2) Remanufactured MTU 12V4000 M70 Engines for the *M/V Iyanough*:

Mr. Davis said the Nos. 1 and 2 MTU 12V4000 M70 diesel engines aboard the *M/V Iyanough* will have accumulated slightly more than the recommended running hours for a major overhaul at the end of the 2019 season. 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. 1 and 2 engines to be assembled and dynamometer-tested by MTU-certified technicians at an approved MTU facility, Mr. Davis noted.

The bid estimate for each engine was \$525,000 without core charges for a total of \$1,050,000, with an expected credit of \$257,500 for the used cores, Mr. Davis said. Drawings and specifications were sent to two (2) vendors; the sole response was from Stewart & Stevenson Power Products LLC of Marlborough, Massachusetts.

Mr. Hanover noted that the responsive bidder was the same company that performed similar work on the Nos. 3 and 4 engines and asked if the issues with those engines had been resolved to the Authority's satisfaction. Mr. Walker noted the negotiations regarding the claim concerning the No. 3 engine were ongoing, but the other engines were operating as designed.

In response to a question from Mr. Jones, Mr. Walker noted that, during the last engine overhaul, the short blocks were built on site. This time, they will be completely remanufactured from Stewart & Stevenson and tested on a dynamometer at a full load before being placed in the vessel. The work includes a one-year parts and labor warranty.

Mr. Jones asked if it would make more sense to purchase a new engine, to which Mr. Walker replied that MTU M70 engines are no longer available new for purchase. Such an item would be a special manufacturing contract and would include an upcharge of 30% to 40%. Remanufactured engines are technically new and are manufactured to original factory specifications, he added. Mr. Hanover asked if the core would be new, to which Mr. Walker replied that it may be depending on the availability; if not, it will be certified as new and will include a new block and crank. The life expectancy of the engines is six (6) to seven (7) years before requiring an overhaul, Mr. Walker said.

Ms. Wilson asked why the other vendor did not submit a bid, to which Mr. Walker stated that both vendors are, in essence, part of the same company but are different divisions. He said the company might not have bid knowing that the Authority was in another region.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Tierney – to authorize the general manager to award Contract #12-2019, Supply and Deliver Two (2) Remanufactured MTU 12V4000 M70 Engines for the M/V Iyanough, to the lowest eligible and responsible bidder, Stewart & Stevenson Power Products LLC of Marlborough, Massachusetts, for a total contract price of \$1,316,357, as proposed in Staff Summary #E 2019-5, dated July 18, 2019.

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

Contract No. 03-2019, To Assist the Steamship Authority in Transitioning to a Process-Based Approach to Management, Including the Development and Implementation of a New Safety Management System (SMS) and Quality Management System (QMS):

Mr. Davis said the Request for Proposals (“RFP”) was issued on February 15, 2019 to assist the Authority in transitioning to a process-based approach to management, including the development of an SMS that would be ISM code-compliant as well as a QMS that would be ISO 9001 code-compliant. Both systems were recommended by HMS Consulting, Glosten Associates and Rigor Analytics in the report they issued regarding their comprehensive review of the Authority’s operations.

Prior to the issuance of the RFP, Mr. Davis said the Authority had entered into a second contract with HMS to assist the Authority in implementing the report’s recommendations. As part of that contract, HMS agreed to assist in evaluating the proposals received for this RFP and, in turn, both HMS and Glosten Associates declined to submit a response to the RFP.

Mr. Davis said four (4) responses were received by the May 7, 2019 deadline and were evaluated on the basis of criteria other than price by Mr. Amundsen, Ms. Sampson and with the assistance of Messrs. Davis and Kenneally, Procurement Officer Peggy Nickerson, and individuals from HMS Consulting and Glostén. The four responsive firms and the results of their evaluations are as follows:

- Safety Management Systems LLC was evaluated as being **highly advantageous** to the Authority. The proposal evidenced SMS LLC's understanding of the project as a whole, including its complexity and implementation issues, and clearly referenced the RFP's specifications and other requirements.
- Martin Ottaway was evaluated as being on the "higher end" of **advantageous** to the Authority but its experience in implementing SMS/ISM/ISO 9001 and ISO 14001 in comparison to other proponents was lacking.
- Marine Safety Consultants Inc. was evaluated as being **advantageous** to the Authority, but the firm showed an apparent inexperience with implementing ISO 9001/ISM on ferries and roll-on/roll-off vessels.
- RPS Group Inc. was evaluated as being **advantageous** to the Authority, but the firm also showed an apparent inexperience with implementing ISO 9001/ISM on ferries and roll-on/roll-off vessels.

After the preparation of the above evaluations, the proponents' financial proposals were opened, which were presented as follows:

- | | |
|----------------------------------|-----------|
| ▪ Safety Management Systems LLC | \$585,526 |
| ▪ Martin Ottaway | \$248,650 |
| ▪ RPS Group | \$231,000 |
| ▪ Marine Safety Consultants Inc. | \$169,980 |

Mr. Davis noted that the Authority's cost estimate for the contract was \$575,000 based, in part, upon the estimates contained in the HMS comprehensive report's recommendations.

Following the review of the financial proposals, Mr. Davis said the evaluation team reviewed the consulting proposals to determine if SMS LLC's proposal was worth the additional cost, and the consensus was that it was due to the additional detail and the likelihood that SMS has a better understanding of the scope of work and complex development and implementation issues than the other submissions.

In response to a question from Mr. Jones, Mr. Davis said it is anticipated that the implementation of the SMS will take twelve (12) months to eighteen (18) months, and then another six (6) months for the initial certification of the system by a designated classification society. Mr. Davis further stated that the SMS would be implemented first and that representatives of SMS LLC would be on site working with staff and vessel crews as part of the process.

Mr. Amundsen said the first step will be an initial gap analysis in which SMS LLC staff will be visiting the vessels and the Authority's offices to perform an evaluation prior to developing new protocols and procedures. Ms. Sampson said subsequent phases will include audits of the vessels and shoreside operations, including compliance with, among other items, Occupational Health and Safety Administration (OHSA) regulations. The certification process will be carried out by the American Bureau of Shipping (ABS), and SMS LLC will have the opportunity to participate in that process as well.

Ms. Tierney asked if the proposal had been vetted by the Port Council, to which Mr. Davis replied that procurement matters were not typically presented to that body before coming to the Board. Ms. Tierney asked if the Board should consider the gap in the prices and added that she felt the Board may have been hasty in its decision to enter into the second contract with HMS Consulting. Ms. Sampson stated that the gap in the prices were , in the review team's opinion, attributable to the lower estimate of man hours needed to perform the work in the proposal from the second choice for the contract, Martin Ottaway. Additionally, Martin Ottaway does not specialize in the architecture of SMS and QMS from the ground up, whereas SMS LLC's specialty is implementing these systems from "ground zero."

Mr. Jones inquired as to the costs of additional training and associated services required for the new systems, to which Mr. Davis replied it is anticipated to cost \$50,000 to \$75,000 a year. Mr. Davis added said there will be times in which the Authority will bring vessel crews in during the off-season when there is greater availability of replacement crews. Part of the training will be done on-board the vessels as well, he said. Overall, there will be a learning curve on the systems and it will take some work to identify issues before they become a problem, but Mr. Davis said he is encouraged by the responses received thus far throughout the organization. Mr. Jones said he was glad the Authority was making this step forward and filling in the gaps the organization had set out to address following the HMS report.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to authorize the general manager to award Contract No. 03-2019, To Assist the Steamship Authority

in Transitioning to a Process-Based Approach to Management, Including the Development and Implementation of a New Safety Management System (SMS) and Quality Management System (QMS), to Safety Management Systems LLC of Portland, Maine, the responsible, responsive and eligible proponent who submitted the most advantageous proposal for the contract, for a total contract price of \$585,526, as proposed in Staff Summary #GM-725, dated July 22, 2019.

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

Annual Evaluation of General Manager Parameters:

Mr. Kenneally then reviewed with the Members the process for the annual evaluation of the general manager, noting that, last year, they approved ten (10) goals for Mr. Davis’ 2018-2019 year. The forms for the evaluation are similar to those used in prior years, but Mr. Kenneally noted he would provide the forms electronically as well to those who needed them. Mr. Kenneally then asked the Members to return the forms to himself as well as Mr. Jones, who will jointly be the conduit for the resulting evaluations and who will make them available for the Board’s meeting in August.

Mr. Hanover’s Comments:

Mr. Hanover then suggested that the Members and Port Council members be issued iPads as the Authority was wasting an enormous amount of paper to produce the Board packets and the information comes out slowly. To wit, Mr. Hanover said he made several attempts in the last week to find his Board packet, most of them unsuccessful. Mr. Hanover said he was on the Board of a bank that accomplished this and it was very successful, and he would like to recommend it for the Authority.

Mr. Hanover also discussed an incident involving one of his friends in which the friend's wife was departing one of the Authority's vessels in Woods Hole on June 27, 2019 and his wife collapsed. Mr. Hanover said the Authority's staff was outstanding in their response, starting CPR and maintaining her health until an ambulance arrived. She is at home now and doing much better, and Mr. Hanover said he wished to express his gratitude to the staff. Mr. Hanover said he knew one of the staff to be "Ally", but he did not have her full name or the rest of the staffs' names who assisted. Mr. Davis said he would determine who was involved in the incident to make sure they were recognized.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Ms. Tierney – to send a commendation letter to the employees involved in the June 27, 2019 incident referenced by Mr. Hanover.

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

Public Comment:

Noli Taylor of Aquinnah, who stated she was a member of the Martha's Vineyard Commission's climate action task force as well as the Island Grown Initiative and ICAN, thanked Messrs. Hanover, Rozum and Driscoll for their recent discussions on the efforts of the Authority to consider climate change in their operations. Ms. Taylor said there was a large and growing number of Vineyard residents who were concerned about the issue and consider the Authority a critical partner in preparing for the future.

Ms. Taylor then introduced Emily Gazzaniga as a student who has been working to increase the awareness of environmental concerns among students on the island. Ms. Gazzaniga stated that the future of the climate and environment are important to the Vineyard, especially as a coastal community, and with the Authority being the leading method of transport for the islanders, the question of electrifying the fleet has been raised by many. Ms. Gazzaniga stated that, based on her investigation on the Authority's website, it appears that it burns about 3,000,000 gallons of fuel a year and said converting to ferries powered by renewable resources would be beneficial in the long term.

Mr. Jones noted that this was a hot topic and an extremely costly one, but it is where the industry is headed and, when the Authority gets a new boat, it is something that will need to be examined against the cost of the vessel as a whole. The electrification of the Authority's bus fleet is another issue that will be very timely as new buses are added to the fleet on an approximately yearly basis.

Ms. Gazzaniga then asked if there was anything that could be done to speed up the process; Ms. Taylor added that she would like the Board to commission a feasibility study concerning converting the Authority's existing ferries to plug-in hybrids and to develop a sustainability action plan to help make the Authority's future more "green." Mr. Amundsen said he has been reviewing the initial plans for an electric vessel that would be along the lines of the *M/V Governor* but stated that the batteries are in an elementary stage of development and that it would require a lot of in-house development to use such a vessel. Electric vessels are clearly on the horizon, he said, and hopefully will be able to be incorporated into plans but the cost for retrofitting an existing vessel is very difficult to overcome.

Mr. Brathwaite suggested that the Authority could survey other ferry operators to see what their plans were; Mr. Jones said he got such information thanks to his yearly attendance at the Passenger Vessel Association conference. Mr. Davis noted that Europe, in general, was further along in this regard than the United States. The United State Coast Guard was likely to have issues with the safety of storing lithium batteries and the question of the infrastructure to charge the batteries was of great importance. Mr. Davis said he believed that Washington State Ferries was considering retrofitting some of its vessels (albeit with the assistance of state funds) and the issue would be one to watch as the Authority considered what its next vessel would be.

Peter Stam of Vineyard Haven said the volume of the whistle on the *M/V Island Home* was extremely loud and unnecessarily so, especially early in the morning. He noted that the vessels have an electric air horn and he requested, at least before 9 a.m. and after 6 p.m., that it be used in lieu of the steam whistle. Mr. Stam also noted that the whistle frightens his granddaughter when she visits and that the electric horn would be sufficient to warn boats of the vessel's departure.

Mr. Davis also noted that the Authority had a 20-year employee, Antero "Rocky" Rodrigues, retiring this week. Mr. Rodrigues works out of Hyannis and Mr. Davis said he wanted to point out his retirement and wish him well.

At approximately 10:53 a.m., Mr. Jones said he would entertain a motion to go into executive session to discuss and approve the minutes of the Authority's

meeting in executive session on June 18, 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or 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. These matters include:

- The 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;
- The litigation "In re: Woods Hole, Martha's Vineyard and Nantucket Steamship Authority; Civil Action No. 17-cv-12473-NMG; U.S. District Court for the District of Massachusetts;"
- The potential for lease or acquisition of real property;
- Negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Service Department employees; and
- Anticipated Negotiations with the Unions (Teamsters Union Local 59, SEIU Local 888 and MEBA) of All the Authority's Represented Employees Regarding the Implementation of the Massachusetts Paid Family and Medical Leave Act and the contributions to be paid by the Authority and its employees under that Act beginning October 1, 2019.

The public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. Mr. Jones further noted that, after the conclusion of the executive session, the Board would not reconvene in public.

IT WAS VOTED – upon Ms. Tierney's motion, seconded by Mr. Ranney – to enter into executive session to discuss and approve the minutes of the Authority's meeting in executive session on June 18, 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or 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. Jones	10 %	
Mr. Hanover	35 %	
Ms. Wilson	10 %	
Ms. Tierney	10 %	
Mr. Ranney	<u>35 %</u>	_____
TOTAL	100 %	0 %

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the
July 24, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. July 24, 2019 Meeting Memorandum, dated July 19, 2019.
2. Video and audio recording announcement.
3. Minutes of the first meeting in public session of June 18, 2019 (draft).
4. Minutes of the July 10, 2019 meeting of the Port Council (draft dated July 19, 2019).
5. Business Summary for the Month of May 2019.
6. Staff Summary #OPER 2019-5, Preliminary Version of Proposed 2020 Summer & Fall Operating Schedules, dated July 16, 2019.
7. Staff Summary #A-636, 2018 Analysis of Rates Versus Cost of Service, dated July 15, 2019.
8. Staff Summary #A-637, Authorization of Changes in the List of Authorized Check Signers, dated July 19, 2019.
9. Staff Summary #E 2019-5, Contract #12-2019, Supply and Deliver Two (2) Remanufactured MTU 12V4000 M70 Engines for the *M/V Iyanough*, dated July 18, 2019.
10. Staff Summary #GM-725, To Assist the Steamship Authority in Transitioning to a Process-Based Approach to Management, Including the Development and Implementation of a New Safety Management System (SMS) and Quality Management System (QMS), dated July 22, 2019.
11. Memo from Janice L. Kennefick and Terence G. Kenneally to the Authority Members and Port Council Members regarding the Performance Evaluations of the General Manager, dated July 5, 2019.
12. 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 20, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 20th day of August, 2019, beginning at approximately 9:30 a.m. in the second-floor conference room of the Authority's Hyannis Terminal, located at 141 School Street, Hyannis, Massachusetts. All five Members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; Moira E. Tierney of New Bedford (who participated telephonically); and Robert F. Ranney of Nantucket.

Port Council President George J. Balco of Tisbury and Secretary Robert V. Huss of Oak Bluffs were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Mark K. Rozum; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Reservations and Customer Relations Manager Gina L. Barboza; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Human Resources Janice L. Kennefick; Port Captain Charles M. Monteiro; Health, Safety, Quality and Environment Manager Angela M. Sampson; and Director of Engineering and Maintenance Carl R. Walker;

Video and Audio Recording of Today's Meeting:

Mr. Jones announced that Steve Baty 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 Louisa Hufstader (representing the *Vineyard Gazette*) and Ethan Genter (representing the *Cape Cod Times*).

Remote Participation by New Bedford Member Moira E. Tierney:

Mr. Jones 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. Jones 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. Jones 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. Jones 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. Wilson’s motion, seconded by Mr. Ranney – to approve the minutes, as amended, of the Authority’s first meeting of July 24, 2019.

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

Port Council’s Report:

Mr. Balco reviewed with the Members the topics covered at the Port Council’s August 7, 2019 meeting, which included:

- The June business summary, which showed the Authority to be down slightly in ridership on an overall basis but not greatly.
- Talk on the islands about possible slowdowns for visitors and seasonal rentals on the horizon.
- The HMS Consulting report and the status of the implementation of their recommendations.
- The status of the chief operating officer position recommended in the HMS Consulting report, which Mr. Davis told the Port Council was still under consideration and may be the subject of future action.
- The Port Council devoted the last part of its meeting to their comments on the general manager’s annual review, discussing their scores and any specific comments. Mr. Balco said he would not review those in detail but, overall, the council members who were present rated Mr. Davis very highly for his work.

Results of Operations:

Mr. Davis presented the results of operations for the month of June 2019. Overall, the Authority carried fewer passengers, automobiles and trucks in the month than it did in June 2018 (down 1.6%, 0.9% and 0.2%, respectively). The Authority's net operating income for the month was about \$4,119,000, which was about \$412,000 below what was assumed in the 2019 budget. Operating revenue for the month totaled \$13,417,000, while operating and other expenses totaled \$9,299,000, he said.

For the first six months of the year, Mr. Davis said the Authority had carried more passengers, automobiles and trucks (up 2.0%, 3.5% and 6.3%, respectively) than it had for the same time period in 2018. Year to date, the Authority's net operating loss was \$8,055,000, about \$418,000 more than anticipated in the 2019 budget. Mr. Davis said he thought the Authority would move toward profitability for the year in July or August.

Mr. Davis noted, of the 2,512 combined trips made by the Authority in June, zero (0) trips were cancelled for mechanical reasons on the Vineyard route and three (3) were cancelled for mechanical reasons on the Nantucket route.

Mr. Davis further noted that the cash balances were in relatively good shape.

Mr. Hanover noted the large passenger increases for the Seastreak service out of New Bedford and said he wondered if it was a sign that route was going to become more popular. He said he would be interested to see what their July and August numbers were. Mr. Davis noted that June was a relatively rainy month, which could explain some of the Authority's flat traffic figures for that month. Mr. Hanover noted that the weather did not seem to have that effect on Seastreak's service.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis noted that major work had been halted for the season, but some small items continue to be worked on, notably constructing a passenger platform to the south of the southernmost slip. Shortly after Columbus Day, Mr. Davis said the temporary passenger tent and loading platform between the southernmost and middle slips will need to be removed, which is why the platform to the south is being constructed so as to create a temporary passenger platform. To provide shelter, the Authority will install a glass enclosure next to the temporary platform and repurpose the oil shed as temporary shelter. Oil

storage containers are being sourced and will be placed to the east side of the trash compactor, he said. Unlike the tents, Mr. Davis noted these solutions will provide more protection from the elements for the Authority's patrons. The tent will be placed into storage until another use for it can be identified.

Marine contractor Jay Cashman Inc. has been performing some minor work on the northernmost slip (Slip No. 3) as well, Mr. Davis said, to correct some distortion on U-bolts that hold the fenders onto the pile. Mr. Cloutier said, while the load calculations for the chains were completed, the same calculations were not done for the U-bolts. Therefore, the engineers came back with new designs and the replacements should be done by September 2019.

In response to a question from Mr. Hanover, Mr. Davis said the glass shelter is eight (8) feet by twenty (20) feet and should be able to fit between the platform and the ramps while still allowing the Authority's neighbors access through the nearby gate. Mr. Cloutier noted that the glass shelter and the oil shed should be able to provide shelter for 70 to 80 people, which he said should be sufficient for the winter.

Regarding the sewer pump-out project, Mr. Davis said the project is substantially complete and that exhaust fans have been installed where needed.

Federal Transit Administration Grant Award:

Mr. Davis said that the Authority has been awarded a \$2,500,000 grant from the Federal Transit Administration's Passenger Ferry Grant Program, which will support the construction of the Woods Hole ferry terminal building. Mr. Davis noted that the Authority was one of only eight (8) ferry operators in the country to receive an award. Mr. Jones said that shows the dedication of Mr. Davis and the staff and that it is a huge amount of money. Mr. Davis said he was very pleased with the award and that everyone realizes that every bit of extra funding helps relieve pressure on the fare box.

Status on the Implementation of the HMS Consulting Recommendations:

Mr. Davis provided an update on the implementations of the recommendations contained within the independent review of the Authority's operations performed by HMS Consulting, Glosten Associates and Rigor Analytics.

- Safety Management System/Quality Management System: A kick-off meeting with Safety Management Systems LLC is scheduled for early September. SMS LLC will first conduct a “gap analysis” and will plan site visits for that work, in addition to reviewing existing documentation, procedures, and protocols. A steering committee including Ms. Sampson and Mr. Amundsen, as well as other staff members and representatives from the fleet and terminals, will participate.
- Learning Management System: the working group on this project has been meeting weekly with Marine Learning Systems to populate the system with as much data as possible. While the system is a web-based platform and is capable of being accessed via a smartphone or computer, laptops have been ordered for each of the vessels and terminals, which will be dedicated for use to access the Learning Management System.
- Mission Statement: a series of public outreach sessions have been hosted and a page has been created on the Authority’s website for individuals to provide their comments, which are being accepted through August 23, 2019. Once all comments are received and considered, the project team expects to come back to the Port Council and Board with a draft for consideration in September. We would then come back after considering any additional feedback with the proposed version at the November meetings for a vote. The strategic planning and performance metric projects will follow the completion of the mission statement.
- Engineering Resources: staff have been interviewing candidates for the project engineer, assistant vessel maintenance manager, port engineer, and assist port engineer positions, as well as for the vacant port captain position. Mr. Davis said, as the Authority is getting into its repair periods, the project engineer will not be involved in that work this fall, but he expects the position to be in place by spring. In response to a question from Mr. Hanover, Mr. Davis confirmed that the project engineer would follow the vessels through their repairs, along with the port engineer and assistant port engineer assigned to those vessels.

Announcement of New Port Captain:

Mr. Davis said he is pleased to announce that Captain Charles M. Monteiro has accepted the Authority’s offer to become its next Port Captain.

Capt. Monteiro has been with the Authority since 1976, when he was first hired as an ordinary seaman on a temporary basis. He became a full-time employee of the Authority in 1977 and later served as an able-bodied seaman, a bosun, a purser, a mate, a pilot and a vessel captain before being named Assistant Port Captain in 2009, Mr. Davis said.

Mr. Davis said the appointment comes after the Authority enlisted the services of Flagship Management to assist in our internal and external recruitment efforts. After a series of interviews led by Mr. Amundsen, including several excellent internal candidates, Capt. Monteiro emerged as the clear choice for the position.

Mr. Davis said Capt. Monteiro's many duties will include directing the day-to-day operations of the Authority's fleet, including its compliance with U.S. Coast Guard regulations and overseeing the vessel personnel in the performance of their duties. Capt. Monteiro will also play an instrumental role in the Authority's transition to a process-based culture, including the implementation of the Safety Management System.

Proposed Memorandum of Understanding
Between Cape Cod Regional Transit Authority and
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority:

Mr. Davis said the Authority was approached by the Cape Cod Regional Transit Authority ("CCRTA") in 2015 regarding eligibility to participate in the National Transit Database ("NTD") program for possible funding opportunities from the Federal Transit Administration ("FTA"). With the assistance and guidance of the CCRTA, the Authority applied for, and was accepted to participate in, the NTD program.

Since acceptance into the program, data related to the Authority's activities, both statistical and financial, has been submitted to the NTD. Since the CCRTA is the designated recipient for the Barnstable Urbanized Area, grant funds related to Steamship Authority activities must first be transferred to the CCRTA. While these grant funds are a result of Steamship Authority operating data, the CCRTA, due to its status as the designated recipient for this urbanized area, has reporting and audit responsibilities, Mr. Davis said.

The Memorandum of Understanding outlines the obligations of each party related to the funds as well as acceptable usage of the funds and reporting obligations, Mr. David said. Grant funds related to 2017 activities will result in \$769,638 available for financing of certain projects and services.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney– to authorize the General Manager to execute a Memorandum of Understanding between the Cape Cod Regional Transit Authority and the Woods Hole, Martha’s Vineyard and Nantucket Steamship Authority relative to the grand funds related to 2017 activities from the Federal Transit Administration, as proposed in Staff Summary #GM-727, dated August 15, 2019.

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

Treasurer’s Report:

Mr. Rozum reviewed the status of the Authority’s new accounting system, which rolled out in April. He said all sections of the Authority’s accounting system have successfully been migrated to Microsoft NAV, with the last component being the payroll system. He said all landside employees have migrated to the digital time clock system, while vessel employees are clocking in electronically, but also submitting paper slips to make sure their information is entered into the payroll system correctly. Mr. Rozum said it is expected that the vessel employees will be migrated to the electronic system within the next sixty (60) days.

Once that first phase is complete, additional items can be rolled out via the new system, including taking automated clearing house (“ACH”) payments for customer charge accounts and allow for electronic payment to the Authority’s vendors, Mr. Rozum said.

Mr. Rozum noted that there has been strong buy-in from the Authority’s staff regarding the system and that, while it has been a challenge, the employees have been working hard to fully implement the system.

Approval of Change Order #44 as Part of
Contract No. 16-2017 with Jay Cashman Inc.:

Mr. Davis said during the most recent construction period, monopile No. 8 located in Slip 3 encountered an obstruction that prevented it from reaching sufficient depth for the loads anticipated on that approach dolphin per the engineers' calculations. The embedment, initially reached, was only sixty (60) feet deep, while the engineers required 100 feet deep, he said. The engineered fix was to drive two (2) 42-inch diameter pipe piles behind the 96-inch diameter monopile in order to provide additional impact support.

Mr. Davis said this change order includes the material cost for the two (2) coated 42-inch steel piles, the labor and equipment required to drive these piles, as well as the labor, equipment and materials to fill these piles with concrete. These two (2) additional piles were driven to a depth of eighty-five (85) feet, he said. The total cost for the work was \$398,182.27.

Ms. Wilson noted that there was a fifteen percent (15%) markup on multiple items throughout the change order and asked if that was standard operating procedure, noting that it seems that line item is a continuing windfall for the company. Mr. Cloutier said the markup is fixed in the underlying contract. Ms. Wilson asked if the work was to be paid for by the Authority because of the depth, which Mr. Cloutier confirmed. He added that the bid included Cashman's responsibility regarding excavation for any obstructions up to ten (10) feet deep, but anything beyond that was the Authority's responsibility. This change order, however, was related to pile driving and not related to that threshold.

Ms. Wilson also noted, according to the summary of change orders already awarded, which is provided on a monthly basis to the Members, that this item is listed as already approved, as are about \$200,000 in other change orders. Ms. Wilson said she did not know about the others and asked if, in the future, the Board could be made aware of them. Mr. Davis said this particular change order was included on that list in error; the rest were under \$100,000, so he had the authority from the Board to approve them himself. Ms. Wilson said she is not objecting to the work but that she wanted to avoid the appearance that the Board was "rubber stamping" bills that had already been paid. Mr. Davis said the handout could do a better job of explaining the work involved, such as including the cover sheet for the change order. Mr. Jones also noted that the general manager has the authority to approve change orders of less than \$100,000 to expedite the process on smaller items.

In response to a question from Ms. Tierney, Mr. Davis said he would provide a copy of the contract signed with Jay Cashman Inc. to her.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to execute Change Order No. 44 on Contract No. 16-2017, Woods Hole Reconstruction – Waterside” with Jay Cashman Inc. for a total cost of \$398,182.27, as proposed in Staff Summary #GM-728, dated August 15, 2019.

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

Annual Evaluation of General Manager:

Mr. Kenneally said the review would cover the dates July 1, 2018, through June 30, 2019, to coincide with Mr. Davis’ start date as general manager. Mr. Kenneally noted that, following the last Board meeting, he distributed the evaluation forms to the Members, which were to be completed and compiled in advance of today’s meeting.

Mr. Kenneally noted that four (4) members of the Port Council had participated in the evaluation process at their meeting earlier this month and a public discussion ensued. Ms. Tierney asked what the Board was going to do regarding the Port Council members who had not completed their evaluation, to which Mr. Kenneally said he was not sure what could be done at this point. Ms. Tierney asked if they had been asked directly to submit their forms, to which Mr. Kenneally replied in the affirmative and said it was both before and after the Port Council meeting. Mr. Jones said they should be encouraged to complete the forms, but Ms. Tierney said the matter should be kept open until the Board’s next meeting and that a letter should be sent to the three (3) members who had not turned in their forms, as it is part of their obligation to the Authority. She noted that Port Council Member Ed Anthes-Washburn had not completed his review, and that she would like his input. Ms. Wilson noted that she, too, found the Port Council’s thoughts helpful in formulating her own thoughts.

Mr. Balco noted that the Fairhaven representative, Mark H. Rees, has been on the Port Council for a very short time so he likely has declined to perform an evaluation for that reason. Mr. Balco then provided a quick summary of the Port Council's findings: that, as has been the case in the past, the Port Council found that Mr. Davis has been working very hard, has a good knowledge of all aspects of the Authority and to a high degree; works well with the employees and has been performing not only his functions but a little beyond that in the last year.

Mr. Jones said that the Board would wait another month to complete its evaluation in an effort to obtain the missing evaluations from the Port Council.

Disclosure of Potential Conflict of Interest:

Mr. Davis said that, pursuant to the provisions of Mass. G.L. c. 268A, § 6, that he, along with General Counsel Terence G. Kenneally, Treasurer/Comptroller Mark K. Rozum and Director of Human Resources Janice L. Kennefick, are advising the Members of the nature and circumstances of a particular matter involving a review of the Authority's organizational chart for its nonunion management staff and its wage and salary program for its nonunion employees because job grades and salary ranges for newly created positions and reorganized staff positions, in which they potentially have a financial interest.

Mr. Davis said the Authority has taken the HMS Consulting recommendations to task, one of which involves reconfiguring the organizational structures within the Authority's engineering and operations departments with the goal of improving the overall operation and making the organizational structure "less flat." Changes to the organization chart may create the need for corresponding changes to the wage and salary program for the nonunion employees, Mr. Davis said, noting that assigning grades and salary ranges for newly created positions and reorganized staff positions within the Authority's current organizational structure pose significant challenges to compensate employees for their qualifications, experience, and performance while also motivating them to improve and meet the challenges of their respective positions.

Mr. Davis said that, while the Members are the ones who ultimately have the responsibility to make any decisions regarding the creation of new positions and the compensation levels, it is normal practice for staff to analyze the pertinent underlying issues for the Members and then to present the Members with recommendations. However, in this instance, each of the aforementioned individuals has a potential financial interest in this matter in the event that their own salary grades and salary ranges are amended following the structure reorganization.

The state conflict of interest law provides that the Members may assign the above matter to another employee or may assume responsibility for the particular matter themselves, Mr. Davis said. But Section 6 also provides another alternative for the Members; namely, it allows staff to participate in this matter if they advise their appointing authority and the State Ethics Commission of the nature and circumstances of the matter and make full disclosure of their financial interest in it, as is now being done by means of this staff summary and the attached disclosure forms. The Members could then make a written determination that the financial interests of the named staff are not so substantial as to be deemed likely to affect the integrity of the services which the Commonwealth may expect from the staff members.

Mr. Davis said the disclosures proffered by Messrs. Kenneally and Rozum and Ms. Kennefick were submitted to him for his review, consideration and approval as their appointing official, as required by Section 6 of Mass. G.L. c. 268A.

In response to a question from Mr. Jones, Mr. Davis clarified that “less flat” meant that the organizational structure would be broadened to have fewer people reporting directly to him and more people included in the marine operations department. Mr. Davis also clarified that, pursuant to the law, the Board is the appointing authority in this matter regarding Mr. Davis’ disclosure, but it was up to him to approve the others.

Ms. Tierney asked where in the Enabling Act it is found that the general manager can hire the general counsel, to which Mr. Davis said that it is not specifically named in the Act so it, therefore, falls to the general manager. The Board, however, named the general counsel the clerk of the Authority, as it named the comptroller the treasurer of the organization. Ms. Tierney said she believes that the Board should hire the general counsel and that the matter should be discussed at some point.

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Mr. Hanover – to approve the conflict of interest disclosure of Robert B. Davis by determining that his financial interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commonwealth may expect from him in the review of the Authority’s wage and salary program for its nonunion employees, as proposed in Staff Summary #GM-729, dated August 16, 2019.

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

Mr. Jones' Comments:

Mr. Jones said he would like to add an item to future agendas that would give the Members a time to report on what is happening in their particular towns to help the Authority be more proactive in identifying issues in which it may have a stake. He said it would be helpful to know items like that and he asked the Members to bring them forward as appropriate.

Public Comment:

At approximately 10:48 a.m., Mr. Jones said he would entertain a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on July 24, 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or 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. These matters include:

- The 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;
- The litigation "In re: Woods Hole, Martha's Vineyard and Nantucket Steamship Authority; Civil Action No. 17-cv-12473-NMG; U.S. District Court for the District of Massachusetts;"
- The potential for lease or acquisition of real property;
- Negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Service Department employees; and
- Anticipated Negotiations with the Unions (Teamsters Union Local 59, SEIU Local 888 and MEBA) of All the Authority's Represented

Employees Regarding the Implementation of the Massachusetts Paid Family and Medical Leave Act and the contributions to be paid by the Authority and its employees under that Act beginning October 1, 2019.

The public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. Mr. Jones further noted that, after the conclusion of the executive session, the Board would not reconvene in public.

IT WAS VOTED – upon Ms. Tierney’s motion, seconded by Ms. Wilson – to enter into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on July 24, 2019; to discuss the Authority’s strategy with respect to pending litigation; to consider the purchase, exchange, lease or 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. Jones	10 %	
Mr. Hanover	35 %	
Ms. Wilson	10 %	
Ms. Tierney	10 %	
Mr. Ranney	<u>35 %</u>	_____
TOTAL	100 %	0 %

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the
August 20, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. August 20, 2019 Meeting Memorandum, dated August 15, 2019.
2. Video and audio recording announcement.
3. Minutes of the meeting in public session of July 24, 2019 (draft).
4. Minutes of the August 7, 2019 meeting of the Port Council (draft dated August 14, 2019).
5. Business Summary for the Month of June 2019.
6. News release, "Steamship Authority Selects New Port Captain," dated August 20, 2019.
7. Staff Summary #GM-727, Memorandum of Understanding with Cape Cod Regional Transit Authority, dated August 15, 2019.
8. Staff Summary #GM-728, Approval of Change Order No. 44 for Contract No. 16-2017, Woods Hole Reconstruction – Waterside," dated August 15, 2019.
9. Staff Summary #GM-729, Robert B. Davis, Terence G. Kenneally, Mark K. Rozum and Janice L. Kennefick Disclosure of Potential Conflict of Interest, dated August 16, 2019.
10. 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
September 24, 2019**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 24th day of September, 2019, beginning at approximately 9:45 a.m. in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. Four Members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; and Robert F. Ranney of Nantucket. Moira E. Tierney of New Bedford was absent.

Port Council Member Nathaniel Lowell was present, as were Nantucket Town Manager Elizabeth "Libby" Gibson, Nantucket Transportation Planner Mike Burns, and the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Mark K. Rozum; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; Director of Marketing Kimberlee J. McHugh; Nantucket Terminal Manager Elaine Mooney; and Assistant Treasurer Courtney Oliveira.

Video and Audio Recording of Today's Meeting:

Mr. Jones announced that Steve Baty 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 was Louisa Hufstader (representing the *Vineyard Gazette*).

Minutes:

IT WAS VOTED – upon Ms. Wilson's motion, seconded by Mr. Ranney – to approve the minutes of the Authority's meetings on June 5, 2019, June 8, 2019, the second meeting of June 18, 2019, and August 20, 2019.

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

Mr. Hanover abstained from voting on the motion.

Port Council's Report:

Mr. Lowell reviewed with the Members the topics covered at the Port Council's September 18, 2019 meeting, which included:

- A discussion of the July business summary and the Authority's current projects. Mr. Lowell noted that Woods Hole Terminal Reconstruction Project Manager William J. Cloutier was forthcoming on the project's progress and some of the issues marine contractor Jay Cashman Inc. was facing after restarting work.
- The Nantucket summer and fall 2020 operating schedules, which the Port Council voted to recommend approval of following one change, which Mr. Lowell said would be covered in the Board's discussion of the matter.
- The Port Council was introduced to Director of Shoreside Operations Alison Fletcher, whom Mr. Lowell said is already well up to speed on several important matters.
- The draft mission statement, which the Port Council voted to recommend acceptance of following some discussion.
- The preliminary budget and preliminary rate increases.

Mr. Lowell noted he still felt the same-day midweek roundtrip fare on board the *M/V Iyanough* should be increased by \$5.00. Additionally, he did not agree with the proposed increase in the motorcycle fare, while he agreed with the proposed increase in parking permit fares. Regarding the excursion rate, he agreed with the proposed increase, but he also said there were some things the Authority could do to ameliorate the situation, such as a blended rate when a trip straddles the date of the seasonal fare change.

Results of Operations:

Mr. Davis presented the results of operations for the month of July 2019. Overall, the Authority carried fewer passengers (down 2.4%) and automobiles (down 2.6%), but more trucks (up 2.9%) than it did in July 2018. Through the first seven (7) months of the year, the Authority has carried more passengers (up 0.7%), automobiles (up 2.0%), and trucks (up 5.7%) than it did for the same time in 2018. Mr. Davis noted that, in July 2018, there were nine weekend days compared to eight in 2019, which may account for the decreases as weekends are obviously very busy travel times.

In the month of July 2019, the Authority's net operating income was approximately \$6,776,000, approximately \$942,000 lower than the 2019 budget, Mr. Davis said. Year-to-date, the Authority has realized a net operating loss of \$1,279,000, which is approximately \$1,360,000 more than the budget. Regardless, the fund balances remain in relatively good shape, although he noted that some corrections due to be made in August 2019 would change those balances.

Mr. Davis said that, during July, the vessels completed 2,684 trips, of which four (4) trips were cancelled for mechanical reasons on the Vineyard route and zero trips were cancelled for mechanical reasons on the Nantucket route.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis said the marine contractor, Jay Cashman Inc., mobilized after Labor Day after a short delay due to the effects of Hurricane Dorian that were felt locally. They began rebuilding the ringer crane on the on-site barge before they began to work on the north pier from the shore. The barge is now operating in Slip 3 because it was determined that the chains and U-bolts at that slip had to be changed and strengthened, Mr. Davis said. Following the completion of the Slip 3 work, demolition at the middle slip should commence.

Mr. Davis said Cashman was also preparing the decking on the south side of the southernmost slip to serve as the ingress and egress for that (southern) slip once the middle slip is taken out of commission. He said a hazmat trailer was procured in order to transition the oil shed into temporary passenger shelter space. Unlike the current tents, the converted oil shed will provide more protection against the wind and elements, he said. The tents will not come down until after Columbus Day, Mr. Davis said. In response to a question from Mr. Hanover, Mr. Davis said that the oil shed would be situated at the foot of the southernmost slip and that, once the ramps and decking are completed on that

side of the slip, they should be right at the entrance to the temporary passenger shed. Additionally, a glass enclosure will be located at the site to provide extra coverage in the winter.

Status on the Implementation of the HMS Consulting Recommendations:

Mr. Davis noted that HMS Consulting President John Sainsbury and Matt Lankowski, an ocean engineer with Glosten Associates, were present to provide their quarterly update on the status of the implementation of the recommendations contained in the independent review of the Authority's operations conducted in 2018. Mr. Sainsbury said, in general, the Authority has been moving along according to schedule on the recommendations following the board/staff workshops that were held in June 2019.

Messrs. Sainsbury and Lankowski then provided the following updates:

- Safety Management System/Quality Management System: A kick-off meeting with Safety Management Systems LLC ("SMSLLC") was held in early is scheduled for early September. SMSLLC is currently conducting its "gap analysis" with on-site work at the Authority, in addition to and reviewing existing documentation, procedures, and protocols. The work is to require careful project management as it is a large undertaking, but it is scheduled to be fully implemented by the end of 2020 or early 2021. The contract price of some \$560,000 was within HMS' estimate for the work. The project is scheduled to begin with vessel operations, and then move to terminals and facilities, administration, and management. At the conclusion of the work, SMSLLC will facilitate certification of the system from a recognized certification organization.
- Learning Management System: This was one of the first projects to be implemented as the Authority issued a request for proposals ("RFP") for a new LMS and entered into an agreement in April 2019 with Marine Learning Systems. The focus is currently on adding content to the system. So far, the only additional expense has been the purchase of around thirty (30) computers to be distributed throughout the organization to allow personnel to access the LMS.
- Mission Statement: Mr. Driscoll was to have a presentation on the draft mission statement later in the meeting, but in general, the first round of public comment was limited in number and was enough for a strong start on the project. The goal is to have the mission statement adopted by the Port Council and Board in November. The project team has done a good job of communicating

the goals and activities of the project and has been very transparent throughout the process.

- Strategic Planning: The project had not begun yet as it is meant to follow adoption of the new mission statement. However, for that to happen, the RFP for a vendor to aid the Authority in this project will have to go out very soon. The next step would be finalizing who would serve as project manager from the Authority; that individual would be responsible for developing a project plan and working with the selected vendor.
- Performance Metrics: This project is purposely being held until after the development of the strategic planning process.
- Engineering Resources: Staff have been interviewing candidates for several positions in order to “right-size” the department, and the work is off to a strong start. The consulting team is working with the project team to determine a scoring matrix for the candidates and that the effort is expected to conclude in the next month or two.
- Vessel Operations: As the new hires are brought on board, the goal is to reorganize the Authority into a more efficient structure with greater accountability in a process-based culture. The project is still underway; it will include an evaluation of the need for an operations department head as well as reexamining the shoreside operational resources.

Mr. Sainsbury said the budget established by HMS Consulting and Glostern Associates as part of their implementation assistance is tracking well with the estimates delivered in February 2019, with the only modification being that the consultants had asked to spend a few extra hours on project plan development. Regarding the internal budget estimates, Mr. Sainsbury said they would be working on refining each project’s budgetary estimates.

Of the seven projects established following the June 2019 workshops, five (5) projects are on schedule and on budget, Mr. Sainsbury said. He noted that there are some critical integration points on the horizon regarding the SQMS system (previously referred to separately as the SMS and QMS) as well as bringing new personnel into the Authority.

Ms. Wilson said she has been asked if the position of chief operating officer is still under consideration, to which Mr. Sainsbury said it is as part of the Vessel Operations project. The position is now being referred to as the head of operations, however, and the decision regarding that position is part of the second phase of that initiative following the realignment of the Authority’s organizational structure.

In response to questions from Ms. Wilson, Mr. Lankowski said much of the content for the LMS is being developed internally and will be based on the wealth of knowledge now present, but not documented, within the Authority. Mr. Sainsbury said each employee's job code would track the training needed in the LMS and provide the appropriate resources. Ms. Kennefick noted that any external training required for employees could be uploaded to the LMS as well.

Mr. Jones noted that there is a tremendous amount of change going on with adopting a completely new system and that it will be a challenge to make it a well-oiled one. He said he did not know of a faster way to accomplish the task, but it would certainly be a work in progress. Mr. Sainsbury agreed and said that, in the last three months, the project managers have been working very hard to get their arms around the initiatives and define each project. He said the project managers have been working well as a group and developing that cohesion, which will make the implementation of the project even better.

Mr. Jones said he would like to know the "bread and butter" of the programs and would like to be able to access as many of them as possible to make good decisions about how they are being implemented. Ms. Kennefick noted that the LMS was web-based so the Members could have access to it; Mr. Davis added that a demonstration could be arranged for the Board.

Mr. Davis also noted that four (4) new engineering hires had recently been made in regards to the Engineering Resources project. They are:

- **Liam J. Slein** will be serving as the Authority's project engineer. In this role, which has been newly created, Mr. Slein will be responsible for planning management oversight of all vessel repair and overhaul projects, major capital projects, and new vessel construction to ensure the objectives and expectations of each project are met. Mr. Slein has more than twenty (20) years of leadership and operational experience in mechanical, industrial, manufacturing, and engineering environments. A U.S. Coast Guard veteran, Mr. Slein has master's degrees in mechanical engineering and naval architecture/marine engineering from the University of Michigan. He most recently worked as a facilities engineer at the Massachusetts Division of Capital Asset Management and Maintenance.
- **Robert J. Stewart** will be serving as the Authority's second port engineer. In this role, Mr. Stewart will oversee the day-to-day operations of the engineering department and maintenance activities of the Authority's fleet as well as assisting in the planning, organizing, scheduling and efficient utilization of the fleet to monitor day-to-day preventative and corrective maintenance activities.

Mr. Stewart more than fifteen (15) years' experience in the shipboard operation and maintenance industry. A former member of the Massachusetts Army National Guard and a current lieutenant junior grade in the U.S. Navy Reserve, Mr. Stewart has a master's degree in engineering management from George Washington University and is a Massachusetts Maritime Academy alumnus. He most recently worked as a project manager/marine engineer at ENE Energy Advisors in Canton, Massachusetts.

- **Zachary A. Lawrence** will be serving as the Authority's second assistant port engineer. In this role, Mr. Lawrence will assist in the Authority's two (2) port engineers with the day-to-day operations of the engineering department and maintenance activities of the Authority's fleet.

Mr. Lawrence is a graduate of the Maine Maritime Academy, where he majored in marine systems engineering; for the last several years, he has served aboard offshore supply vessels and tugboats.

- **Timothy H. DeMoranville** is serving as the Authority's assistant vessel maintenance manager. In this role, which is newly created, Mr. DeMoranville will assist the vessel maintenance manager with the supervision of the maintenance department trades personnel and vessel personnel who are assigned to the Fairhaven Vessel Maintenance Facility, or any location where an Authority vessel may be under repair or overhaul.

Mr. DeMoranville has more than twenty (20) years of experience in the maritime field, including fourteen (14) years as the first assistant/relief chief engineer board the *T/S Kennedy* at the Massachusetts Maritime Academy. He most recently worked as a mechanical maintenance supervisor at Covanta SEMASS in Rochester, Massachusetts. He is a Maine Maritime Academy graduate.

Mr. Davis noted that the new hires would greatly expand the Authority's ability to monitor and maintain its fleet and that their expertise and experience will be put to immediate use within its engineering and maintenance department.

Review of and Input on the Authority's Draft Mission Statement:

Mr. Driscoll then presented the Members with an update via a PowerPoint presentation on the project to develop a new mission statement for the Authority. As background, he discussed the project's origins as one of the ten (10) recommendations in the HMS report and that the Authority's last mission statement was developed in the mid-1990s, but was never fully implemented. The project team, consisting of himself, Messrs. Kenneally and Rozum and Ms.

McHugh, were named to the project team following the June 2019 workshops with HMS Consulting.

Mr. Driscoll said the team used the Authority's previous mission statement as a basis for its work but were not looking to merely revise it. Instead, the team members identified six (6) core principles from the previous mission statement – community concerns, convenience, customer service, efficiency, safety, and quality – and developed two questions to be answered by the public:

1. From the list of core principles, what is missing? What, if any, should come out?
2. Tell us – what aspects of the Steamship Authority are most important to you?

The team scheduled four (4) workshops, created a dedicated email address and launched a page on the Authority's website explaining the comments, Mr. Driscoll said. Public comment was accepted through August 23, 2019.

Mr. Driscoll said sixty-seven (67) individuals commented, including twenty-two (22) from an open house, and he logged approximately 250 unique suggestions from those comments. Of those five (5) values emerged as the clear favorites to add – customer engagement and solutions; sustainability; reliability; safety; and efficiency. Two (2) values emerged as ones to remove – “changing market needs and demands” and “community concerns” – although Mr. Driscoll noted that far fewer people expressed an opinion about what to remove from the previous mission statement than did people who suggested what to add to the new one.

The mission statement team then began to work on creating a draft mission statement, Mr. Driscoll said. It reads:

Our mission is to operate a safe, efficient, and reliable transportation system for the islands of Martha's Vineyard and Nantucket in an environment committed to sustainability, accessibility, and community engagement.

Mr. Driscoll then reviewed with the Members the draft statement in more detail and discussed the words chosen by the team.

- **Safe:** a company-wide goal that will be more important than ever with the Authority's transition to a process-based culture.

- **Efficient:** Speaks not only to finances – thereby keeping the Authority’s services affordable for the traveling public – but also to the customer experience, the movement of individuals and vehicles at its terminals, and its vessel deployments.
- **Reliable:** Where the Authority lives up to its “Lifeline to the Islands” motto and addresses the overall quality, effectiveness, and dependability of its service.
- **Transportation system:** Includes not only the Authority’s own ferries but its buses and parking lots, as well as its licensed service through other parties such as Hy-Line and Seastreak.
- **For the islands of Martha’s Vineyard and Nantucket:** A common comment was that the previous mission statement was too generic and not specific enough to the Authority or the place it serves. The Authority would not exist were it not for the need to serve these islands, and the team believed the mission statement should reflect that.
- **Sustainability:** One of the most popular responses, which covers a wide range of issues, foremost of which is environmental responsibility and stewardship but also addresses the Authority’s desire to remain a viable organization for decades to come.
- **Accessibility:** Covers not only physical access to our service but also access to the organization through a commitment to transparency and inclusivity.
- **Community engagement:** Covers several touchpoints, including communication, public relations, educating the Authority’s port communities about its services and programs, meeting the needs of the traveling public, engaging with and respecting the Authority’s neighbors, and collaboration and overall responsiveness.

Mr. Driscoll noted that the Port Council had voted to accept the draft mission statement at its last meeting and he was asking the Board to do the same so that it could be promoted throughout the community for another round of public comment, which would last roughly one month. The results of that public comment period and the final draft would be presented to the Port Council and Board in November 2019 for adoption, he said. Mr. Driscoll noted that, after this process concluded, the mission statement would serve as the basis for the strategic planning effort and development of performance metrics.

Ms. Wilson asked how close the draft mission statement was to the mission of the Authority as it was described in its Enabling Act. Mr. Driscoll said that the mission statement team deliberately had not relied on that language, as it had been interpreted, expanded, and contracted by various court rulings over the years and is legal language and not a literary work. Mr. Driscoll said he did not feel like it contradicted the Enabling Act; Mr. Kenneally said the team tried to

reflect in the draft mission statement that the Authority existed to provide adequate transportation of goods and services to the islands, but the foundation of the statement is to be something that employees can look to and obtain guidance.

Mr. Jones asked if the statement should discuss providing good-paying jobs for its employees or if that was one step beyond what should be covered. Mr. Driscoll said the matter of addressing the Authority’s employees directly was one that the team members discussed at length and it was not included due to a lack of desire to express those thoughts. Rather, the question was if the sentiment was something that belonged in a statement that was going to guide the Authority’s operations and was to help the public to understand how it operates. Mr. Driscoll said it was equally born from a desire to shorten the previous mission statement and make it an overall tighter sentence, but the team’s decision for the draft was by no means the final one on the matter. Ms. McHugh noted that the mission statement starting with “our” also addresses the employee angle as well.

Mr. Lowell said the “community engagement” term was the catch for him and said that many people wanted it to say “port community engagement.” He said he thought it should say something like “community needs” or words to that effect that would include both the port communities and the islands together. He said he did not feel the term “engagement” was appropriate, but he did not know the answer.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Wilson – to accept the draft Mission Statement so that it may be subject to a public comment period throughout the month of October 2019 before being brought to the Port Council and Board for an adoption vote in November 2019, as recommended in Staff Summary #COMM2019-1, dated September 19, 2019.

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

Proposed 2020 Summer and Fall
Operating Schedules for the Nantucket Route:

Mr. Davis noted that the schedule from May 15, 2020 to January 3, 2021 would start and end on the same days as in 2019 for the Nantucket route. The route would see no changes to the trip times, quantity of trips, or vessel crewing during the May 15, 2020 through June 16, 2020 schedule. The only change would be the vessels assigned to the run, which would be very similar to 2019.

Mr. Davis said the schedule from June 17, 2020 through September 8, 2020 would start three (3) days earlier and end on the same day as 2019. It would see no changes to the trip times, quantity of trips, vessel crewing or assigned vessels. The *M/V Katama* will operate in place of the *M/V Gay Head* while that vessel is in repair from August 7, 2020 through September 8, 2020.

Mr. Davis said the proposed 2020 operating schedules from September 9, 2020 through October 20, 2020 would start on the same day and end three (3) days earlier than in 2019. It would see no changes to the trip times, quantity of trips, vessel crewing or assigned vessels.

Mr. Davis said the schedules from October 21, 2020 through January 3, 2021 would start three (3) days earlier than in 2019 but end on the same day. It would see no changes to the trip times, quantity of trips, or vessel crewing. The *M/V Nantucket* would be triple-crewed and operate three (3) round trips per day while operating in place of the *M/V Eagle* for the entire schedule during that vessel's repair period. The *M/V Woods Hole* would be triple-crewed and operate three (3) round-trips per day Monday through Friday and two (2) round trips on Saturdays and Sundays, with the option of a third roundtrip.

Mr. Davis said the schedule for the *M/V Iyanough* would start and end on the same days as in 2019 and would see no changes to trip times, quantity of available trips, or vessel crewing.

Mr. Davis said the proposed schedules were published for public comment in all of the local newspapers during the week of July 25, 2019, and the only comment that was received was a request for an earlier and later trip of the *M/V Iyanough*. The Port Council voted to recommend approval of the schedules at its September 18, 2019 meeting, with the exception of Mr. Lowell requesting that the 6:45 p.m. trip off-island being considered a hazardous trip. Staff agreed to look at that based on the bulk reservation requests, Mr. Davis said.

Mr. Lowell noted that the food truck deliveries in downtown Nantucket are an "absolute nightmare" and that there is a lot of pressure every year to fix it,

although it is not an easy thing to do. Mr. Lowell said the Authority should try to get everyone involved in the same room and figure out a way to move trucks to different boats to alleviate the traffic situation.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Mr. Hanover – to approve the 2020 Nantucket Summer and Fall Operating Schedules as proposed in Staff Summary #OPER-2019-6, dated September 18, 2019, and as amended by the Port Council.

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

Mr. Davis said that the Authority held a public hearing on September 9, 2019 at Falmouth High School on the Vineyard schedules pursuant to a petition received by fifty (50) Falmouth residents who objected to the presence of freight trucks before 6:00 a.m. in the summer. Mr. Davis said staff was reviewing the testimony that was provided; he said he anticipates returning to the Port Council and Board at their October 2019 meetings with a recommendation.

Preliminary Draft of the Proposed 2020 Operating Budget:

Mr. Rozum then presented the preliminary draft of the proposed 2020 Operating Budget, with estimated expenses based on the last seven (7) months of actual data plus five (5) months of budgeted data for 2019. Mr. Rozum said the budget is based on the operating schedules that the Board had already approved and the proposed schedule for the Vineyard that will be presented to the Board in October 2019.

Mr. Rozum shared a PowerPoint presentation and additionally noted several items in the budget, including:

- Additional payroll expenses of approximately \$1,385,000, which represents seven (7) new positions that were recommended in the HMS report, as well as four (4) additional maintenance employees.
- Maintenance expenses, which are expected to increase by \$3,385,000 in 2020 due to five (5) dry docks scheduled for the year,

plus an additional \$1,309,000 in terminal repairs and an additional \$1,043,000 in dolphin and dock repairs.

- Depreciation expenses, which are expected to increase \$947,000 due to the addition of a full year of Slip 3 at the Woods Hole Terminal to the schedule, as well as a partial year of Slip 2 in Woods Hole.

Mr. Rozum noted that the revenue projections are based on the last twelve (12) months of actual data. The Authority is projected to have \$113,475,000 in revenue in 2020, an increase of 0.9% over 2019; with operating expenses of \$111,599,000, that results in a net operating income of approximately \$2,285,000.

Mr. Davis said this budget represents the results without any rate adjustments and noted that not only do the Authority's expenses increase but the requirements to the Sinking Fund, which total approximately \$11,000,000 for 2020. Mr. Davis noted that, based on the cost allocation method, operating revenues and other nonservice income would be split 57.3% from the Vineyard route and 42.7% from the Nantucket route. The allocation of the total cost of service would be split 58.1% to the Vineyard route and 41.9% to the Nantucket route, Mr. Davis said.

Preliminary Draft of the Proposed 2020 Rate Adjustments:

Mr. Rozum then discussed the proposed rate adjustments for 2020, which are expected to generate an additional \$5,000,000 of operating revenue. He shared a PowerPoint presentation on the adjustments, the highlights of which were as follows:

- The proposed adjustments represent approximately a 6.61% bottom line on projected operating expenses of \$111,599,000.
- Roughly \$4,150,000 of the adjustments would come from the Vineyard route and \$940,000 from the Nantucket route.
- On the Martha's Vineyard route, adjustments are proposed as follows:
 - Increase the one-way standard fare \$11.50 from January 1-March 31 and November 1-December 31.
 - Increase the one-way standard fare \$4.00 from April 1-May 14 and September 15-October 31.
 - Increase the one-way standard fare \$9.00 from May 15-September 14 on Monday-Thursday and \$19.00 Friday-Sunday.

- Adjust the year-round excursion fares \$2.50 per segment.
- Increase year-round parking permits by \$50.00 and seasonal permits by \$25.00.
- On the Nantucket route, adjustments are proposed as follows:
 - Increase the one-way standard fare \$15.00 from January 1-March 31 and November 1-December 31.
 - Increase the one-way standard fare \$5.00 from April 1-May 14 and September 15-October 31.
 - Increase the one-way standard fare \$5.00 from May 15-September 14 on Monday-Thursday and \$25.00 Friday-Sunday.
 - Adjust the year-round excursion fares \$2.50 per segment.
 - Increase year-round parking permits by \$50.00 and seasonal permits by \$25.00.

Mr. Rozum noted that approximately eighty-two percent (82%) of the fare adjustments were coming on standard-fare automobiles. Additionally, he said the Friday-Sunday pricing during the peak summer periods is the Authority's first attempt at a peak pricing model by day of the week and that it may have the result of lessening vehicular traffic to the islands during the summer.

In response to a question from Mr. Hanover, Mr. Rozum said that the excursion rates would not be affected by the proposed peak pricing model.

Mr. Hanover noted the long periods in between raising some of the rates and said that the Authority needed to do a better system of adjusting rates so as to not increase them so much at once. If the Authority were following the Consumer Price Index or another method, it could avoid such large increases.

Mr. Davis noted that both the budget and the rate adjustments are drafts and both will be revisited in the next month before being presented at the Board's October 2019 meeting for approval.

Approval of Contract #05-2019,
Dry-Dock and Overhaul Services for the *M/V Island Home*:

Mr. Davis said the *M/V Island Home* is scheduled for shipyard availability from January 10, 2020 through February 23, 2020. Work scheduled during the shipyard availability includes a U.S. Coast Guard hull exam, underwater hull cleaning and painting, commercial blasting, preparation and painting above the water line to the 03 Deck, interior freight deck painting, propeller shafting and rudder repairs, hull plating replacement as required by inspection, rescue boat

davit replacement, installation of an additional line handling door, 03 deck weather tight door upgrades, deck covering repairs, overall of one main population reduction gear along with other structural and electrical improvements.

Mr. Davis said drawings and specification were sent to ten (10) regional shipyards; one (1) responsive bid was received, from Thames Shipyard and Repair Company of New London, Connecticut. Mr. Davis noted the budget for the dry dock was \$1,600,000, plus the davit replacement of \$268,000; the sole bid was \$2,140,031.

In response to a question from Mr. Jones, Mr. David noted there is an allowance in the contract for steel replacement and a rate that is charged if the replacement goes over and above the allowance. Given that the *M/V Island Home* is one of the Authority's newer vessels, however, it is not anticipated that much steel will need to be replaced.

Mr. Jones asked why the davit replacement was included as that would normally be a maintenance issue, to which Mr. Davis replied that it would but the Authority has a program of updating the davits as vessels go into dry dock so there is a commonality to them for training purposes.

Ms. Wilson asked why only one responsive bid was received, to which Mr. Davis said he believed it is the timeframe of the bids going out. They need to be out at least six (6) months ahead of time, he said, which goes to the Authority's attempts to increase its capacity in the engineering department. The project engineer will be responsible for putting out the dry-dock specs and the repair specs so there is a better overall plan for the projects. Mr. Hanover then asked if, in a year's time, the Authority should expect to receive three or four bids on these projects, to which Mr. Davis replied that would be the hope. In response to a question from Ms. Wilson, Mr. Davis said the bid package was issued in July 2019, but there were a number of addenda as the project was scaled back from its initial plans.

IT WAS VOTED – upon Mr. Ranney's motion, seconded by Mr. Hanover – to authorize the general manager to award Contract No. 05-2019, Dry-Dock and Overhaul Services for the *M/V Island Home*, to the lowest eligible and responsible bidder, Thames Shipyard and Repair Company of New London, Connecticut, for a total contract price of \$2,140,031, as proposed in Staff Summary #E-2019-6, dated September 23, 2019.

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

Annual Evaluation of General Manager:

Mr. Kenneally noted that there was an absent Member and asked if the Board wished to proceed, to which Mr. Jones replied that he did.

Mr. Kenneally reminded the Members that they were evaluating Mr. Davis' performance during the dates July 1, 2018, through June 30, 2019, to coincide with Mr. Davis' start date as general manager, and that the matter had been postponed from last month in order to allow the Port Council members to complete their evaluations. All Port Council members, except for Fairhaven member Mark H. Rees, submitted a response; Mr. Jones noted that he had emailed Mr. Rees and that he had recused himself from the process due to his short tenure on the Port Council. Mr. Kenneally said that the Port Council reviews had been included in the Members' packets; Mr. Jones noted the Port Council had not issued a composite review as they sometimes do.

Mr. Hanover said he took into account that Mr. Davis was running without a treasurer, port captain or director of human resources for the better part of this past year. Were it not for those factors, some of the items on his evaluation would have been scored lower than they were, but that it was a situation Mr. Davis handled "admirably." He scored Mr. Davis thusly:

- Goals and objectives: 86%.
- Elements of management: 94%.
- Management of the Authority's Operations: 95%
- Overall: 90%

Ms. Wilson noted she had been on the Board for less than a year so she did not know how to account for that because there is a level of inexperience and context that she is still working to achieve. However, she said she thought Mr. Davis did a terrific job and works very hard and that the job description and range of his responsibilities are huge. She scored Mr. Davis thusly:

- Goals and objectives: 70%, noting that some of the goals were a little confusing and that she hoped the timeline for the HMS recommendations would have been presented a little sooner.
- Elements of management: 85%.
- Management of the Authority's Operations: 90%
- Overall: 85%

Mr. Ranney said Mr. Davis was juggling many things this year and that, had he had a full management staff, not all of the scores may be so high. Regardless, he said he could see the benefits of Mr. Davis' management of the Authority and its team. Mr. Ranney said Mr. Davis is greater than the sum of his part and that he is doing a great job, although there is always room for improvement. Mr. Ranney scored Mr. Davis thusly:

- Goals and objectives: 95%.
- Elements of management: 95%.
- Management of the Authority's Operations: 97%
- Overall: 96%

Mr. Jones said he rated everything highly and gave Mr. Davis a composite score of 92%, noting that since he came on board his job has been anything but a walk in the park. In fact, it turned sour almost immediately and that it was quite a thing to go through and he was more than happy to give that score.

Mr. Jones then reviewed the composite scores of the Port Council members:

- George J. Balco, Tisbury: 90%
- Ed C. Anthes-Washburn, New Bedford: 90%
- Robert V. Huss, Oak Bluffs: 85%
- Robert S.C. Munier, Falmouth: 85%
- Eric W. Shufelt, Barnstable: 94%
- Mr. Lowell: 95%

Mr. Davis thanked the Members for their reviews and kind comments and said the staff, operations people, customer service employees, maintenance employees, parking and bus operations and all the organization had contributed to his year and made him happy to be the Authority's leader. The direction the Port Council and Board provides also makes him able to be an effective general manager, he said.

Public Comment:

Mr. Jones asked for public comment, but none was offered.

At approximately 11:42 a.m., Mr. Jones said he would entertain a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on August 20, 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or value of real property; to discuss the Authority's strategy with respect to collective bargaining matters; and to discuss contract negotiations with nonunion 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 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;
- The litigation "In re: Woods Hole, Martha's Vineyard and Nantucket Steamship Authority; Civil Action No. 17-cv-12473-NMG; U.S. District Court for the District of Massachusetts;"
- The potential for lease or acquisition of real property;
- Negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Service Department employees; and
- Anticipated Negotiations with the Unions (Teamsters Union Local 59, SEIU Local 888 and MEBA) of All the Authority's Represented Employees Regarding the Implementation of the Massachusetts Paid Family and Medical Leave Act and the contributions to be paid by the Authority and its employees under that Act beginning October 1, 2019.
- The Authority's employment contract with its general manager, Robert B. Davis.

The public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. Mr. Jones further noted that, after the conclusion of the executive session, the Board would reconvene in public.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to enter into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on August 20, 2019; to discuss the Authority’s strategy with respect to pending litigation; to consider the purchase, exchange, lease or value of real property; to discuss the Authority’s strategy with respect to collective bargaining matters; and to discuss contract negotiations with nonunion personnel.

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

At approximately 12:22 p.m., Mr. Jones reconvened the meeting in public session. Four members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; and Robert F. Ranney of Nantucket. Moira E. Tierney of New Bedford was absent.

The following members of management were present: General Manager Robert B. Davis; Treasurer/Comptroller Mark K. Rozum; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; and Director of Human Resources Janice L. Kennefick.

Video and Audio Recording of Today’s Meeting:

Mr. Jones announced that Steve Baty 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 was Louisa Hufstader (representing the *Vineyard Gazette*).

The Authority’s Employment Contract with Mr. Davis:

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to increase General Manager Robert B. Davis’ pay by 3% for the current contract year, retroactive to July 1, 2019.

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

Mr. Rozum noted that the pay increase was in line with the average of what other nonunion personnel were granted this year.

At 12:25 p.m., Mr. Jones then said he would accept a motion to adjourn.

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Mr. Hanover – to adjourn the meeting in public session.

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

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the
September 24, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. September 24, 2019 Meeting Memorandum, dated September 20, 2019.
2. Video and audio recording announcement.
3. Minutes of the meeting in public session of June 5, 2019 (draft).
4. Minutes of the meeting in public session of June 8, 2019 (draft).
5. Minutes of the second meeting in public session of June 18, 2019 (draft).
6. Minutes of the meeting in public session of August 20, 2019 (draft).
7. Minutes of the September 18, 2019 meeting of the Port Council (draft dated September 29, 2019).
8. Business Summary for the Month of July 2019.
9. PowerPoint Presentation, Strategic Initiatives Quarterly Report, dated September 24, 2019.
10. Staff Summary #COMM2019-1, Review and input of draft mission statement prior to seeking additional public comment, dated September 19, 2019 (with attachment).
11. PowerPoint Presentation, Steamship Authority Draft Mission Statement Presentation, dated September 24, 2019.
12. Staff Summary #OPER 2019-6, Proposed 2020 Summer and Fall Operating Schedules – Nantucket, dated September 18, 2019.
13. Staff Summary #A-638, Preliminary Draft of Proposed 2020 Operating Budget, dated September 20, 2019.
14. Staff Summary #A-639, Preliminary Draft of Proposed 2020 Rate Adjustments, dated September 20, 2019.
15. PowerPoint Presentation, 2020 Preliminary Proposed Budget and 2020 Preliminary Proposed Rate Adjustments, dated September 24, 2019.
16. Staff Summary #E2019-6, Contract No. 05-2019, Dry-dock and overhaul services for the *M/V Island Home*, dated September 23, 2019.
17. Annual evaluations of general manager completed by Port Council members Balco, Anthes-Washburn, Huss, Shufelt, Munier, and Lowell.
18. 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 15, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 15th day of October, 2019, beginning at approximately 5:30 p.m. at the Martha's Vineyard Film Center, 79 Beach Road, Tisbury, Massachusetts. All five Members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; Moira E. Tierney of New Bedford (who participated via telephone); and Robert F. Ranney of Nantucket.

Port Council President George J. Balco of Tisbury was present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Mark K. Rozum; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Shoreside Operations Alison A. Fletcher; Director of Marketing Kimberlee J. McHugh; and Assistant Treasurer Courtney Oliveira.

Recognition of Public Officials:

Mr. Jones noted that Dukes County Commissioner Leon Brathwaite was in attendance at the meeting.

Video and Audio Recording of Today's Meeting:

Mr. Jones announced that a representative of Martha's Vineyard Community Television, also known as MVTV, was taking a video and audio recording of today's meeting in public session. Furthermore, Mr. Driscoll was making an audio recording of the meeting, as was Louisa Hufstader (representing the *Vineyard Gazette*) and Rich Saltzberg (representing the *Martha's Vineyard Times*).

Remote Participation by New Bedford Member Moira E. Tierney:

Mr. Jones 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. Jones stated that he agreed with Ms. Tierney and had determined that her physical attendance today would be unreasonably difficult and therefore, she may participate remotely in this meeting, which includes voting on all matters as well. Mr. Jones 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. Jones 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 Mr. Ranney – to approve the minutes of the Authority's meeting on September 24, 2019.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Mr. Ranney	35 %	_____
TOTAL	70 %	0 %

Mr. Jones and Mes. Wilson and Tierney abstained from voting on the motion.

Port Council's Report:

Mr. Balco reviewed with the Members the topics covered at the Port Council's October 9, 2019 meeting, which included:

- A discussion of the August business summary and traffic, which Mr. Balco noted was a mixed bag with some indicators up and others down compared to August 2018.
- An update on the Woods Hole Terminal Reconstruction Project and some early thoughts on the new one-story terminal concept that would incorporate solar power.

- An update on the implementation of the HMS Consulting recommendations.
- The Martha's Vineyard summer and fall 2020 operating schedules, of which the Port Council voted to recommend approval.¹
- The 2020 budget, as updated, and the 2020 rate adjustments, both of which the Port Council recommended to approve.
- The proposal to honor military veterans on Veterans Day, November 11, 2019, with free passage on the Authority's vessels. Mr. Balco noted that the Port Council thought it was a wonderful idea and voted to recommend its passage.

Mr. Balco said that the Tisbury Board of Selectmen asked him to welcome the Board to Tisbury and to apologize for their absence from the meeting, but that a special Town Meeting was being held that evening and precluded their attendance.

Results of Operations:

Mr. Davis presented the results of operations for the month of August 2019. Overall, the Authority carried more passengers (up 0.5%) but fewer automobiles (down 1.1%) and trucks (down 0.5%) than it did in August 2018. Through the first eight (8) months of the year, the Authority has carried more passengers (up 0.6%), automobiles (up 1.3%), and trucks (up 4.9%) than it did for the same time in 2018.

In the month of August 2019, the Authority's net operating income was approximately \$7,283,000, approximately \$1,136,000 lower than the 2019 budget, Mr. Davis said. Year-to-date, the Authority has realized net operating income of \$6,004,000, which is approximately \$2,497,000 less than what was assumed in the budget. Mr. Davis noted that the year-to-date figures showed a significant swing between July and August because, as the Authority has transitioned to its new accounting system, the mapping of the pension, health and welfare costs were not being done correctly. Mr. Davis said the issue had largely been addressed and that the monthly financial reports should more accurately portray those costs going forward.

¹ Reporter's note: although Mr. Balco stated the Port Council voted on the summer and fall Martha's Vineyard 2020 operating schedules, staff requested approval of and the Port Council voted on only the summer operating schedules.

Mr. Davis said that, during August, the vessels completed 2,710 trips, of which two (2) trips were cancelled for mechanical reasons on the Vineyard route and six (6) trips were cancelled for mechanical reasons on the Nantucket route.

Mr. Davis said that, while the fund balances are not in bad shape, he would prefer them to be in better shape. He further noted that, in August, the overall passenger traffic was up 2.3% on the Vineyard route and down 0.1% on the Nantucket route among all carriers.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis provided the following updates:

- Jay Cashman Inc. has been working on the demolition of the middle slip bulkhead, including the dolphins, and has started excavating the area to the designed water depth.
- Lawrence Lynch Corp. excavated the area south of the southern slip for the ramp foundations that will support the passenger loading ramps. Cashman will pour the concrete slab to support the loading equipment on the south slip.
- Cashman and the concrete subcontractor continue to convert the oil storage shed into a passenger waiting area. The passenger tent has been removed to allow the embarkation platform between the slips to be removed and repositioned to the southern side of the south slip. In order to provide the Authority's patrons with some additional shelter from the element, one of the glass enclosures will be erected next to the passenger platform.
- The electrical contractor isolated the power to the middle slip and rerouted power and communications to the southernmost slip in preparation for the demolition. The electrical contractor will then complete the communication cut over from the middle slip to the northernmost slip (Slip 3).
- Thus far, the Authority has sent out 70 weekly Community Emails on the construction progress.

Mr. Cloutier then shared a slideshow of recent photographs from the site.

In response to a question from Mr. Brathwaite, Mr. Cloutier said the shelters will accommodate approximately sixty-nine (69) passengers. A member of the audience noted that the concrete floors may be uncomfortable to stand on for long periods of time; Mr. Cloutier responded that the intention is to provide short-term shelter from the elements while waiting to board a vessel. In response

to a question from Ms. Wilson, Mr. Davis said that the shelters will be removed once work begins on the southernmost slip.

Mr. Davis said staff has been working with BIA.studio on a new conceptual plan for the Woods Hole terminal building design that involves having the terminal building be a one-story, flat roof building and moving elements that, in earlier concept plans, were housed on the building's second floor to the second floor of a utility building, which will replace the freight shed. Mr. Davis said the one-story building would be situated on the same plaza as previous concepts that have been presented; however, since it would only be one story, the hope is that it will open up some additional views of the harbor. The conceptual plan calls for solar panels to be placed on top of the building as well as on canopies over the bus pick-up and drop-off area, which are estimated to produce approximately 50% of the energy requirements for the terminal building.

Mr. Davis said the conceptual plan for the utility building, meanwhile, has grown with the inclusion of the employee areas into that building. However, as that building is off to the side of the property and is largely on the footprint of the existing freight shed, the hope is that the building's visual impacts would be less obtrusive.

As the architects are revisiting some of the elements for this concept. Mr. Davis said he anticipated having a full presentation at the November meetings of the Port Council and Board.

Ms. Wilson said many people had asked her to thank the Authority for thinking along these lines and that there had been a lot of positive response to the overall concept. She said she felt that the Authority had made a big turn on the project and that it is much appreciated in the community.

A member of the audience noted that this is the first time in her memory that the Authority has made any kind of concession at all to its plans. She said it seems that the Authority has finally been listening to the Vineyard and Woods Hole and that she was excited about it.

Another member of the audience said he endorsed the plan and that the Authority should be congratulated on a vast improvement to the design, although a lot of work remains to be done.

Mr. Davis noted that certain elements of the building would still need to be considered and that the Falmouth Conservation Commission would need to be consulted on the utility building but that hopefully they, too, would see the benefits of the design.

Status on the Implementation of the HMS Consulting Recommendations:

Mr. Davis provided the following updates:

- Safety Quality Management System (SQMS): Following an initial meeting with Safety Management Systems LLC (SMSLLC) in September, SMSLLC is conducting its initial gap analysis following site visits to all the Authority's vessels and facilities. Existing documentation, procedures and protocols have been sent to SMSLLC, and another site visit is expected in the coming weeks.
- Learning Management System (LMS): Weekly meetings continue with Marine Learning Systems as the LMS is being populated with as much data as possible. Laptops for each of the vessels and terminals, which will be dedicated for use to access the LMS, have been ordered.
- Mission Statement: Following votes in October by the Port Council and Board to release a draft of the revised Mission Statement for further comment, public sessions were held on October 7 on Nantucket and October 9 in Barnstable for additional input from the public. Public sessions are planned for October 17 on the Vineyard and October 21 in Falmouth. The Authority has created a page on its website for individuals to provide their comments as well. The project team anticipates returning to the Port Council and Board after considering any additional feedback with the proposed final version in November for a vote. The strategic planning and performance metric projects will follow the completion of the mission statement.
- Engineering Resources: The positions of project engineer, assistant vessel maintenance manager, port engineer, and an assistant port engineer have been filled. One more engineering position has yet to be filled, as well as the assistant port captain position.

Report on the Authority's Proposed 2020 Martha's Vineyard
Operating Schedules and Approval of Those Schedules:

Mr. Davis noted that the Members had been presented with a draft of a report explaining the reasons for the staff's recommendation that the Members approve the Authority's 2020 Summer Operating Schedules for the Martha's Vineyard route as originally proposed so that the Members can issue a report on the proposed schedules in accordance with Section 15A of the Authority's Enabling Act.

Mr. Davis noted that, after the Authority advertised its proposed 2020 Summer and Fall Operating Schedules in July 2019, it received a petition from fifty (50) Falmouth residents on August 26, 2019 asking that the Authority hold a public hearing on the proposed schedules pursuant to Section 15A of the Authority's Enabling Act. The Authority conducted that public hearing on September 9, 2019.

Mr. Davis said section 15A of the Enabling Act now requires the Authority, after considering the testimony at the public hearing, to issue a report either maintaining its original proposed schedules or to make modifications to them, and explaining their reasons therefor. The staff has prepared the draft report in which they have explained the reasons for their recommendation that the Authority maintain its original proposed 2020 summer operating schedules for the Martha's Vineyard route. Also for the reasons explained in the draft report, the staff is recommending that:

- The Authority establish a Long-Range Vineyard Transportation Task Force to work together with the Martha's Vineyard Commission, the towns of Falmouth, Oak Bluffs and Tisbury, and the City of New Bedford, and with public input, to attempt to identify reasonable steps that can be taken to address issues and concerns about freight and other traffic in each of those communities on a long-term basis; and
- The Authority establish a different working group with the Martha's Vineyard Commission and the Towns of Falmouth, Oak Bluffs and Tisbury to focus exclusively, with public input, on identifying and developing reasonable and practical ways to monitor and enforce compliance with the Authority's current noise mitigation policies as well as identifying and developing additional ways to mitigate traffic issues arising from the Authority's Woods Hole ferry terminal operations – not just during the early morning hours but throughout the day – that can be implemented sooner rather than later.

Mr. Jones noted that he was initially going to ask that the motion be bifurcated so as to consider the schedules and the report separately, but he was comfortable taking them as one unless the Members said otherwise. Furthermore, he said that, in his opinion, the people of Falmouth and Woods Hole would never achieve their objectives without the blessing of both the Vineyard and New Bedford, so to sit down at the table and work to iron those things out would alleviate a lot of pain. Moving freight operations to New Bedford cannot happen on its own and Mr. Jones said he was concerned about the structure of such an arrangement and the Authority's role in it, but he said he was comfortable to take a vote on the matter.

Ms. Wilson said she was struggling with the matter as she wished to vote in favor of the transportation task force and the working group, both of which she said were of critical importance to developing a game plan for the future, but she was not sure the Authority should continue to operate its 5:30 a.m. freight boat in the summer without any adjustments. She asked if the Board could approve parts of the staff summary and not others; Mr. Jones said the matters could be considered separately.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to approve the 2020 Martha’s Vineyard Summer Operating Schedules as proposed in Staff Summary #GM-730, dated October 10, 2019.

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

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to issue the Authority’s report on the proposed 2020 summer operating schedules as presented and to authorize the general manager to take all necessary and appropriate actions to establish and facilitate the Authority’s Long-Range Vineyard Transportation Task Force and the separate working group as described in the report, as proposed in Staff Summary #GM-730, dated October 10, 2019.

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

Proposed 2020 Operating Budget:

Mr. Rozum presented the draft 2020 Operating Budget, which he said had been updated with expenses based on the last eight (8) months of actual data plus four (4) months of budgeted data for 2019.

Mr. Rozum shared a PowerPoint presentation and additionally noted several items in the budget, including:

- Additional payroll expenses of approximately \$1,500,000, which represents seven (7) new positions that were recommended in the HMS report, as well as four (4) additional maintenance employees and additional payroll taxes.
- Terminal maintenance expenses, which are expected to increase by \$1,310,000, and vessel maintenance, which is expected to increase by approximately \$517,000 over 2019 budget estimates.
- The advertising budget remains unchanged from 2019, with the \$1,345,550 split into three buckets – advertising for the *M/V Iyanough*, the Nantucket route and the Martha's Vineyard route. The Authority's advertising targets passenger traffic, not automobile, and the Authority does face a competitive market, especially on the Nantucket route.

A member of the audience asked about the port communities' responsibility to contribute financially to the Authority in cases of deficit, specifically asking if the 2017 allision of the *M/V Iyanough* was a case where port communities would be liable. Mr. Davis said the *M/V Iyanough* matter was covered by the Authority's insurance policies; regardless, the last operating deficit in which port communities were required to pay monies to the Authority occurred in 1962 and was about \$2,600,000. The Authority has had four (4) small operating deficits since then, all of which have been covered by the Authority's Reserve Fund.

In response to a question from Ms. Wilson about the miles the Authority's vessels travel each year, Mr. Rozum said they can fluctuate due to weather or other cancellations but, in general, they should not change very much.

Mr. Rozum also noted that some of the percentage changes noted in the budget were in the triple digits; due to the Authority's change in accounting systems, the costs were not always lined up the same way in 2020 as they had in 2019, so it is not an apples-to-apples comparison.

Mr. Rozum noted that the Port Council voted to recommend approval of the 2020 Operating Budget at its October 9, 2019 meeting.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Tierney – to adopt the 2020 Operating Budget as proposed in Staff Summary #A-639, dated October 11, 2019.

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

Proposed 2020 Rate Adjustments:

Mr. Rozum then discussed the proposed rate adjustments for 2020, which he said were unchanged from the preliminary draft presented in September and are expected to generate an additional \$5,000,000 of operating revenue. He shared a PowerPoint presentation on the adjustments, the highlights of which were as follows:

- The proposed adjustments represent approximately a 5.94% bottom line on projected operating revenue of \$118,210,000.
- Roughly \$4,150,000 of the adjustments would come from the Vineyard route and \$940,000 from the Nantucket route.
- On the Martha’s Vineyard route, automobile fare adjustments are proposed as follows:
 - Increase the one-way standard fare by \$11.50 from January 1-March 31 and November 1-December 31.
 - Increase the one-way standard fare by \$4.00 from April 1-May 14 and September 15-October 31.
 - Increase the one-way standard fare by \$9.00 from May 15-September 14 on Monday-Thursday and by \$19.00 Friday-Sunday.
 - Adjust the year-round excursion fares by \$2.50 per segment.
 - Increase year-round parking permits by \$50.00 and seasonal permits by \$25.00.

- On the Nantucket route, automobile fare adjustments are proposed as follows:
 - Increase the one-way standard fare by \$15.00 from January 1-March 31 and November 1-December 31.
 - Increase the one-way standard fare by \$5.00 from April 1-May 14 and September 15-October 31.
 - Increase the one-way standard fare by \$5.00 from May 15-September 14 on Monday-Thursday and by \$25.00 Friday-Sunday.
 - Adjust the year-round excursion fares by \$2.50 per segment.
 - Increase year-round parking permits by \$50.00 and seasonal permits by \$25.00.

Ms. Tierney asked when the Authority had last received a rate increase from their licensees; Mr. Davis said it was two years ago, when the licenses were last approved. The license agreements will be up for renewal again next year.

Mr. Rozum noted that, during the budget open house meetings that staff held on the Vineyard, that one of the things staff said it would examine was changing the excursion rate to be one blended rate for the year versus a fluctuating rate based on the season as was now charged. He noted that a husband-and-wife couple at one meeting was split on how they would prefer the rates to be structured, illustrating the difficulty in making the decision.

Mr. Rozum also noted that, at their October 9, 2019, meeting, the Port Council members had voted to recommend approval of the rate adjustments.

Mr. Jones said that he remains impressed that the projected budget is as close to the actual spending as it is on a yearly basis.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to adopt the 2020 Rate Adjustments as proposed in Staff Summary #A-640, dated October 11, 2019.

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

Approval of Change Order No. 51 to
Contract No. 16-2017, “Woods Hole Reconstruction – Waterside”:

Mr. Davis said the change order was required to construct a wooden passenger platform on the south side of the south slip in Woods Hole. The existing aluminum passenger loading platform located between the slips currently labeled Slips 1 and 2, which served both slips, will soon need to be demolished in order to construct the new Slip No. 2. The new platform will be used to load passengers onto the vessels in the southernmost slip while the new middle slip and the north passenger pier are constructed. It will also be useful during the summer of 2020 for loading passengers at the south slip, he said.

The total cost for this additional work was \$216,289.69.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to execute Change Order No. 51 to Contract No. 16-2017, Woods Hole Reconstruction – Waterside, with Jay Cashman Inc., in the amount of \$216,289.69 as recommended in staff summary #GM-731, dated October 10, 2019.

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

Approval of Change Order No. 62 to
Contract No. 16-2017, “Woods Hole Reconstruction – Waterside”:

Mr. Davis said the change order is to upgrade the fender chains for the new Slips No. 1 and No. 2 in Woods Hole. After the fenders were installed in the new Slip No. 3, the fender chains were failing when the ferries struck the fender frame. The engineers determined that the strike zone on the frame was not adequate for all of the ferries; consequently, the strike zone was increased, resulting heavier chains. This change order is the cost of increasing the chain size and beefing up all the pad eyes for the two southern slips.

Mr. Davis said the total cost for this additional work was \$159,274.27.

Ms. Tierney asked about the numbering of the change orders and the eleven (11) change orders that would have been in between this item and the one prior; Mr. Davis said those change orders would have been under the threshold that requires Board approval and that he would ensure that the list of change orders approved by him was updated for the Members in November. In response to a further question by Ms. Tierney, Mr. Davis said that the total change orders to date on the project were between \$3,000,000 and \$3,500,000 against an allowance of \$5,000,000.

Ms. Wilson asked if the Members could be forwarded the contract with Jay Cashman Inc. as she remained curious about the markups and what categories were eligible for the markups; Mr. Davis said he would forward the document to the Members.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to execute Change Order No. 62 to Contract No. 16-2017, Woods Hole Reconstruction – Waterside, with Jay Cashman Inc., in the amount of \$159,274.27, as recommended in staff summary #GM-732, dated October 10, 2019.

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

Contract #10-2019, Dry-Dock and Overhaul Services for the *M/V Nantucket*:

Mr. Davis said the *M/V Nantucket* is scheduled for a shipyard availability from February 18, 2020 to April 17, 2020 to undergo a U.S. Coast Guard hull exam, propeller and shafting inspections, rudder inspections, bow thruster inspections, underwater hull cleaning, sandblasting and painting, exterior painting, freight deck steel replacement, fire main piping replacement, freight deck lighting upgrades, navigation equipment upgrades and tank level indication upgrades.

Mr. Davis said the 2020 Operating Budget estimate for the work was \$1,311,000. Drawings and specifications were sent to ten (10) regional responsible shipyards; only one (1) responsive bid was received, from Thames Shipyard and Repair Company of New London, Connecticut for a total contract price of \$1,314,027.

In response to a question from Ms. Wilson, Mr. Davis said the Authority got the bid out slightly earlier than it did for the dry dock for the *M/V Island Home*, but with the project engineer in house, he expected the bids to be issued even more in advance moving forward.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Mr. Hanover – to authorize the general manager to award Contract No. 10-2019, Dry-Dock and Overhaul Services for the *M/V Nantucket*, to the lowest eligible and responsible bidder, Thames Shipyard and Repair Company of New London, Connecticut, for a total contract price of \$1,314,027, as proposed in Staff Summary #E-2019-7, dated October 10, 2019.

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

Authorization for Additional Dredging Fees to Participate
In Phase V Dredging Project in New Bedford Harbor:

Mr. Davis noted that the Authority began maintaining vessels at its Fairhaven Vessel Maintenance Facility in the spring of 2001. Since then, sediment deposits have built up around the slips and have required periodic maintenance dredging. Earlier this year, the Members authorized dredging to take place on both the north and south sides of the pier to a depth of seventeen (17) feet below mean low water. The dredging will allow the Authority’s vessels to continue to dock on either the north or south side of the pier and allow for future installation of a new vessel mooring system to store vessels over the winter or in severe weather, should grant funding become available.

Mr. Davis said, as with the previous dredging phases, Phase V of the New Bedford Harbor dredging project will be undertaken utilizing the “state enhanced remedy,” which allows multiple dredging operations within the harbor to be combined into one project, thereby greatly reducing the cost and extensive permitting process for all parties involved. The project engineering costs, dredging activities and tipping fees are combined into one bid, estimated at \$100.00 per cubic yard, to be managed by the New Bedford Port Authority.

Mr. Davis said the Authority has been working with Foth Engineering to develop the most efficient and secure mooring arrangement for the site. A revised plan for the berthing of two (2) additional vessels of any length has been developed and has provisions to add an additional mooring location to the southwest of the facility, should additional dredging funding become available in the future.

The estimated dredging volume has been revised to 23,000 cubic yards at an estimated total cost of \$546,250. This represents an increase of \$406,250 over the \$140,000 previously authorized by the Members, Mr. Davis said.

Ms. Wilson asked if the Authority had underestimated the amount of dredging that would be necessary, or if it had decided to dredge a bigger space or to dredge to a bigger depth. Mr. Davis said that the initial plans called for a pier to be located off the bulkhead, but once staff realized that plan would present a difficulty in getting vessels in and out of the site, a new plan was developed to berth the vessels at an angle of ninety degrees (90°) to the Authority’s property line. That plan would allow the Authority to store any two (2) of its vessels at the site, and Mr. Davis said he expected to seek resiliency grants to fund the construction of those dolphins. Mr. Davis noted that, last winter, there was no room to store the *M/V Governor* for the winter in Fairhaven, and the vessel had to be stored off-site.

Ms. Wilson asked if the Authority would have any liability should toxic materials be dredged from the site; Mr. Davis said that there will be some toxic materials, which is why the state, the City of New Bedford and Town of Fairhaven have been working on the plan for a number of years. The dredging materials to a depth of between six (6) and eight (8) feet must be placed in a confined aquatic disposal (CAD) cell for safekeeping, he said.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Tierney – to authorize the general manager to proceed with revised maintenance dredging plans at the Authority’s Fairhaven Vessel Maintenance Facility and to pay the New Bedford Port Authority additional dredge material disposal costs of an estimated \$406,250 for the disposal of 16,000 cubic yards of dredge materials into a newly formed CAD cell, as proposed in Staff Summary #E 2019-8, dated October 10, 2019.

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

Proposed Active Military, Veteran, and Retired Military Veteran Program:

Mr. Davis said staff was recommending a program to honor all United States military personnel, including active duty military personnel, veterans who have been honorably discharged and retired military veterans, with free passenger travel on Veterans Day, November 11, 2019.

Mr. Davis said that, at the request of several Members, staff began to investigate what discounts or special programs other ferry line operators offer to members of the military currently serving on active duty and/or to military veterans or retired military veterans. Staff’s research found only five (5) of the approximately fifty (50) ferry operators identified by this study, all of which are located in the United States, that advertise any form of a discounted fare for active-duty military or veterans. Mr. Davis said staff also met with the veteran officers in Falmouth and Barnstable and on Nantucket and Martha’s Vineyard to discuss ideas on how to best honor all veterans, and they provided their feedback.

Currently, the Authority offers “furlough” fares for personnel of the Army, Navy, Air Force, Marine Corps, and Coast Guard who are travelling while on official leave, furlough, or pass. This includes cadets, midshipmen and nurses of the military agencies and also reservists when traveling in uniform, at their own

expense, for nonpaying reserve training activities. A limit of two (2) tickets per purchase applies for these fifty percent (50%) discounted fares.

Mr. Davis said, based on staff's research and the results of these discussions, it is proposed that the Authority offer the following for 2019:

- All veterans, including active duty, military veterans and retired military veterans, who have a valid military ID showing their active duty, honorable discharge or retired status, can travel as a passenger for free on all Steamship Authority ferries on Veterans Day, November 11, 2019.
- This free travel offer is valid only for the active duty military person, veteran or retired military veteran and does not include the passage of a vehicle.

Mr. Jones noted that the genesis for this item was former Falmouth Member Betsy Gladfelter and that the matter was carried forth by Ms. Wilson. He said he certainly endorsed the discount, noting that he fought in the Vietnam War and that the country hated both the war and the warriors who were there upon their return home. It was years before the country was able to properly welcome those veterans home, he said. Mr. Jones added that he was about to leave for Vietnam on a 10-day trip courtesy of the Greatest Generations Foundation, which brings veterans to their former battlegrounds. Ms. Tierney then thanked Mr. Jones for his service.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to approve that all military men and women who have valid military ID showing their active duty, honorable discharge, or retired status can travel as a passenger for free on all Steamship Authority ferries on Veterans Day, November 11, 2019, as proposed in Staff Summary #COMM2019-2, dated, October 10, 2019.

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

Retirement of Stephanie Whitehead:

Mr. Davis then noted that one of the Authority's longtime Woods Hole employees, Stephanie Whitehead, was retiring after thirty-nine (39) years of service to the Authority. Mr. Jones asked Mr. Davis to pass along that the Board was grateful for her service.

Public Comment:

Vicky Patton² referenced a recent traffic study done on the island and said that people are beginning to leave the island because they cannot handle the traffic anymore. She said the Authority needs to understand that there is a human consequence for increasing traffic and said that, this summer, she could not even get into traffic from a side street because cars were stacked up waiting to enter the main road. She said there needs to be a conversation about traffic because she cannot take it anymore and the situation gives her an anxiety attack.

Ms. Patton also said that she can recall traveling on boats that were able to handle forty (40) mph winds and that something has changed, in that recent winds of that caliber meant service was shut down for three (3) days on the island. She asked what the "speed limit" is for the vessels and under what conditions they stop running; Mr. Davis said there is a variety of factors that go into that, including the direction and speed of the wind, as well as the familiarity of the crews with the vessel in question. Regarding the recent storm, because there were still several vessels in Vineyard Haven harbor that were moored, it made the approach even more difficult. He said those decisions are left to the crews and noted that, at one point, the *M/V Island Home* was prepared to leave but the *M/V Nantucket* was unable to do so, so neither vessel left the docks.

Ron Ferrera said during the recent storm his daughter was trying to return to the island, but, once service resumed, she was told to go home as she would not be getting to the island that day and asked why that was so. Mr. Davis said normally after weather-related cancellations the Authority tries to work customers onto other trips in the order in which they were cancelled; however, because of the duration of the storm and the amount of reservation activity, it was determined that Saturday, October 12, 2019 would be a reservation-only day as well as Friday, October 11, 2019. That way customers could get a better expectation of when they would be able to travel and the Authority could prevent

² Reporter's note: While every effort has been made to ensure the proper spelling of the names of those who spoke, the accuracy cannot be guaranteed.

two (2) days' of traffic from coming to Woods Hole or Vineyard Haven at once to try and get onto a boat. Mr. Davis noted that 5,000 passengers were moved through Woods Hole before noon on that Saturday and that the Blue Line was in effect; furthermore, the weather conditions meant that the lift decks on board the *M/V Island Home* were unable to be used.

Nancy Ferrera said it was her daughter who was previously referred to and asked how she could have changed her reservation following the storm. Mr. Davis said she could have called the Reservation Office or gone online, or used the Blue Line, if she was eligible. Ms. Ferrera noted that she was unable to get through to the Reservation Office; Mr. Davis said that the phones were extremely busy and that they did have extended hours that day to help manage the customer calls. Mr. Davis said there simply is not enough real estate at either terminal to manage that many passengers attempting to travel on standby.

In response to a question from Ms. Hufstader, Mr. Davis said the position of chief operating officer that was recommended in the HMS report was still under consideration.

At approximately 7:05 p.m., Mr. Jones said he would entertain a motion to adjourn.³

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to adjourn the meeting in public session.

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

A TRUE RECORD

KATHRYN WILSON, Secretary

³ Reporter’s note: the Meeting in Executive Session advertised for this day was not held.

**Documents and Exhibits Used at the
October 15, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. October 15, 2019 Meeting Memorandum, dated October 11, 2019.
2. Video and audio recording announcement.
3. Remote participation announcement.
4. Minutes of the meeting in public session of September 24, 2019 (draft).
5. Business Summary for the Month of August 2019.
6. Woods Hole Terminal Reconstruction Project PowerPoint Presentation, dated October 15, 2019.
7. Staff Summary #GM-730, Approval of the Report on the SSA's Proposed 2020 Summer Operating Schedules and Recommendations, dated October 10, 2019.
8. Staff Summary #A-639, Proposed 2020 Operating Budget, dated October 11, 2019.
9. Staff Summary #A-640, Proposed 2020 Rate Adjustments, dated October 11, 2019.
10. PowerPoint Presentation, 2020 Proposed Budget and 2020 Proposed Rate Adjustments, dated October 15, 2019.
11. Staff Summary #GM-731, Approval of Change Order No. 51 for Contract No. 16-2017, Woods Hole Reconstruction – Waterside, dated October 10, 2019.
12. Staff Summary #GM-733, Approval of Change Order No. 62 for Contract No. 16-2017, Woods Hole Reconstruction – Waterside, dated October 10, 2019.
13. Staff Summary #E 2019-7, Contract No. 10-2019, Dry-dock and Overhaul Services for the *M/V Nantucket*, dated October 10, 2019.
14. Staff Summary #E 2019-8, Authorization for Additional Dredging Fees to Participate in the Phase V Dredging Project in New Bedford Harbor, dated October 10, 2019.
15. Staff Summary #COMM2019-2, Proposed Active Military, Veteran and Retired Military Veteran Program, dated October 10, 2019.

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

The Meeting in Public Session

November 19, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 19th day of November 2019, beginning at approximately 10:00 a.m. in the first-floor meeting room (Room 103) of the Authority's Administrative Offices, 228 Palmer Avenue, Falmouth, Massachusetts. All five Members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; Moira E. Tierney of New Bedford; and Robert F. Ranney of Nantucket.

Dukes County Commissioner Leon Brathwaite and Port Council President George J. Balco of Tisbury were present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Mark K. Rozum; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Reservations and Customer Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; Director of Marketing Kimberlee J. McHugh; and Health, Safety, Quality and Environment Manager Angela M. Sampson

Video and Audio Recording of Today's Meeting:

Mr. Jones 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. Furthermore, Mr. Driscoll was making an audio recording of the meeting, as was Louisa Hufstader (representing the *Vineyard Gazette*) and George Brennan (representing the *Martha's Vineyard Times*).

Minutes:

Mr. Jones asked if the October 15, 2019 minutes could be revised to clarify that, on Pages 10 and 11, the rates being discussed were automobile rates; Mr. Driscoll said he would make that change.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to approve the minutes of the Authority’s meeting on October 15, 2019, subject to the change requested by Mr. Jones.

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

Port Council’s Report:

Mr. Balco reviewed with the Members the topics covered at the Port Council’s October 9, 2019 meeting, which included:

- A discussion of the September business summary and traffic, which Mr. Balco said showed that the Authority would likely not meet its bottom-line expectations for the year.
- An update on the Woods Hole Terminal Reconstruction Project and the new one-story terminal concept; Mr. Balco said the Port Council voted to recommend the concept to the Board.
- An update on the implementation of the HMS Consulting recommendations. After discussion and some changes, the Port Council voted to recommend adoption of the draft mission statement to the Board.
- The 2020 summer reservations opening dates.
- The Island Commuter Corp. license agreement, which the Port Council voted to recommend to the Board.
- The Hyannis Harbor Tours Inc. license amendment, which the Port Council voted to recommend to the Board.
- The 2020 fall operating schedule for Martha’s Vineyard, which the Port Council voted to recommend to the Board.
- A discussion by Mr. Kenneally of the upcoming election of officers for the Port Council and the rules surrounding said election, including how those interact with the Board’s bylaws.
- Additional service for Thanksgiving week.

Results of Operations:

Mr. Davis presented the results of operations for the month of September 2019. Overall, the Authority carried fewer passengers (down 7.6%) and automobiles (down 4.8%), but more trucks (up 1.6%) than it did in September 2018. Through the first nine (9) months of the year, the Authority has carried fewer passengers (down 0.5%), but more automobiles (up 0.5%) and trucks (up 4.5%) than it did for the same time in 2018.

In the month of September 2019, the Authority's net operating income was approximately \$3,206,000, approximately \$1,181,000 higher than the 2019 budget, Mr. Davis said. Year-to-date, the Authority has realized net operating income of \$9,210,000, which is approximately \$1,316,000 lower than what was assumed in the budget. Mr. Davis noted that, although traffic is down versus the same period a year ago, the budget for September is based on 2017 traffic figures, which is why the Authority is realizing increases in revenue against projections.

Mr. Davis said that, during September, the vessels completed 2,330 trips, of which six (6) trips were cancelled for mechanical reasons on the Vineyard route and fifty-eight (58) trips were cancelled for mechanical reasons on the Nantucket route, forty (40) of which were made up by a charter.

Mr. Davis said the fund balances were in relatively good shape.

In response to a question from Mr. Hanover, Mr. Rozum said the Authority used its Cataumet parking lot on July 3, 2019 and for about seven (7) days during the third week in August 2019, he said. In response to a question from Mr. Jones, Mr. Davis said the lot was about three-quarters full on those occasions.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis provided the following updates:

- Jay Cashman Inc. has been switching activities from demolition work to reconstruction work. The 16-inch piles for the passenger pier have arrived and have been a focus of pile driving. The demolition work included removing the bulkhead on the north side of the middle slip, which included a combination of concrete, steel, stone and wood from the old pier, as well as from the water.
- A barge from New Bedford is required to begin dredging at the site to pre-trench for the monopiles. The 96-inch monopiles are now in

New Bedford and should be arriving in Woods Hole in the next couple of weeks. The falsework to support the monopile driving will be constructed as Cashman moves toward the pile-driving phase.

- Landside demolition, which included the passenger platform and ramps as well as the transfer bridge and related gallows, in general, seems to be moving faster than the marine work.
- Thus far, the Authority has sent out seventy-five (75) weekly Community Emails on the construction progress.

Mr. Cloutier then shared a slideshow of recent photographs from the site.

Revised Woods Hole Terminal Design Concept:

Noting that Chris Iwerks and Lian Davis from BIA.studio were in attendance, Mr. Davis said the staff is seeking to obtain authorization from the Members to direct BIA.studio, the Authority's architects for the Woods Hole terminal reconstruction project, to undertake revised schematic design phase services for a new one-story terminal building and a new two-story utility building at the Woods Hole site.

Mr. Davis said staff has been working with BIA.studio on conceptual design options for the Woods Hole terminal building for the past three to four years, and reviewed a number of those concepts with the Members. Following the Board's June 18, 2019 meeting at Falmouth High School, staff and the Authority's architects reviewed and considered the public comments obtained during not only that meeting, but from the other public meetings, petitions and meetings with various groups such as Woods Hole Community Association and Woods Hole Business Association. Mr. Davis said it was clear from the public comments that members of the community were unhappy with the three (3) design options that were presented at that meeting and that were, at that time, under consideration.

Mr. Davis said that a new one-story terminal design was developed after further consideration and discussion. The building would remain situated within the footprint of the previous terminal building design, but it would include an increase to the size of the planned two-story utility building situated in the location of the current freight shed building. The new two-story utility building includes several of the program space requirements that were previously situated on the upper stories of the terminal building's previous designs, Mr. Davis said.

Mr. Davis said that, while the one-story building is to be situated on the same plaza as were previous concepts, it is hoped that the one-story concept will

open up some additional views of the harbor. He further noted that the conceptual plan calls for a solar array on top of the building as well as canopies over the bus pick-up and drop-off area; the solar panels are estimated to produce approximately fifty percent (50%) of the energy requirements for the terminal building.

Mr. Davis said the conceptual plan for the utility building has grown with the inclusion of the employee areas into that building. However, as that building is off to the side of the property and is largely on the footprint of the existing freight shed, it is hoped that the visual impacts would be less obtrusive.

Mr. Davis said the revised proposed site plan for the project addresses the Authority's program space requirements, but it will require a review of the project's permitting in an attempt to address the community's concerns while also ensuring that the Authority's operational needs are met. Mr. Davis noted that staff met with several of the Authority's immediate neighbors who live near and around the Woods Hole site to explain the concept. Additionally, the concept was presented to the Falmouth Board of Selectmen at its October 7, 2019 meeting, and in subsequent sessions to the Woods Hole Community Association and Woods Hole Business Association. Overall, Mr. Davis said the designs have been well received and, since their publication, the Authority has received positive feedback from the community as well as its employees.

Mr. Davis then shared some slides reviewing the past concepts of the terminal building as well as the current concept. During the presentation, Mr. Davis made the following observations:

- Staff and the architects are continuing to examine whether or not the building can be shifted northward in the plaza area.
- It was not possible to simply lop off the top story of the previous concepts because of the mechanical and electrical equipment, Mr. Davis said. Therefore, a portion of the one-story concept has an elevated floor so as to keep that equipment out of the flood zone. Most of the other portions of the building, such as the lobby area, restrooms and agents' offices, remain at similar elevations.
- The utility building will be wet flood-proofed, meaning that the equipment being stored on the first floor will be evacuated in case of an approaching storm. The elements needed in the building to make it habitable, including the mechanicals, will be housed on the second floor.
- Overall, the two-story utility building will need to be built to a different code because it will now be used for employee functions, including locker rooms and a multipurpose room. While the terminal

building will decrease in size, the freight building will grow substantially based on the new requirements for the space.

Mr. Davis noted that the Port Council, at its meeting on November 6, 2019, voted to recommend that the Members vote to authorize the General Manager to direct BIA.studio to undertake schematic design phase services for a new one-story terminal building and a new two-story utility building at the Woods Hole site.

In response to a question from Mr. Jones, Mr. Davis said the building could shift as much as fifteen (15) feet to the north, but there are issues with the storm water mitigation plan that will need to be addressed. Mr. Jones noted that the new plans are not buying a lot of new view for the site. Mr. Hanover said that many new water views have been opened up where the former administration building once stood.

Ms. Wilson said she thinks the concept is terrific and that many people are pleased with it. She noted that the details would be worked out considering the façade and the exact design of the roof, but what is now being considered is the concept. Ms. Wilson said she encouraged the Authority to continue to hold the type of small meetings that it had with the Woods Hole Business Association and Woods Hole Community Association, as that would be a more productive approach than the full-fledged presentation at the high school.

Ms. Tierney asked what the change in design has done to the budget for the project, to which Mr. Davis replied that the Authority has spent roughly \$750,000 in change orders related to the design. The rough estimate for the two buildings is that it will cost an additional \$3,000,000 compared to the two-story concept; some of that change may be able to be mitigated by grants for the solar canopy installation, he said.

Including the change orders, Mr. Davis said, the one-story concept would cost the Authority an additional \$3,500,000 to \$4,000,000; the two-story concept would cost an additional \$750,000 to \$1,000,000, he said. Ms. Tierney said she hoped the Authority would be recognized for this level of capital expenditure to satisfy its neighbors in Woods Hole. Mr. Davis said the cost is significant, but this is a 50-year project and it is important that the Authority and its neighbors be on the same page.

After reviewing the estimated cost of the project at various points of its evolution, Mr. Iwerks noted that the current concept would require some thought as to where staff can be located after the new terminal is built but before the freight shed is built. In response to a question from Ms. Wilson, Mr. Iwerks noted

that it would take approximately three-and-a-half years of construction, perhaps as long as four, depending on the sequencing. The Authority always needs to maintain a large area to stage its automobiles, so it will require careful thought to think through the conditions and limitations on the site.

Mr. Hanover noted that, at some point in the near future, the Authority would add electric buses to its fleet and asked if those could be charged at the terminal site with the energy generated from the solar canopies. Mr. Davis said the buses would initially charge at the Authority's bus garage, but there may be the capability to plug buses in at the terminal.

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Mr. Ranney – to authorize the General Manager to direct BIA.studio to undertake schematic design phase services for a new one-story terminal building and a new two-story utility building at the Woods Hole site based upon the concept design as presented and in response to the public comments the Authority has received since the Board’s evening meeting on June 18, 2019, as follows and as proposed in Staff Summary #GM-735, dated November 15, 2019:

- 1. Both buildings combined must be able to accommodate all of the Authority’s program space requirements.**
- 2. The one-story terminal building shall be located within the footprint for the building and plaza as shown on the current proposed site plan for the project, and its first-floor elevation shall be as set forth in the proposed site plan.**
- 3. The one-story terminal building shall incorporate an array of solar panels on its roof, as well as solar canopies over the bus pickup and drop off areas.**
- 4. The one-story terminal building must be designed to be dry flood-proofed to an elevation of at least seventeen (17) feet NAVD88, as originally recommended by the Massachusetts Office of Coastal Zone Management in 2014 and described on pages 2-4 of the Authority’s supplemental MEPA submission for this project, dated October 2, 2015, under the title “The Intersection of Climate Change and Accessibility.”**

5. **The new two-story utility building shall be situated in the location of the current freight shed building.**
6. **Both buildings and the terminal site should incorporate principles of sustainable design and environmental conservation as are practicable and economically feasible.**
7. **Both buildings must comply with all existing and applicable codes, standards, regulations, permits, licenses and other approvals for the project, including but not limited to, the approval of the Town of Falmouth’s Conservation Commission.**
8. **Should the one-story design concept and two-story utility building concept be found to be unacceptable by any of the relevant permitting agencies, the General Manager shall direct BIA.studio to proceed with the two-story gable roof design option previously described to the Board at its meeting on June 18, 2019 so as to continue with the progress of this phase of the terminal reconstruction project.**

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

Status on the Implementation of the HMS Consulting Recommendations:

Mr. Davis provided the following updates:

- Safety Quality Management System (SQMS): Safety Management Systems LLC held a kick-off meeting in September in order to perform its initial gap analysis following site visits to all the Authority’s vessels and facilities. Safety Management Systems LLC was on site last week to present a draft of the gap analysis, which

the staff is reviewing and expects to provide additional input by the end of this month.

- Learning Management System (LMS): Staff continues to have weekly meetings with Marine Learning Systems and the system is being populated with as much data as possible. Laptops for each of the vessels and terminals, which will be dedicated for use to access the Learning Management System, have arrived. New hires are already using the system for some onboarding training materials, such as the harassment training.
- Engineering Resources: The positions of project engineer, assistant vessel maintenance manager, port engineer, and an assistant port engineer have been filled. One more engineering position has yet to be filled.
- Mission Statement: The strategic planning and performance metric projects will follow the completion of the mission statement.

Mr. Jones asked if a new organizational chart for the Authority could be developed to show where the new hires fit into the various workflows; Mr. Davis said a revision to the organizational structure based on the HMS recommendations was being worked on and he hoped to present it to the Board at either the December or January meeting.

Adoption of a Revised Mission Statement:

Mr. Davis reminded the Members that a recommendation from the HMS report was to “adopt a mission statement and supporting performance objectives, communicate them to the employees and the general public, and identify the necessary metrics to measure progress against the performance objectives.” Pursuant to that objective, at the subsequent June 2019 workshops with representatives of HMS Consulting and Glostien Associates, Mr. Driscoll was named the project manager for the development of a revised Mission Statement. Mses. McHugh and Fletcher, along with Messrs. Kenneally and Rozum were named to the project team.

To develop the draft mission statement, the Project Team held a series of open houses in July 2019 and accepted public comments through August 23, 2019, Mr. Davis said. Subsequent analysis of the comments led to the creation of a draft mission statement, which was subsequently accepted by the Port Council and Board at each body’s September 2019 meeting so it could be advertised for further public input.

Mr. Davis said the Project Team arranged a second public comment period and scheduled further public sessions to discuss the draft mission statement and obtain additional feedback.

Mr. Driscoll then presented a PowerPoint presentation in which he reviewed the process of creating the draft mission statement, including the results of the first round of public input and the first draft mission statement. The second round of public input included four (4) public sessions in October 2019 and the acceptance of public comment via email through October 25, 2019. From that process, twenty-four (24) individuals commented via email and twelve (12) attended the Vineyard public session, which was the only one to attract any public input. A total of 103 unique comments were logged, and Mr. Driscoll reviewed both the positive and critical comments, as well as suggestions on items to add to the draft mission statement.

Following a review of those comments, Mr. Driscoll said the Project Team made one alteration to the draft as presented in September as follows:

Our mission is to operate a safe, efficient, and reliable transportation system for the islands of Martha's Vineyard and Nantucket ~~in an environment committed to~~ **with a commitment to** sustainability, accessibility, and community engagement.

At its November 6, 2019 meeting, the Port Council members discussed the draft Mission Statement and asked that the Authority's port communities be directly addressed in the statement. Following a suggested edit from Mr. Driscoll and further discussion, the Port Council members then voted unanimously to recommend adoption of the mission statement as further modified thusly:

Our mission is to operate a safe, efficient, and reliable transportation system for the islands of Martha's Vineyard and Nantucket ~~in an environment committed to~~ **with a commitment to** sustainability, accessibility, **our port communities**, and community public engagement.

Mr. Driscoll noted that the Project Team believed that the majority of suggestions received in the most recent round of public comment are either sufficiently addressed in the draft mission statement or serve to narrow, not expand, the scope of the statement. Mr. Driscoll further noted that the goal of the project was to develop a mission statement that was concise, outcome oriented and inclusive of the Authority's various constituencies and the Project Team felt that it had accomplished that goal.

After briefly reviewing the values expressed in the mission statement, Mr. Driscoll said, following its adoption, staff would develop supporting materials to deepen the understanding of the mission statement for both the Authority's employees and the public. Furthermore, the mission statement would be added to key internal and external materials and a strategy would be developed to communicate the mission statement both internally and externally.

Mr. Jones said that he did not like how the second half of the mission statement read and suggested that it read "... with a commitment to sustainability, accessibility, and public engagement with our port communities." Mr. Jones congratulated Mr. Driscoll on the effort and said it was, overall, a good mission statement.

Ms. Wilson said she agreed with Mr. Jones' suggestion and said that, in reviewing the Authority's Enabling Act, the mission statement holds tight to the language in that act. She said she also liked the idea of the supporting materials to accompany the mission statement.

Mr. Brathwaite said the reference to "public engagement" in the presented draft is a broader statement because it involves more people than engaging with only the port communities. He said the original wording, in his opinion, offers the opportunity for broader engagement.

Mr. Jones said his issue was more with the sentence structure than with the values included in the mission statement. Mr. Driscoll suggested dropping "our" to make the end of the statement read "... with a commitment to sustainability, accessibility, port communities and public engagement."

Ms. Tierney asked why the word "lifeline" was not used and that its omission was bothering her greatly. Mr. Driscoll noted that the word was not in the Enabling Act and that it was a marketing motto, which is why the Project Team decided not to use it.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to adopt the draft mission statement as proposed in Staff Summary #COMM 2019-3, dated November 13, 2019.

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

Approval of the Authority's 2020
Martha's Vineyard Fall Operating Schedules:

Mr. Davis said, at the September 24, 2019 Board Meeting, the Members approved both the 2020 Summer and 2020 Fall Operating Schedule for the Nantucket route. Then at its October 15, 2019 meeting, the Members approved the 2020 Summer Operating Schedule for the Martha's Vineyard route in conjunction with the Report on the SSA's Proposed Operating Schedules and Recommendations. It was subsequently determined the Proposed 2020 Fall Operating Schedules for the Martha's Vineyard route were not presented for a vote, which is why they were being presented today.

The proposed 2020 operating schedules from October 21, 2020 to January 3, 2021 would be similar to the 2019 operating schedules for Martha's Vineyard route except it would start three (3) days earlier and would end on the same day. The Martha's Vineyard route would see no changes to the trip times, quantity of available trips, or vessel crewing during this schedule. On the Martha's Vineyard route, both the *M/V Martha's Vineyard* and *M/V Island Home* would be triple-crewed and operate seven (7) round trips per day and the *M/V Katama* would be triple-crewed and operate up to seven (7) round trips per day.

Mr. Davis noted that the Port Council voted at its November meeting to recommend to the Board that the 2020 Fall Operating Schedule for the Martha's Vineyard route be adopted as presented.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Ms. Tierney – to approve the 2020 Fall Operating Schedules for the Martha's Vineyard route as proposed in Staff Summary #OPER-2019-07, dated November 14, 2019.

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

Proposed 2020 Reservation Opening Dates:

Mr. Davis then reviewed the 2020 Reservation Opening Dates as follows:

- Summer – May 15, 2020 through October 20, 2020
Headstart/Mail & Internet only: January 7, 2020-January 13, 2020
- General Opening – Internet Only – Nantucket
January 4, 2020-January 20, 2020
- General Opening – Internet Only – Martha’s Vineyard
January 31, 2020-January 27, 2020
- Telephone Opening / Mail & Internet
January 28, 2020

- Headstart Transfer Deadline Date: May 15, 2020

Mr. Davis noted that, for the first two (2) days of the internet openings on each route, the Reservations Office would be open from 5 a.m. to 6 p.m. to provide support to the Authority’s internet customers.

Additional opening dates are as follows:

- Fall – October 21, 2020 – January 3, 2021
Telephone Opening/Mail and Internet: June 15, 2020
- Winter – January 4, 2021 – March 13, 2021
Telephone Opening/Mail and Internet: October 25, 2020
- Spring – March 21, 2021 – May 15, 2021
Telephone Opening/Mail and Internet: October 25, 2020

Mr. Davis also reviewed the Headstart program, the profile qualifications necessary for the Headstart program, and the Martha’s Vineyard reservation-only dates for 2020.

In response to a question from Ms. Wilson, Mr. Davis said the reservation-only day policies are included in the Customer Policies and Procedures Handbook, but the Authority needs to do a better job of conveying what the Blue Line is. Mr. Jones said he was concerned that it was not well known and wondered if the island's residents were up to speed on all of these programs. Mr. Davis said that about 14,000 profiles are in the Island Preferred Excursion program another 2,100 are in the Islander Preferred program and that anyone who has an odd-numbered profile has been contacted to update their information this year, and provided information on the various programs available to them. Ms. McHugh noted that the Authority also distributes a travel tips brochure that is inserted into the island newspapers.

Mr. Brathwaite said the only time he hears about the Blue Line is in these meetings and that it has not been communicated to the rest of the island. He suggested a "cheat sheet" be created to the Islander Preferred profile holders to let them know about these programs.

Mr. Davis said, in light of the adoption of the mission statement, staff plans to hold workshops on a regular basis on several topics, and one idea might be to do one on the reservations programs, their qualifications, and the benefits available so as to directly inform islanders.

Approval of Proposed License Agreement with
Island Commuter Corp. (M/V Island Queen):

Mr. Davis said that the Authority has, for the past six (6) years, entered into a one-year license agreement with Island Commuter Corp. allowing *the M/V Island Queen* to begin its summer schedule one week earlier than it otherwise would be allowed under the Authority's Enabling Act. In order to provide those additional trips, Island Commuter Corp. has paid the Authority license fees for each passenger carried on each of those additional trips.

On September 24, 2019, Island Commuter Corp. asked the Authority to license the *M/V Island Queen* to provide the same additional round trips between Falmouth and Oak Bluffs that had been licensed in 2019, namely:

1. To run one additional round trip between Falmouth and Oak Bluffs on Mondays through Thursdays during its 2020 spring schedule (May 22 through June 11, 2020) and its fall schedule (September 14 through October 12, 2020); and
2. To begin its 2020 summer schedule one week earlier (June 12 through June 18, 2020).

Mr. Davis said staff is of the opinion that it is again appropriate to license the additional trips by the *M/V Island Queen* that have been 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.

Mr. Davis said that, at its meeting on November 6, 2019, the Port Council voted to recommend that the Members vote to authorize the general manager to execute a license agreement with Island Commuter Corp.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to authorize the general manager to execute a license agreement with Island Commuter Corp. as highlighted on the submitted 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 2019 for each passenger carried on those additional trips; and to authorize the general manager to take all necessary and appropriate actions to carry out that license agreement and fulfill the Authority’s obligations thereunder, as proposed in Staff Summary #L-491, dated November 14, 2019.

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

Approval of Proposed License Agreement with Hyannis Harbor Tours (Hy-Line Cruises):

Mr. Davis said Hy-Line Cruises is proposing an amendment to its licensing agreement whereby it wishes to increase its service by sixteen (16) round trips in its proposed winter 2020 operating schedules. Murray Scudder III noted that the company has been busier in recent years in the wintertime, which is centered on workers traveling to the island and the islanders coming off the island. Mr. Scudder said the company would be using its backup vessel for the service.

Mr. Davis noted that, at its meeting on November 6, 2019, the Port Council voted to recommend that the Members vote to authorize the General Manager to execute an amendment to the Authority's license agreement with Hy-Line as presented.

IT WAS VOTED – upon Mr. Ranney's motion, seconded by Mr. Hanover – to authorize the general manager to execute an amendment to the Authority's license agreement with Hyannis Harbor Tours, which would increase the number of daily trips that it operates between Hyannis and Nantucket during its 2020 winter operating season, as proposed in Staff Summary #L-492, dated, November 14, 2019.

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

Treasurer/Comptroller's Report:

Mr. Rozum noted that traffic figures were likely to be down in all categories this year due to the significant weather events that occurred in October 2019. Additionally, he expects the Authority to take approximately a \$1,000,000 hit on revenue due to the storms in October, so the bottom line will be significantly lower in October than it was in September.

Change Order No. 51, Woods Hole Terminal Design Change, to Contract No. 9B-2012 with BIA.studio:

Mr. Davis said the change order covers engineering costs beyond the normal construction administrative cost estimated in December 2018 in Change Order No. 47 for this same project. Most of these expenses are related to construction complications encountered during the building of the new Slip No. 3, which included: response to the bulkhead shifting due to the soil liquefaction event; monopile No. 8 resolution for the lack of embedment; design for the temporary passenger platform south of the southern slip; additional environmental services; design alternative for the sheet bulkhead north of Slip No. 3; and fuel system modifications.

Mr. Davis said the total cost for this additional work was \$301,581.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Mr. Hanover – to authorize the general manager to execute Change Order No. 51 for Contract No. 09B-2012, Woods Hole Terminal Reconstruction Project, with BIA.studio at a total cost of \$301,581, as proposed in Staff Summary #GM-733, dated October 23, 2019.

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

Change Order No. 63 to Contract No. 16-2017, Woods Hole Construction – Waterside, with Jay Cashman Inc.:

At 11:41 a.m., Ms. Tierney left the meeting.

Mr. Davis said the change order request is required because there is extremely limited land space in the work zone between the two operating slips to stockpile and dewater dredge materials. Consequently, all dredge materials from the middle slip and the remainder of the former pier will be stockpiled in a hopper barge and dewatered in the barge. The barge and related materials will then be towed to New Bedford and off-loaded at Fish Island by a subcontractor for upland disposal.

The total cost for this additional work was \$271,562.75.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to execute Change Order No. 63 for Contract No. 16-2017, Woods Hole Terminal Reconstruction Project – Waterside, with Jay Cashman Inc. at a total cost of \$271,562.75, as proposed in Staff Summary #GM-734, dated October 23, 2019.

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

Contract No. 14-2019, Supply and Delivery of Spare Parts for Two (2) EMD 12V645 E6 Engines:

Mr. Davis said the Authority intends to purchase EMD diesel engine parts and spares suitable for service for the engines on the *M/V Eagle*. The Fairhaven maintenance staff will then use those parts to overhaul the two (2) main engines on the *M/V Eagle* during its scheduled repair cycle.

Mr. Davis said specifications were sent to two (2) companies, of which one (1), Marine Systems Inc. of Chesapeake, Virginia, submitted a bid. The total contract price of \$400,726.70 includes core charges totaling \$76,021.64, which will be credited back to the Authority once the cores are returned. Mr. Davis noted the 2020 Operating Budget estimate was \$327,000.

In response to a question from Mr. Jones, Mr. Walker noted that seven (7) of the Authority's vessels have EMD engines: the *M/V Island Home*, the *M/V Eagle*, the *M/V Nantucket*, the *M/V Martha's Vineyard*, the *M/V Gay Head*, the *M/V Katama*, and the *M/V Sankaty*. Mr. Jones noted that the engines were generally considered dependable.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to authorize the general manager to execute Contract No. 14-2019, Supply and Deliver Spare Parts for Two (2) EMD 12V645 E6 Engines, to the lowest responsible and eligible bidder, Marine Systems Inc. of Chesapeake, Virginia, for a total contract price of \$400,726.70.

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

Following the vote, Mr. Hanover asked Mr. Rozum about the \$5,000,000 contingency on the Woods Hole project and asked for an update on where that figure stood. Mr. Rozum said the change orders to date on the waterside project totaled approximately \$3,600,000 and that the waterside portion of the project is expected to have more change orders than the landside. Mr. Cloutier added that the variability in the soil, into which more than 200 piles are being driven, makes the project more difficult. By the nature of the bidding process, the Authority assumed that all the piles would go in place correctly on the first try, so any change to that plan results in a change order. Additional costs have been realized as the Authority continues to keep the site operational in the midst of the construction, which necessitates constant movement of equipment and additional needs, such as the passenger-loading platform on the southern slip. Mr. Davis noted that the \$5,000,000 figure was for the waterside portion only and that it was anticipated that many unknowns would be encountered, especially in the first phase of the project.

Ms. Tierney rejoined the meeting at approximately 11:49 a.m.

Extra Thanksgiving Service:

Mr. Davis noted that the Authority would be providing extra service during Thanksgiving week on both routes again this year. Extra trips were planned on the Nantucket route on the Sunday, Monday, Tuesday and Wednesday before Thanksgiving; on the Vineyard route, extra service was planned for the Tuesday and Wednesday before Thanksgiving and the Friday, Saturday, and Sunday after the holiday.

Mr. Hanover's comments:

Mr. Hanover said that, while he would never recommend that any captain take a trip that was not safe, he was concerned that the Authority canceled the remainder of its service on October 27, 2019 and that the weather then turned calm. With islanders returning home from the Patriots game and the island's Food and Wine Festival under way, he said he got multiple telephone calls on the issue. He said the Authority needs to sort out its weather cancellations and that Mr. Davis, as well as Port Captain Charles M. Monteiro, need to be a part of the discussion. He questioned if the experience level of some of the captains was a factor, but said people are missing doctors' appointments and flights and not getting to work so it was imperative that the boats run as often as possible, as long as it is safe.

Regarding the cancelations on October 27, 2019, Mr. Davis said the decision to end operations for the day was made based on the most recent data from the National Weather Service. In hindsight, the Authority may have done so prematurely, but the decision was made so that passengers who were traveling would be able to find accommodations for the evening. Additionally, with the ongoing construction, Mr. Davis said the wind provides an ongoing challenge for vessels entering and departing Woods Hole. Mr. Davis said the Authority does not want to cancel its trips and he was sure that the passengers did not like it, either.

Results of Veterans Day Promotion:

Mr. Davis noted that, in regards to the Authority's free travel promotion on Veterans Day, eight-six (86) individuals on the Vineyard route and forty-five (45) on the Nantucket route took advantage of the offer. He said he felt it was well received by the individuals and the response was good, especially for the first year.

Public Comment:

Mr. Jones asked for public comment, but none was offered.

At approximately 11:54 a.m., Mr. Jones said he would entertain a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on September 24, 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or 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. These matters include:

- The 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;
- The litigation "In re: Woods Hole, Martha's Vineyard and Nantucket Steamship Authority; Civil Action No. 17-cv-12473-NMG; U.S. District Court for the District of Massachusetts;"
- The potential for lease or 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.

The public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. Mr. Jones further noted that, after the conclusion of the executive session, the Board would not reconvene in public.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Tierney – to enter into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on September 24, 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or 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. Jones	10 %	
Mr. Hanover	35 %	
Ms. Wilson	10 %	
Ms. Tierney	10 %	
Mr. Ranney	<u>35 %</u>	<u> </u>
TOTAL	100 %	0 %

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the
November 19, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. November 19, 2019 Meeting Memorandum, dated November 15, 2019.
2. Video and audio recording announcement.
3. Minutes of the meeting in public session of October 15, 2019 (draft).
4. Minutes of the Port Council meeting of November 6, 2019 (draft dated November 14, 2019).
5. Business Summary for the Month of September 2019.
6. Woods Hole Terminal Reconstruction Project PowerPoint Presentation, dated November 19, 2019.
7. Staff Summary #GM-735, Authorization to Implement Schematic Designs of a One-Story Terminal Building and a Two-Story Utility Building for the Woods Hole Site, dated November 15, 2019.
8. PowerPoint presentation, Terminal Concept Design 2019.10.
9. Staff Summary #COMM 2019-3, Adoption of a Mission Statement for the Steamship Authority, dated November 13, 2019.
10. PowerPoint presentation, Steamship Authority Revised Draft Mission Statement Presentation, dated November 19, 2019.
11. Staff Summary # OPER-2019-7, Proposed 2020 Fall Operating Schedules for the Martha's Vineyard route, dated November 14, 2019.
12. Staff Summary #RCR-2019-01, Proposed 2020 Reservation Opening Dates, dated November 13, 2019.
13. Staff Summary #L-491, Approval of the Proposed 2020 License Agreement with Island Commuter Corporation, dated November 14, 2019.
14. Staff Summary #L-492, Approval of the Proposed License Amendment with Hyannis Harbor Tours Inc., dated November 14, 2019.
15. Staff Summary #GM-733, Approval of Change Order No. 51 for Contract No. 9B-2012, Woods Hole Terminal Reconstruction Project, dated October 23, 2019.
16. Staff Summary #GM-734, Approval of Change Order No. 63 for Contract No. 16-2017, Woods Hole Reconstruction – Waterside, dated October 23, 2019.

17. Staff Summary #E 2019-11, Contract No. 14-2019, Supply and Deliver Spare Parts for Two (2) EMD 12V645 E6 Engines Serial No. 86L1-1021/86L1-1018, dated November 14, 2019.

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

The Meeting in Public Session

December 17, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 17th day of December 2019, beginning at approximately 9:38 a.m. in the second-floor conference room of the Authority's Hyannis terminal, 141 School Street, Hyannis, Massachusetts. All five Members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; Moira E. Tierney of New Bedford (who arrived during discussion of the business summary); and Robert F. Ranney of Nantucket (who participated via telephonic conference call).

Port Council President George J. Balco of Tisbury and Port Council Member Robert V. Huss of Oak Bluffs also were present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Mark K. Rozum; General Counsel Terence G. Kenneally (who arrived at the start of discussion of the business summary); Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Reservations and Customer Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; Assistant Port Captain Paul F. Hennessy; Director of Marketing Kimberlee J. McHugh; Port Captain Charles M. Monteiro; and Health, Safety, Quality and Environment Manager Angela M. Sampson

Remote Participation by Nantucket Member Robert F. Ranney:

Mr. Jones announced that he had been notified by Mr. Ranney that he desired to participate remotely in today's meeting because his physical attendance today would be unreasonably difficult. Mr. Jones stated that he agreed with Mr. Ranney and had determined that his physical attendance today would be unreasonably difficult and therefore, he may participate remotely in this meeting, which includes voting on all matters as well. Mr. Jones also stated that Mr. Ranney 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. Jones also noted that, as a result of Mr.

Ranney's remote participation in this meeting, all votes taken by the Members that day would be by roll call vote.

Video and Audio Recording of Today's Meeting:

Mr. Jones 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. Furthermore, Mr. Driscoll was making an audio recording of the meeting, as was Louisa Hufstader (representing the *Vineyard Gazette*) and George Brennan (representing the *Martha's Vineyard Times*).

Minutes:

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Ms. Wilson – to approve the minutes of the Authority's meeting on November 19, 2019.

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

Port Council's Report:

Mr. Balco reviewed with the Members the topics covered at the Port Council's December 4, 2019 meeting, which included:

- A discussion of the October business summary and traffic, which Mr. Balco said had been negatively affected by weather and that, as a result, the Authority would likely not meet its bottom-line expectations for the year.
- An update on the Woods Hole Terminal Reconstruction Project, which included discussion of the tight conditions for ships entering the slips due to the presence of construction barges at the site.
- An update on the implementation of the HMS Consulting recommendations and the filling of the assistant port captain position by Mr. Hennessy.

- The three-year renewal of the Park 'n Ride agreement with the Town of Tisbury, which the Port Council voted to recommend to the Board.
- The Seastreak LLC license agreement amendment, which includes more service for the Nantucket Daffodil Festival, Thanksgiving weekend 2020, Nantucket Christmas Stroll and various other adjustments to the schedule. The Port Council voted to recommend the amendment to the Board.
- The transportation agreement with Martha's Vineyard Regional High School for the 2020-2021 school year, which the Port Council voted to recommend to the Board.
- The general manager's goals for the 2019-2020 year, which the Port Council voted to recommend to the Board following discussion about the specific goals presented and what should be included in such a list of annual goals.
- The election of new officers as follows: Edward C. Anthes-Washburn of New Bedford as chairman, Mr. Huss as vice chairman; and Eric C. Shufelt of Barnstable as secretary.
- The 2020 Port Council meeting schedule.

Results of Operations:

Mr. Davis presented the results of operations for the month of October 2019. Overall, the Authority carried fewer passengers (down 10.8%), automobiles (down 11.7%), and trucks (down 5.4%) than it did in October 2018. Through the first ten (10) months of the year, the Authority has carried fewer passengers (down 1.5%) and automobiles (down 0.8%), but more trucks (up 3.5%) than it did for the same time in 2018.

In the month of October 2019, the Authority's net operating loss was approximately \$1,006,000, approximately \$2,360,000 higher than the 2019 budget, Mr. Davis said. Year-to-date, the Authority has realized net operating income of \$8,204,000, which is approximately \$3,676,000 lower than the budget.

Mr. Davis said, during October 2019, the vessels completed 1,959 trips, with eight (8) trips cancelled for mechanical reasons on the Vineyard route and fifty-six (56) trips cancelled for mechanical reasons on the Nantucket route, forty (40) of which were made up by a charter. Weather cancellations accounted for 174 trips on the Vineyard route and 110 on the Nantucket route.

Mr. Davis noted that the weather disruptions severely affected the Authority's finances in October, with two (2) days lost in one week and then another day the following week due to storms.

In response to a question from Mr. Hanover, Mr. Davis said he believed the Authority would end the year in the black, although there are some maintenance items that had been accelerated from the 2020 budget. Provided the weather holds out for the rest of the year, however, the Authority should end up in positive territory. In response to a subsequent question from Mr. Hanover, Mr. Rozum said November 2019 was appearing to be a mixed month for traffic, given that Thanksgiving occurred late in the month and that, in 2018, some Nantucket stroll traffic was seen in November that was not realized this year.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis provided the following updates:

- Jay Cashman Inc. continued to work on the north passenger pier by driving piles and setting the concrete pile caps. They also set the falsework for the 30-inch diameter piles and the outer monopiles. Cashman dismantled the outer portion of the temporary trestle so that the precast planks can be set on the pile caps. Cashman also moved another section of the catwalk for Slip No. 3 (the northernmost slip) that is interfering with the construction of the passenger pier.
- The ringer barge crane prepared to drive the monopiles, setting up the vibratory hammer and getting falsework in place. The monopiles arrived on the Tuesday before Thanksgiving. The work period was limited due to the Thanksgiving holiday and increased down time due to weather. In the available time, Cashman continued to work on temporary falsework for monopile installation and for driving the remaining pipe piles that will support the north passenger pier. Earlier this month, they continued to set precast pile caps on the north pier's pile bents that have been installed. Selective dredging to clear high areas around the slip has resumed.
- Cashman completed driving most of the 16-inch piles for the passenger platform to the north of the middle slip this week. They continue to install the pile caps and precast decking for the pier. The barge with the clamshell crane removed the last of the old wharf debris and the barge Randy R started driving the large monopiles.
- Thus far, the Authority has sent out seventy-nine (79) weekly Community Emails on the construction progress.

Mr. Davis then shared a slideshow of recent photographs from the site, including a selection of photographs demonstrating the tight conditions at the

site due to the barges. Mr. Hanover said that, if there were a period of several days during which the construction crews are not working, it would be worth it to relocate the barges to further clear traffic. Mr. Davis said the Authority would work with Cashman if that were the case. Additionally, Mr. Davis said additional lights have been installed on the barges to increase visibility.

Mr. Davis noted that there recently had been an issue with the ringer barge being located in the north slip, which left the Authority with only one functioning slip. When wind conditions worsened, the location of the pipe barge off the end of the falsework made it dangerous for the *M/V Island Home* to depart, resulting in several cancellations. Ms. Tierney asked if customers had been made aware of how the barges were affecting traffic and, if they had not, they should be, including some of the information presented to the Members. Ms. Tierney said the explanation should come from Mr. Davis and that the Authority's customers need to know the information.

Ms. Wilson asked how many of the logistical issues have come as a surprise, to which Mr. Davis said the Authority knew going into this phase of the project that it would be the most challenging, but staff anticipated neither the size of the main barges nor the sizes of the support barges. Mr. Davis said he has since learned that the size of the barge supporting the ringer crane is the smallest one that Cashman could obtain to support the amount of load that needed to be handled. Mr. Davis said staff meets with Cashman on a regular basis and, at a recent meeting, discussed moving the barges out of the way at the end of the day. The process to move them out would take four (4) hours, meaning an entire day's worth of work would be lost to relocate the barges, Mr. Davis said. The goal is to get the 96-inch monopiles driven as quickly as possible so that the pile storage barge can be eliminated from the site, Mr. Davis said.

In response to a question from Mr. Jones, Mr. Davis said he believed that the monopile driving would be complete by mid-February. Mr. Jones said projects such as these are a logistical nightmare that never work like clockwork, so all the Authority can do is inform the public that trips may not run as scheduled. Mr. Davis said staff had been looking at the winter operating schedules and was considering moving some trips, but the timeframe required to advertise the schedule made it impossible to do so. He said customers were being notified when the freight boat was running late due to slip availability. Additionally, Mr. Davis said captains and crews do not want to cancel trips and do not make such a decision lightly, but they have to respond as professional mariners to protect the safety of the crews and passengers.

Regarding the Woods Hole terminal building concept, Mr. Davis said staff has been working with BIA.studio regarding the concept plans. Some preliminary

engineering work has to be conducted before a more detailed conceptual plan is prepared. Once a more suitable design concept plan is updated, staff, along with BIA.studio, will present them to the Falmouth Conservation Commission and the Falmouth Historical Commission. It is hoped those steps will be taken as quickly as possible, but it likely will not be until the beginning of next year.

Status on the Implementation of the HMS Consulting Recommendations:

Mr. Davis introduced HMS Consulting President John A. Sainsbury, who provided the following updates as part of his quarterly report to the Board:

- Safety Quality Management System (SQMS): The project plan has been completed and a vendor, Safety Management Systems LLC, selected. SMSLLC held a kick-off meeting in September in order to perform its initial gap analysis following site visits to all the Authority's vessels and facilities, and that work is substantially complete. Work to come includes developing and implementing standards for vessel operations; terminals and facilities; and administration and management. A review and certification of the SQMS will be the final step in the project.
- Learning Management System (LMS): The project plan has been completed and a vendor, Marine Learning Systems, selected. The pilot program has been launched and additional infrastructure and hardware purchased for the vessels and facilities to enable staff to access the system. Future work includes a deeper integration with the SQMS, additional content uploading and getting Authority staff registered and trained on how to use the site.
- Mission Statement: The project plan has been completed, two (2) rounds of public comments accepted, and the mission statement has been adopted by the Port Council and Board. Future work includes a communications plan for the mission statement to the staff and public.
- Strategic Planning: The project has yet to fully launch, although a request for proposals for a consultant has been developed.
- Performance Metrics: The project will follow the development of the strategic plan.
- Engineering Resources: The project plan has been completed, and the job descriptions, roles and compensation have been determined. The positions were advertised internally and externally, and four (4) positions were filled: project engineer, assistant vessel maintenance manager, port engineer, assistant port engineer. An additional port engineer's position has yet to be filled, but it has intentionally been

left open to allow the new hires to be better acclimated to the Authority and to allow for an assessment of what skills the third port engineer should have before that position is filled.

- Vessel Operations: The director of marine operations role was established and the position filled; a project plan has not been completed, and future work includes the reorganization of the operations department, the evaluation of the need for an operations department head and additional shoreside operations resources.

Mr. Sainsbury then reviewed the overall implementation timeline and budget, noting that, of the seven (7) initiatives, four (4) were on schedule and on budget, with two (2) essentially being complete; two (2) more need additional resources and direction to begin; and one will not begin until after the strategic plan is complete. Mr. Sainsbury noted some critical integration points were coming up with the SQMS and LMS projects in regards to the gap analysis, as well as the Engineering Resources and Vessel Operations project in regards to the roles and reporting structure.

In response to a question from Mr. Jones, Mr. Sainsbury said HMS Consulting has spent a little more time than initially anticipated on some items, primarily regarding the development of project plans for the SQMS and LMS projects, but their work has otherwise proceeded as anticipated regarding the oversight and advice to the project managers.

Mr. Jones asked if the various projects were all being assimilated appropriately into the Authority and that such a task would be a challenge for management and staff, but he hoped it would be accomplished. Mr. Sainsbury said the Authority is certainly taking on a lot right now with the intent that the work would solidify the Authority's operations, but getting to that point would prove to be the hard part and would be best accomplished by good project management techniques, including identifying the questions the project team would be faced with, the risks to the project, and how those risks can be addressed ahead of time. Mr. Sainsbury said using project management techniques are a different way of thinking about things and will be a culture change for the organization, and that was what HMS Consulting and Glosten Associates was trying to help with. Mr. Jones further noted that the changes had to be communicated all the way down the organization, and Mr. Sainsbury said the project management process does just that.

Mr. Jones then asked Mr. Sainsbury about the Washington State Ferries' recent announcement that it would convert its fleet to hybrid-electric ferries; Mr. Sainsbury said it is an interesting project with clear financial motivations and will be watched by many ferry operations.

Tisbury Park ‘n Ride Agreement:

Mr. Davis noted that the current three-year agreement with the Town of Tisbury and the Martha’s Vineyard Regional Transit Authority (VTA) expires on December 31, 2019. Much like the terms of the previous agreements, under this proposal, the VTA is responsible for the entire cost of acquiring and maintaining the vehicles used for the park and ride service. The VTA is also responsible for all costs necessary to operate the service on a year-round basis, subject to reimbursement from the Authority of fifty percent (50%) of both the labor cost of the vehicles’ drivers (based on actual hours), the fuel costs reasonably incurred, and additional payments in the amount of \$200 per month for its share of the VTA’s maintenance, insurance and painting costs. Mr. Davis said, as the VTA transitions to an electric fleet, in lieu of a reimbursement for diesel fuel, the Authority would reimburse the VTA for electricity costs to charge the vehicles.

Mr. Davis noted that Port Council, at its December 2019 meeting, voted to recommend to the Board that the Proposed Renewal of the Tisbury Park ‘n Ride Agreement be adopted as presented.

Ms. Wilson asked about the recent strike and how it affected the services the VTA provided to its passengers; Mr. Davis said that the Park ‘n Ride service was able to be maintained during that period. Additionally, Mr. Davis noted that the Authority brings its own bus and driver over on Thanksgiving and Christmas to provide the service, as the VTA does not operate on those days.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Tierney – to authorize the general manager to execute a new agreement with the Town of Tisbury and Vineyard Transit Authority through December 31, 2022, as proposed in Staff Summary #A-641, dated December 13, 2019 and in substantially the same terms and conditions as the draft agreement as presented.

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

License Amendment with Seastreak LLC:

Mr. Davis said, by email dated November 22, 2019, Seastreak LLC (“Seastreak”) asked the Authority for an amendment to its current license agreement allowing it to:

- Provide additional (noninter-island) service between New Bedford, Martha’s Vineyard, and Nantucket between April 24, 2020 and April 26, 2020 to coincide with Nantucket’s Daffodil Festival;
- Slightly change the departure time of its inter-island service on weekends between May 15, 2020 and June 19, 2020 (shoulder season) by thirty (30) minutes from 2:00 p.m. to 1:30 p.m. while also adding a 5:30 p.m. round trip departing from New Bedford;
- Changing the departure times of its Nantucket service on Sundays only between June 20, 2020 through September 8, 2020 to 7:00 a.m., 11:00 a.m. and 3:00 p.m.;
- Reducing its inter-island service between September 9, 2020 and October 12, 2020 (shoulder season) by some two (2) weeks ;
- Changing the departure times of its Nantucket service on Sunday, October 11, 2020 (Columbus Day weekend) to 7:00 a.m., 11:00 a.m. and 3:00 p.m.;
- Provide additional (noninter-island) service between New Bedford, Martha’s Vineyard, and Nantucket between November 25, 2020 and November 29, 2020 to coincide with Thanksgiving; and
- Operate a high-speed passenger service between New Bedford and Nantucket for the 47th Annual Chamber Christmas Stroll on Nantucket, which will take place from December 4, 2020 through December 7, 2020, with a slight change in its departure times from New Bedford by fifteen (15) minutes

Mr. Davis said the Authority does not anticipate or foresee any other potential pitfalls stemming from Seastreak’s proposed 2020 operating schedules, including the proposed changes in departure times and additional service. However, concern was noted regarding the final trip into Oak Bluffs on Friday only, as there have been occasions where that terminal was closed so the fallback would be Vineyard Haven. The arrival time of the Seastreak vessel is the same as the *M/V Martha’s Vineyard*, which is the last docking of the night for that vessel, so there may be occasions where the vessel has to wait outside of the harbor for Seastreak to clear. That, in turn, would create a delay the next morning due to the mandated crew rest period. Mr. Davis said he would talk with Seastreak General Manager John Silvia and work something out.

At its meeting on December 4, 2019, the Port Council reviewed Seastreak’s proposal and voted to recommend it to the Board, Mr. Davis said.

IT WAS VOTED – upon Ms. Tierney’s motion, seconded by Ms. Wilson – to approve the requested license amendment by Seastreak LLC with the exception that Seastreak’s arrival time of 10:30 p.m. on Fridays on Martha’s Vineyard during its summer operating schedule be changed to avoid conflicting with the arrival time of the Authority’s traditional ferry in Vineyard Haven, as proposed in Staff Summary #L-494, dated December 13, 2019.

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

Transportation Agreement with
Martha’s Vineyard Regional High School District:

Mr. Davis said that the Authority enters into an annual transportation agreement with the Martha’s Vineyard Regional High School District to establish a fixed-price contract for the transportation of student groups, teachers, administrators, and game officials on school-approved travel for the school’s upcoming fiscal year, which in this case is 2020-2021. The current agreement establishes a fixed price of \$55,000 for the fiscal year July 1, 2019 through June 30, 2020, which is payable in ten (10) monthly installments of \$5,500 commencing September 1, 2019 and ending on June 1, 2020. This rate reflected approximately a fifty percent (50%) discount over applicable tariff rates.

Over the previous five (5) years, the school district has averaged \$111,921 in travel annually, Mr. Davis said. Staff is recommending that the fixed price contract of \$55,000, which would approximate the fifty percent (50%) discount normally given to the island schools, including the Nantucket Public Schools, be extended.

Mr. Davis said that the Port Council, at its December meeting, voted to recommend the agreement to the Members.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Tierney – 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, 2020 through June 30, 2021, as proposed in Staff Summary #A-642, dated November 14, 2019.

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

Appointment of RSM US LLP as the Authority’s Independent Auditors:

Mr. Rozum said Members had been provided a letter from RSM US LLP setting forth the scope of service to be provided and their proposed fee for the audit of 2019 activity. The proposed fee for fiscal year 2019 of \$128,500 includes both the annual audit, as well as a Circular No. A-133 Audit, and represents a reduction of \$1,000 compared to the prior year’s fees.

Mr. Rozum further stated that RSM has submitted a price proposal for audit services that include the pricing with and without the single audit for 2019, 2020, and 2021. The price proposal for these services for the fiscal year ending December 31, 2016 was \$126,200; for the fiscal year ending December 31, 2017 was \$127,850; and for the fiscal year ending December 31, 2018 was \$129,500. Under the new three-year agreement, RSM has proposed for the fiscal year ending December 31, 2019, a total fee of \$128,500; for the fiscal year ending December 31, 2020, a total fee of \$134,000 (or \$118,500 if no single audit is required); and for the fiscal year ending December 31, 2021, a total fee of \$139,500 (or \$123,500 if no single audit is required).

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Tierney – to reappoint RSM US LLP as the Authority’s independent auditors to provide a comprehensive financial audit and related services for the fiscal year ending December 31, 2019, for a total fee of \$128,500; for the fiscal year ending December 21, 2020, for a total fee of \$134,000 (or \$118,500 if no single audit is required); and for the fiscal year ending December 31, 2021, for a total fee of \$139,500 (or \$123,500 if no single audit is required), as proposed in Staff Summary #A-643, dated December 16, 2019.

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

Treasurer/Comptroller’s Report:

Mr. Rozum said that, earlier in the year, the Authority was approached by Angela Grant from the Vineyard Transit Authority about submitting a joint grant application with the VTA, the Pioneer Valley Transit Authority and the Greater Attleboro Taunton Regional Transit Authority for the Federal Transit Administration’s Section 5339 Low or No-Emission Program (“Low-No”) in response to the March 18, 2019 Notice of Funding Opportunity.

Mr. Rozum said the Authority has been informed that the grant application was successfully received and, collectively, the consolidated application has been awarded \$2,200,000 to purchase electric buses and charging stations. The Authority has been designated to receive \$375,000 to offset the difference between electric and diesel buses.

Mr. Rozum noted that the Authority received a letter of support from State Senator Julian Cyr and State Representatives Sarah Peake and Dylan Fernandes, as well as from the Board following its April 2019 meeting.

Mr. Rozum noted that the Authority has also applied for a grant through the Volkswagen settlement fund for electric buses as well. He further said that

local agencies were working together for a regional approach to purchasing the buses to keep a similar brand locally, which will make sourcing repairs and parts much easier. In response to a question from Mr. Hanover, Mr. Rozum noted that the electric buses are made in the United States.

Mr. Rozum also noted that the Authority had launched its eFerry ticketing this month on the fast ferry and that it had been received very well by customers. The ticket uses the Apple Wallet or Google Pay to redeem the ticket instead of the customer scanning a barcode. The next phase of the project will incorporate the 10-ride and 46-ride books in the first quarter of 2020. Mr. Davis noted that Mr. Rozum and the Authority's MIS Department had been working for a long time on the project and that, based on feedback from Apple and Google, this was the first application of the technology on a ferry. Mr. Davis said it is quite an accomplishment that the Authority has gotten this done.

Change Order No. 52 to Contract No. 9B-2012,
Woods Hole Terminal Reconstruction Project, with BIA.studio:

Mr. Davis said the change order addresses the annual construction administrative services related to the design team's efforts in support of the marine construction at the Woods Hole terminal for 2020. The original contract did not include an amount for these services because the scope of work was not well defined at the onset of the project. It was then decided to estimate the amount of services required on an annual basis for each year of the marine work contract. The estimate for these services for 2020 is \$1,179,600, which includes construction management, engineering services, field support and monitoring.

Ms. Wilson asked if there was any way to trim the total presented or if the Authority was committed to this figure. Mr. Davis said the biggest part of it is the engineering services, which represents approximately \$800,000 of the total and is critical support for the project.

Mr. Jones asked, with the overages that have been noted to date, how far Mr. Davis thought the project would go over budget. Mr. Davis said, at this point, the project is not over budget, as it has realized \$3,900,000 of the \$5,000,000 budgeted for contingencies.

In response to a question from Ms. Tierney, Mr. Davis confirmed that this was the same firm providing architectural services for the terminal building. Ms. Tierney asked if there had been discussion about a credit for work performed on the terminal design given that the initial versions of it were so disfavored in the community. Ms. Wilson added that there seemed to have been a disconnect

between the work the architects had performed and the community's views on the project. Mr. Davis said he had not had that conversation with them and that he would have to investigate how much of the additional work possibly could be on BIA.studio instead of on the Authority.

Ms. Tierney asked how much had been paid to BIA.studio for the project to date; Mr. Davis said he would provide that information.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to authorize the general manager to execute Change Order No. 52 for Contract No. 09B-2012, Woods Hole Terminal Reconstruction Project, with BIA.Studio at a total cost of \$1,179,600, as proposed in Staff Summary #GM-735, dated December 13, 2020.

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

Change order No. 59 for Contract No. 16-2017, Woods Hole Reconstruction – Waterside, with Jay Cashman Inc.

Mr. Davis noted that the change request covers the cost to install the ramps to the passenger platforms for the south slip. It also includes the cost to transform the waste oil shed into a passenger waiting area and to erect a bus shelter adjacent to the passenger ramps. The cost cover the labor and materials for Cashman as well as the labor and materials for subcontractors Lawrence Lynch Corp and Silverback, the concrete contractor.

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Mr. Hanover – to authorize the general manager to execute Change Order No. 59 for Contract No. 16-2017, Woods Hole Terminal Reconstruction Project – Waterside, with Jay Cashman Inc. at a total cost of \$127,410.03, as proposed in Staff Summary #GM-736, dated December 13, 2019.

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

Contract No. 13-2019,
Dry Dock, Overhaul and Storage Services for the *M/V Iyanough*:

Mr. Davis said the *M/V Iyanough* is scheduled to be stored shoreside at a shipyard from January 25, 2020 to March 9, 2020. While stored shoreside, the vessel will undergo a required U.S. Coast Guard hull exam, hull cleaning and painting, superstructure painting, hull repairs, transom repairs, window replacements, 24 VDC lighting system upgrade, water jet inspections and maintenance, and ride control inspection and maintenance. Specifications were sent to eight (8) companies; only one (1) responsive bid was received.

The 2020 Operating Budget estimate was \$513,616, Mr. Davis said.

In response to a question from Mr. Jones, Mr. Davis said no engine work is included in this bid; that work will be performed at the Authority’s Fairhaven maintenance facility

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Tierney – to authorize the general manager to award Contract No. 13-2019, Dry-Dock, Overhaul and Storage Services for the *M/V Iyanough*, to the lowest eligible and responsible bidder, Fairhaven Shipyard of Fairhaven, Massachusetts, for a total contract price of \$464,100, as proposed in Staff Summary #E2019-12, dated December 13, 2019.

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

Contract No. 15-2019, Supply and Deliver One (1)
MTU 12 V 400 Short Block Assembly and
Associated “O” Rings, Bearings and Other Miscellaneous Parts:

Mr. Davis said the *M/V Iyanough* sustained a catastrophic failure of one (1) of the four (4) MTU 12V4000 main propulsion engines this summer. Due to this failure and lack of availability of a spare engine, the vessel was required to operate for nearly two (2) months on three (3) engines.

Mr. Davis said the engines installed on the *M/V Iyanough* are classified by the U.S. Environmental Protection Agency as Tier 3 diesel engines, designed to reduce soot, smog, and other types of dangerous pollutants. Regulatory standards limit the availability of these engines. To ensure safe, reliable, and efficient service, the Authority is seeking to purchase a spare short block assembly, which will then be built up and serve as a spare engine in its inventory.

Specifications were sent to two (2) companies; only one (1) responsive bid was received.

In response to a question from Mr. Jones, Mr. Davis said this would be a spare engine for the vessel. Now that Tier 4 diesel engines are in the marketplace, it would become increasingly difficult to secure another short block assembly for a Tier 3 engine should it become necessary. The long-term goal would be to build this up into a fully serviceable engine, although it remained to be seen if that would be done ahead of time or wait until it was needed.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Tierney – to authorize the general manager to award Contract No. 15-2019, Supply and Deliver One (1) MTU 12 V 400 Short Block Assembly and Associated “O” Rings, Bearings and Other Miscellaneous Parts, to the lowest eligible and responsible bidder, Stewart & Stevenson Power Products LLC of Marlborough, Massachusetts, for the total contract price of \$277,403.97, as proposed in Staff Summary #E2019-13.

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

Proposed General Manager's Goals for 2019-2020:

Mr. Davis noted that his goals were never discussed during his annual evaluation process, which itself was delayed several times, so they were being presented to the Board now. His proposed goals are:

1. Complete Phase 3 of the reconstruction of the Woods Hole terminal (marine work) before the start of the 2020 Summer Operating Schedule on June 17, 2020.
2. Complete the schematic design phase for the Woods Hole Terminal Building and Utility Building and obtain the necessary permitting for the construction of the same.
3. Issue an invitation for bids and the award of a contract for the construction of the Authority's new maintenance warehouse, shops and office facility at the Authority's Falmouth Maintenance site on Bernard St. Jean Drive.
4. Issue an invitation for bids and the award of a contract for the construction of additional vessel berthing capabilities at its Fairhaven Maintenance Facility.
5. Implement electronic ticketing, via mobile devices, for walk-on passengers travelling on all ferries.
6. Oversee a study of a website upgrade/redesign in preparation for the solicitation of proposals and award of a contract for a mobile app and the redesign of the website in late 2020.
7. Facilitate the creation of a Task Force and participate in the development and implementation of long-term solutions to regional traffic issues amongst and between the Authority's port communities and the islands of Martha's Vineyard and Nantucket as a part of the Authority's strategic planning initiative.
8. Pursue capital grant funding opportunities from the U.S. Department of Transportation's Federal Transit Administration and other federal and state agencies.

At the Port Council meeting, Mr. Davis noted that member Robert S.C. Munier of Falmouth noted that the goals did not include any long-range items that may be harder to evaluate in a year's time but, nonetheless, are important to the Authority's operations. Mr. Davis noted that many of those items would arise as part of the strategic planning process, but in the short period remaining for this year's goals, he felt those that were presented were appropriate.

Mr. Jones said he would like to add the development of a table or organizational chart of the new hires and their roles to this list; Mr. Davis said that work was already underway and would be presented soon.

Ms. Tierney noted that there was no mention of freight service to New Bedford; Mr. Davis said that discussion would be encompassed in No. 7 as part of the development and implementation of long-term solutions to regional traffic issues. However, Mr. Davis said that goal could be revised to include further study of freight service from New Bedford.

Regarding the working group and task force mentioned in No. 7, Mr. Jones asked how the members of those groups would be found and brought into the Authority's overall governance process. Mr. Davis said both groups would be informal and would make recommendations that would be brought back to the Board for their review or incorporated into the strategic planning process. How the groups would proceed, however, will be determined in part by their members, and so far not all the invited towns and agencies have appointed their representatives.

Mr. Jones noted that No. 7 includes Nantucket although neither the working group nor task force has a representative from that community; Mr. Davis said that the task force might develop some initiatives that would also pertain to Nantucket. Mr. Davis said his intention was not to exclude them but to represent that there may be a more global solution to some issues, even though the task force is centered on Vineyard service.

Mr. Hanover said he had been speaking with Mr. Amundsen regarding the electrification of the Authority's fleet and that he would like to have more discussion regarding the planning process for that, as well as examining new technologies in that regard. Mr. Hanover noted that Washington State Ferries had recently committed to electrifying its fleet; he said that, as a state-supported agency, it could afford to be the pioneers but he would like the Authority to follow the work closely. He said the Authority could probably have some representatives from the electric ferry industry come to give presentations to the Board and help the Members determine how to proceed. Mr. Jones noted that electric ferries are certainly the way of the future, but they are very expensive. In response to a question from Mr. Hanover, Mr. Sainsbury noted that the electric ferries were to

travel on the Seattle-Bainbridge route, which is approximately eight (8) miles one-way. Mr. Hanover noted that the strategic planning process would be the place for this discussion to move forward.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to approve the general manager’s 2019-2020 goals as presented, with the addition of the study of freight service to New Bedford as part of Goal No. 7.

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

Election of Officers:

Mr. Kenneally said, per Section 3 of the Authority’s Enabling Act, the chairmanship of the Board in 2020 would rotate to Mr. Hanover in his role as the Dukes County representative. Traditionally, the Members have appointed the member next in line for the chairman’s seat as vice chairman, which in 2020 would be the Falmouth representative; and the member who will serve as chairman in two years’ time as secretary, which in 2020 would be the New Bedford member. This year, those roles would be fulfilled by Ms. Wilson and Ms. Tierney, respectively, should the Members follow past practice.

IT WAS VOTED – upon Mr. Jones’ motion, seconded by Mr. Ranney – to elect Ms. Wilson the vice chairman for the year 2020 and Ms. Tierney the secretary for the year 2020 in their roles as representatives of Falmouth and New Bedford, respectively.

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

The Year 2019:

Mr. Hanover then thanked Mr. Jones for how well he had presided over the Board this year, and then he briefly described some of the Board's accomplishments during 2019; his remarks are set forth in Appendix A to these minutes. Mr. Jones thanked Mr. Hanover and said, through the past year of ups and downs, the reason that the year had been such a success was thanks to the leadership of Mr. Davis, the senior staff and the rest of the organization's employees. Mr. Jones said this is an organization that is a team and a tremendous one at that.

Proposed 2020 Meeting Schedule:

Mr. Davis presented the proposed 2020 meeting schedule as such:

- 10 a.m. Tuesday, January 21, 2020: Falmouth, SSA Administrative Offices
- 10 a.m. Tuesday, February 18, 2020: Falmouth, SSA Administrative Offices
- 10 a.m. Tuesday, March 17, 2020: Falmouth, SSA Administrative Offices
- Tuesday, April 21, 2020: New Bedford (time and location TBD)
- 9:30 a.m. Tuesday, May 19, 2020: Nantucket (location TBD)
- 9:30 a.m. Tuesday, June 16, 2020: Barnstable, SSA Hyannis Terminal
- 9:30 a.m. Tuesday, July 21, 2020: Martha's Vineyard, Tisbury EMS Building
- 9:30 a.m. Tuesday, August 18, 2020: Barnstable, SSA Hyannis Terminal
- 9:30 a.m. Tuesday, September 15, 2020: Nantucket (location TBD)
- 9:30 a.m. Tuesday, October 20, 2020: Martha's Vineyard, Oak Bluffs Public Library

- 10 a.m. Tuesday, November 17, 2020: Falmouth, SSA Administrative Offices
- 9:30 a.m. Tuesday, December 15, 2020: Barnstable, SSA Hyannis Terminal

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Tierney – to adopt the 2020 meeting schedule as presented.

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

Public Comment:

Ms. Hufstader said Vineyarders have been rattled by the recent resumption of mechanical cancellations and asked what the issue was with the *M/V Martha’s Vineyard*. Mr. Davis said there had been two issues with the vessel that were unrelated to each other; one was the failure of the power unit for the steering gear, which had to be replaced; the second was a “kill switch” in the wheelhouse that became loose and caused power to be cut to portions of the vessel. Mr. Davis noted that the vessel had just come out of its repair period and that kill switch had been tested by both the Authority and the Coast Guard and found to be in working order.

Murray Scudder Jr. with Hy-Line Cruises gave a statement regarding recent news reports regarding a lawsuit among certain members of the company as follows:

“For more than two years now, the owners of Hy-Line Cruises have been working together to come to an agreement on a succession plan and possible buyout which would allow the company to continue as a healthy and successful family owned business into the next generation and beyond. To date, we remain unsuccessful in that regard, but we will continue to work toward that goal to an amicable conclusion.

“On Friday, December 6, our partner Frederic “Skip” Scudder decided to file suit in Barnstable Superior Court. It is unfortunate this lawsuit has been filed. However, I want to assure the Board Members and Management of the Steamship Authority, residents of the islands of Nantucket and Martha’s Vineyard, the Town of Barnstable, the traveling public and most importantly, our many dedicated employees, that Hy-Line Cruises will continue to provide safe, reliable transportation to and from the Islands, without interruption, now and into the future.

“We will be filing a detailed response addressing the many misrepresentations and falsehoods contained in the lawsuit. The response will be a truthful and accurate description of how we have conducted ourselves and operated our business for close to 60 years. We are confident that this matter will be worked out in a fair manner for all parties.

“While the lawsuit is pending, the management and Board of Hy-Line Cruises will, respectfully, have no further comment regarding this matter.”

Mr. Davis also introduced Capt. Hennessy as the new assistant port captain and briefly reviewed his long history with the Authority.

At approximately 11:43 a.m., Mr. Jones said he would entertain a motion to adjourn.

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. Jones	10 %	
Mr. Hanover	35 %	
Ms. Wilson	10 %	
Ms. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

A TRUE RECORD

KATHRYN WILSON, Secretary

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

The Meeting in Public Session

December 17, 2019

Vice Chairman Marc N. Hanover Statement
Regarding the Authority's Accomplishments in 2019

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 was a year full of challenge, 2019 was a year full of change as the organization began the most significant transformation in its history. Through it all, you have led the Board as we offered our advice and support to the many projects that began in 2019, some of which will continue for years to come, and also continued to ensure that we offered the highest level of service possible to our port communities.

Under your leadership this past year, we have continued to make progress with the reconstruction of our Woods Hole ferry terminal. Among that project's milestones were the completion of Slip No. 3, the start of construction on the middle slip and, most significantly, our approval of a new, one-story design concept for the Woods Hole terminal. That decision was made after many months of public input and several false starts but it is one that will serve the Authority and its Woods Hole neighbors for the next 50 years.

Following the unprecedented service disruptions experienced in 2018, the Authority also worked to incorporate the results and recommendations included in the independent review of our operations conducted by HMS Consulting, Glosten Associates and Rigor Analytics. You wasted no time in charting our course forward on the implementation of the report's recommendations and led us as an enthusiastic participant in the many meetings and workshops we had to establish the plans to implement those recommendations. Our progress in such a short time has been remarkable, and includes:

- Adding several new positions to the Authority, including a Health, Safety, Quality, and Environmental Manager, a Director of Marine Operations, a Project Engineer and additional resources for our engineering department;
- Approving a new mission statement for the organization;
- Implementing a Learning Management System;
- Creating an Operations and Communications Center; and
- Awarding a contract to design and implement a Safety Quality Management System.

We took several steps to improve our customers' experience, including:

- modifying the Internet General Opening for summer vehicle reservations by island to improve system response;
- renewing a contract to provide rental car services to customers in Falmouth and Hyannis;
- approving a policy wherein food pantries on both Martha's Vineyard and Nantucket can travel at a reduced rate while transporting essential foods to the island, and
- offering for the first time free travel for our veterans and members of the armed forces on Veterans Day – an initiative that was directly born from your leadership.

As part of our annual review of the Authority's schedules, we approved the creation of a working group to examine ways to mitigate the effects of traffic to and from our terminals in Woods Hole, Vineyard Haven and Oak Bluffs, as well as a task force that will take a longer-term look at the future of the Authority's operations, including the possibility of resuming freight service to and from New Bedford.

We voted to approve several contracts to provide necessary repairs to our vessels and facilities, including dry-docks for the M/V Gay Head, M/V Martha's Vineyard, M/V Island Home and the M/V Nantucket. We also approved an agreement to dredge near our Fairhaven Maintenance Facility, which will set the stage for additional vessel berthing there in cases of inclement weather.

We welcomed several new members to the Authority family, including a new Falmouth representative, Kathryn Wilson, and bid farewell to Betsy Gladfelter, whom we thank for her service. Other new hires to the senior leadership team this year included:

- Janice Kennefick, Director of Human Resources
- Angela Sampson, HSQE manager
- Mark Amundsen, Director of Marine Operations

Finally, we saw several longtime employees move into new roles:

- Mark Rozum, treasurer/comptroller
- Charlie Monteiro, port captain
- Paul Hennessy, assistant port captain
- Alison Fletcher, director of shoreside operations

Bob, I thank you for your steadfast leadership this year and for your dedicated service as chairman of the board. Kate, Moira, Rob and I were privileged to serve with you.

**Documents and Exhibits Used at the
December 17, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. December 17, 2019 Meeting Memorandum (revised), dated December 16, 2019.
2. Remote participation announcement.
3. Video and audio recording announcement.
4. Minutes of the meeting in public session of November 19, 2019 (draft).
5. Minutes of the Port Council meeting of December 4, 2019 (draft dated December 13, 2019).
6. Business Summary for the Month of October 2019.
7. Woods Hole Terminal Reconstruction Project PowerPoint Presentation, dated December 17, 2019.
8. HMS Consulting Strategic Initiatives Quarterly Report Power Point Presentation, dated December 17, 2019.
9. Staff Summary #A-641, Proposed Renewal of the Tisbury Park 'n Ride Agreement, dated December 13, 2019.
10. Staff Summary #L-494, Proposed License Amendment with Seastreak LLC, Concerning Additional Service, dated December 13, 2019.
11. Staff Summary #A-642, Transportation Agreement with Martha's Vineyard Regional High School District, dated December 13, 2019.
12. Staff Summary #A-643, Appointment of RSM LLP as the Authority's Independent Auditors, dated December 16, 2019.
13. Staff Summary #GM-735, Approval of Change Order No. 52 for Contract No. 9B-2012, Woods Hole Reconstruction Project, with BIA.studio, dated December 13, 2019.
14. Staff Summary #GM-736, Approval of Change Order No. 59 for Contract No. 16-2017, Woods Hole Reconstruction Project – Waterside, with Jay Cashman Inc., dated December 13, 2019.
15. Staff Summary No. E2019-12, Dry Dock, Overhaul and Storage Services for the *M/V Iyanough*, dated December 13, 2019.
16. Staff Summary No. E2019-13, Supply and Deliver One (1) MTU 12 V 4000 Short Block Assembly and Associated "O" Rings, Bearings, and Other Miscellaneous Parts, dated December 13, 2019.

17. Proposed General Manager's Goals for the Year July 1, 2019 through June 30, 2020 (draft).
18. Memorandum from General Counsel Terence J. Kenneally regarding the election of officers for the year 2020, dated December 13, 2019.
19. Proposed 2020 meeting schedule, dated December 12, 2019.