

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

January 8, 2020

First-Floor Meeting Room (Room 103)
Steamship Authority Administrative Offices
228 Palmer Avenue, Falmouth, Massachusetts

Port Council Members present: Chairman Edward C. Anthes-Washburn of New Bedford; Vice Chairman Robert V. Huss of Oak Bluffs; Secretary Eric W. Shufelt of Barnstable; Mark H. Rees of Fairhaven; Robert S.C. Munier of Falmouth (who arrived during discussion of the business summary); Nathaniel E. Lowell of Nantucket; and George J. Balco of Tisbury.

Authority Board Members present: Kathryn Wilson of Falmouth.

Authority Management present: 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; 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; and Health, Safety, Quality and Environment Manager Angela M. Sampson.

1. Mr. Anthes-Washburn called the meeting to order at 10:00 a.m.
2. Mr. Anthes-Washburn announced that Mr. Driscoll was making an audio recording of today's meeting.

3. Mr. Anthes-Washburn asked for a moment of silence in honor of Tom Pachico, a member of the Port Council from 2002-2008 from Tisbury, who passed away in December 2019.
4. The Port Council then **voted** 4-0 upon a motion from Mr. Balco and a second from Mr. Lowell to approve the minutes of their meeting in public session on December 4, 2019. Messrs. Anthes-Wasburn and Rees abstained from the vote.
5. Mr. Rozum reviewed the draft November 2019 business summary. For the month, the Authority carried fewer passengers (down 4.5%), automobiles (down 3.1%), and trucks (down 2.4%) than it did in November 2018. Through the first eleven (11) months of the year, the Authority carried fewer passengers (down 1.7%) and automobiles (down 0.9%), but more trucks (up 3.0%) than it did during the same time period last year, Mr. Rozum said.

Mr. Rozum said the Authority had net operating loss of \$2,269,000 for the month, approximately \$867,000 more than anticipated in the 2019 budget. Operating revenues and other income totaled \$6,057,000, about \$562,000 lower than anticipated in the 2019 budget, while operating expenses totaled \$8,325,000 for the month, about \$304,000 higher than anticipated in the budget.

During the month, the Authority's vessels made a combined 1,746 trips, with six (6) trips canceled for mechanical reasons on the Vineyard run and zero (0) on the Nantucket run, Mr. Rozum said.

For the first eleven (11) months of the year, the Authority had \$109,056,000 in total income and \$103,121,000 in total expenses, for a year-to-date net operating income of \$5,935,000 Mr. Rozum said.

Mr. Lowell noted that, with the warm weather, he expects that truck traffic to Nantucket will be down in December. Mr. Rozum further noted that Nantucket Christmas Stroll traffic numbers did not hit November at all, so he would expect that passenger traffic to be noted in the December report.

In response to a question from Mr. Balco, Mr. Rozum said four (4) fuel hedging contracts were outstanding for 2020.

In response to a question from Mr. Anthes-Washburn, Mr. Rozum said the costs included in the general administration line item include payroll, telephones, and training. Mr. Munier noted that, in both the November and year-to-date figures, wages seem to be a driving force in the increased expenses. Mr. Rozum said the Authority has brought on some new hires that were not budgeted for in the 2019 budget and also ran extra trips, had overtime in maintenance and other departments as well.

Mr. Munier asked what percentage of the expense increases can be attributed to the implementation of the recommendations in the HMS Consulting report, to which Mr.

Rozum replied that he would research the figure. Mr. Huss said it is good to know that figure and make it known, because many people wanted these changes to happen but no one will want to pay for it. The public needs to understand what the changes are costing them and what it will cost them via increased fares to maintain the new spending. Mr. Lowell used the fuel hedging program as an example of something that the Authority had to pay for as an increase in its budget that has paid off in the long run, and the question will be if the same can be said for the new positions and programs. In response to a question from Mr. Rees, Mr. Davis said the new positions, depending on the pay grade, are approved by the Authority Board, but the hiring decisions are left to staff. Mr. Anthes-Washburn noted that the Authority also created its Operations and Communications Center this year.

6. Mr. Davis provided an update on the Woods Hole Terminal Reconstruction Project. During the past month, marine contractor 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 falsework for the 96-inch monopiles.

The barge that arrived at the beginning of December 2019 with the clamshell crane removed the last of the old wharf debris, Mr. Davis said. The ringer barge crane began to drive the monopiles, but only after a delay for weather as well as a delay to replace 2,500 feet of boom cable. Cashman has, thus far, been using the vibratory hammer to drive the monopiles; the impact hammer is expected onsite in the next week to continue the process of setting the monopiles to the necessary depths.

Mr. Huss noted that commuters are not happy with the presence of the barges, to which Mr. Davis replied that the Authority's captains are not happy, either, but only four (4) piles remain to be driven. The barges have been repositioned to provide less of a possible obstruction to vessels, but it remains a challenging location.

Mr. Davis said it was recently discovered that the driving of the monopiles has caused a portion of the bulkhead installed last season to shift. Shifting was both downward and outward, although not to the degree that was experienced last year. Mr. Cloutier said the layer of "slush" in the soil will move if enough energy is put into it. The bulkhead seems to have shifted as a block this year, and engineers are determining the steps needed to remedy this situation. In response to a question from Mr. Shufelt, Mr. Cloutier said the monopile driving has moved out of that area so there will be no delay to the work. In response to a question from Mr. Munier, Mr. Davis said the Authority will be responsible for paying for the remediation work on the bulkhead.

Cashman also completed a mock-up of the passenger canopy at the Authority's Gifford Street lot. The canopy, which will feature navigational charts of the area waters, eventually will be installed on the passenger pier.

Thus far, the Authority has sent out eighty-two (82) weekly community emails on the construction progress.

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

In response to a question from Mr. Anthes-Washburn, Mr. Cloutier said the goal is to complete construction by May 30, 2020, but noted the work is challenging and that nothing in the project has been easy.

7. Mr. Davis provided an update on the Woods Hole terminal design, noting that BIA.studio architects continue to prepare to make necessary drawings of the one-story terminal concept. The Massachusetts Department of Environmental Protection was notified of the Authority's intent to have a one-story terminal building instead of the two-story building originally included in our Chapter 91 license application, and staff is working on scheduling hearings with the Falmouth Conservation Commission and the Falmouth Historical Commission. The Authority will also look to schedule informal public opportunities to look at the concept and ask questions.

In response to a question from Mr. Munier, Mr. Davis said the Authority does not require any permits from the Historical Commission, but staff wants to get their input on the terminal project. The board previously had some good suggestions regarding the previous two-story design, he said.

In response to a question from Mr. Anthes-Washburn, Mr. Davis said the one-story concept has received support from the community. Several people have expressed a desire to see more of it, which is why the Authority will hold public sessions on the design soon.

8. 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, Glisten Associates and Rigor Analytics.
 - Regarding the Safety Quality Management System, the draft of the gap analysis prepared by Safety Management Systems LLC (SMSLLC) was commented on and forwarded back to SMSLLC last month. SMSLLC is heading into the development and implementation of the project and are onsite this week.
 - Regarding the Learning Management System, a training matrix is being developed as the Authority moves along, but the system has been deployed company-wide at this time.
 - Regarding the Strategic Planning project, a request for proposals has been issued for a strategic planning firm to help the Authority in its efforts.
 - Regarding the Vessel Operations project, the Authority is in the midst of executing changes to its organizational structure. As part of that realignment, the position of director of engineering and maintenance has been eliminated. The engineering and maintenance department will now fall under the authority of the marine operations department and Mr. Amundsen. Mr. Davis said he strongly feels this change will not only begin the process of making the Authority's organizational structure less "flat," as stated by HMS, but will also aid greatly in communication and operations as the engineering staff and vessel staff will now all fall under the same command structure. As was previously announced, former Director of Engineering and Maintenance Carl

R. Walker is no longer with the Authority following this restructuring, and Mr. Davis thanked him for his years of service. Mr. Davis said he anticipates announcing further progress with the reorganization plan at the Port Council's February meeting.

Mr. Lowell asked if the Authority did not have the capacity to produce a strategic plan with internal resources, to which Mr. Davis said he felt it was more appropriate to have external help to develop not only the plan but the planning process moving forward. Mr. Lowell noted that the work to produce a strategic plan can get very complicated and can end up not being fully incorporated into the Authority unless proper steps are taken.

In response to a question from Mr. Anthes-Washburn, Mr. Davis said the bids for the strategic planning consultant were due in late February and that he anticipated awarding a contract in March. The review team for the bids had yet to be named, he said.

Mr. Davis said that HMS Consulting President John Sainsbury informed him that HMS Global Maritime decided to close HMS Consulting and cease performing consulting services; therefore, the Authority's contract with HMS to provide implementation assistance to the Authority would be terminated. Mr. Davis said he had been told that Glostren Associates would be providing the Authority with a proposal to continue the work; if such a proposal was received, the Board would have to approve it.

Mr. Munier said that he strongly believes that strategic and long-range planning is important and that, while he agrees with Mr. Lowell that the process can overwhelm a good outcome, developing a long-range plan was an important part of the HMS report's recommendations. Mr. Anthes-Washburn said the plan would have to be a living document to be a success and that the process adopted by the organization as part of the plan would be what makes it a useful document.

9. Mr. Rozum then presented the proposed reauthorization of the Authority's Debt Issuance and Debt Management Policy, which formally establishes the framework regarding the administration and debt management of the Steamship Authority. The Authority is required by law to formally adopt such a policy every two (2) years in the even-numbered year; this policy was last reviewed and approved by the Port Council and Board in February 2018. Since the adoption of the policy, the Authority has made its debt service requirements; its current bonding limit is \$100,000,000, with \$73,450,000 in outstanding bonds as of December 31, 2019.

Mr. Rees asked if, through the capital improvement planning process, the Authority was ensuring that its debt service level remains constant through the foreseeable future and that, as old debt was retired, new debt was able to be brought on in its place. Mr. Rozum confirmed that and said, when the capital budget is brought to the Port Council in February, it will show the cash flows and projections of the Authority's debt level for the next several years. Additionally, the Authority will be seeking to sell bonds of approximately \$20,000,000 this year, which includes retiring about \$6,000,000 in debt issued in 2009 so as to obtain a more favorable interest rate.

Then, upon a motion from Mr. Balco and a second from Mr. Shufelt, the Port Council **voted** unanimously to recommend adoption of the Debt Issuance and Debt Management Policy as proposed.

10. Ms. Kennefick then presented a demonstration of the Learning Management System for the Port Council members. After reviewing the system, Mr. Shufelt asked if the training was vessel-specific for each crew member, to which Ms. Kennefick replied in the affirmative, stating that the training each employee saw was based on their job code within the human resources system.

Messrs. Munier and Huss asked what the consequences were if an employee did not complete the required training; Mr. Davis stated that, in some cases, the trainings were prerequisites for an employee's licensing, so if a license was not renewed the employee would not be able to perform essential job functions. Ms. Kennefick said, in most cases, the employees would have twelve (12) months to complete their required trainings. It will be up to the supervisors to monitor who has completed the training and who has not, and that it will be up to the employees to remember to log into the LMS on a regular basis to check their progress and upcoming trainings.

11. Mr. Davis stated that he would be attending the annual Passenger Vessel Association convention during the first week in February, which coincides with the Port Council's next meeting. He asked if the members would be amenable to changing the date or canceling their February meeting due to a lack of business; the Port Council then **voted** unanimously to cancel.
12. Mr. Davis stated that the Authority had been informed it would receive \$500,000 from the Volkswagen settlement fund grant program to be used for the purchase of electric buses. The Authority also received a \$375,000 grant from the federal "Low-No" program, also for electric buses.
13. Mr. Davis asked the Port Council if, in light of the travails involved in distributing Port Council packets, the members would be interested in using the Diligent Boards platform to receive their meeting materials. The Board started using the system recently and have been provided with Authority-issued tablets to access the materials; the members indicated they would like to move to the Diligent system as well.
14. Mr. Anthes-Washburn then asked for public comment, but none was offered.

Then, at approximately 11:38 a.m., upon a motion from Mr. Balco and a second from Mr. Lowell, the Port Council unanimously **voted** to adjourn their meeting.

A TRUE RECORD

Eric W. Shufelt, Secretary

Documents and Exhibits Used at the Port Council’s January 8, 2020 Meeting

1. Agenda for the Port Council’s January 8, 2020 meeting (posted January 3, 2020).
2. Minutes of the Port Council’s December 4, 2019 Meeting in Public Session (draft dated December 27, 2019.)
3. Business Summary for the month of November 2019 (draft).
4. PowerPoint presentation, Woods Hole Terminal Reconstruction Project.
5. PowerPoint presentation, Learning Management System.
6. Staff Summary #A-642, Reauthorization of Debt Issuance and Debt Management Policy, undated (draft).
7. Unnumbered staff summary, Transportation Agreement with Martha’s Vineyard Regional High School District, undated (draft).

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

The Meeting in Public Session

February 18, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of February, beginning at 10:02 a.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. Four (4) members were present: Chairman Marc N. Hanover of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Robert F. Ranney of Nantucket (who participated via telephone); and Robert R. Jones of Barnstable. Secretary Moira E. Tierney of New Bedford was absent.

The Authority's Port Council also met jointly with the Authority Members at this meeting. Six (6) Port Council members were present: Chairman Edward C. Anthes-Washburn of New Bedford; Vice Chairman George J. Balco of Tisbury; Secretary Eric W. Shufelt of Barnstable; Robert S. C. Munier of Falmouth; Nathaniel E. Lowell of Nantucket; and Robert V. Huss of Oak Bluffs. Mark H. Rees of Fairhaven was absent.

The following members of management were also present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; 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.

Remote Participation by Nantucket Member Robert F. Ranney:

Mr. Hanover 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. Hanover 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. Hanover 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. Hanover 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.

Recognition of Public Officials:

Mr. Hanover noted that Chilmark Selectman James Malkin and Dukes County Commissioners Leon Brathwaite and John Cahill were in attendance.

Video and Audio Recording of Today's Meeting:

Mr. Hanover announced that Chris Smallis of Falmouth Community Television, also known as FCTV, was taking a video and audio recording of today's meeting in public session. Mr. Driscoll was making an audio recording of the meeting, as were Carrie Gentile (representing the *Falmouth Enterprise*), Louisa Hufstader (representing the *Vineyard Gazette*), and Rich Saltzberg (representing the *Martha's Vineyard Times*).

Moment of Silence:

Mr. Hanover asked for a moment of silence in memory of Rosemary Tierney, who served as mayor of New Bedford, was the wife of the former New Bedford Member, the late Hon. John A. Tierney, and was the mother of current New Bedford Member Moira Tierney.

Regarding the Joint Meeting:

Mr. Hanover noted that, as this was a joint meeting of the Port Council and Board, both bodies would deliberate on each matter before taking separate votes, first by the Port Council and then by the Members.

Minutes:

Upon Mr. Balco's motion, seconded by Mr. Shufelt, the Port Council **voted** unanimously to approve the minutes of their meeting in public session on January 8, 2020.

IT WAS VOTED – upon Mr. Jones’ motion, seconded by Ms. Wilson – to approve the minutes of the Members’ meeting in public session on January 21, 2020.

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

Results of Operations:

Mr. Davis summarized the results of the Authority’s operations in December 2019. He said that, for the month, the Authority had carried fewer passengers (down 0.9%), and trucks (down 3.0%) but more automobiles (up 0.5%) than it had in December 2018. The year-to-date results showed the Authority had carried fewer passengers (down 1.7%) and automobiles (down 0.8%), but more trucks (up 2.5%) than it had in 2018.

The Authority’s net operating loss for the month was approximately \$5,645,000, which was approximately \$2,444,000 more than anticipated in the 2019 budget. Total income was \$5,469,000, while total expenses were \$11,114,000 for the month. The unaudited financials for the year show the Authority’s net operating income was \$290,000, approximately \$6,986,000 less than anticipated in the 2019 operating budget.

Mr. Davis said, during the month, the Authority’s vessels made a combined 1,736 trips, of which eleven (11) were canceled for mechanical reasons on the Vineyard route and two (2) were canceled for mechanical reasons on the Nantucket route. Year-to-date totals showed the Authority’s vessels made a combined 23,944 trips, with forty-one (41) canceled for mechanical reasons on the Vineyard and 206 canceled on the Nantucket route for mechanical reasons, although 152 of those were made up by a charter vessel.

Regarding the truck traffic for December 2019, Mr. Lowell noted that the warm weather meant fewer fuel trucks were traveling on the Authority’s vessels and that, while a lot of trucking companies were benefitting from space opening up on the vessels, the Authority was also losing a lot of revenue from the lower amounts of hazardous vehicles traveling.

Mr. Munier asked how the Authority was going to take the results of 2019 and use them for projecting revenues and expenses for 2020, especially given the roughly \$2,000,000 shortfall in revenue and \$5,000,000 increase in expenses against the budget. Mr. Davis said the Authority starts with a clean slate each year and, in the case of the 2020 operating budget, uses traffic from September 2018 through August 2019 as the base for expected revenues. Expenses depend on the dry docks scheduled for the year and other planned maintenance projects; Mr. Davis noted that, with the new personnel in the maintenance and engineering department, the Authority should get even better projections on those costs moving forward.

Mr. Davis further noted that the Authority typically sees a lot of “catchup expenses” at the end of the year, such as the costs for its retirement contributions. Additionally, the Authority’s revenue was negatively affected by the storms over Columbus Day weekend. Mr. Rozum noted that the Authority had previously made the decision to incur approximately \$700,000 in planned 2020 maintenance items in 2019 as well.

Ms. Wilson asked what percentage of the expense increases were attributable to the HMS report, to which Mr. Davis said the total had not been finalized, but staff was committed to producing the figure. Mr. Hanover noted that the estimate had been approximately \$1,000,000 a year; Mr. Davis said it would likely be \$1,000,000 to \$1,500,000 in the first year and between \$750,000 and \$1,000,000 in subsequent years.

Mr. Hanover noted that the Authority’s 2019 trip performance was outstanding compared to 2018.

Update on vessel repairs:

Mr. Davis said that, historically, the updates that have been provided at Port Council and Board meetings on current projects did not include vessel dry docking and repair projects. Given that a significant number of these projects are performed each year, staff would like to provide an update at each meeting going forward.

Mr. Amundsen then shared slides of current projects and the following updates:

- The *M/V Island Home* is in dry dock at Thames Shipyard and will undock at the end of the month. Right now, repair crews are focused on blasting and coating the underwater areas of the hull and installing a new cutlass bearing.

He noted that the project is now expected to cost approximately \$2,548,000, a nineteen percent (19%) increase from the original contract price, due to various change orders, the largest of which was the rebuild of a second reduction gear on the vessel.

- The *M/V Iyanough* is at Fairhaven Shipyard, where it has been taken out of the water and is on blocks. Two of the vessel's four MTU engines are being replaced, with one being ready to be placed back in the vessel.

Mr. Amundsen noted the project's current estimated total is \$514,000, approximately twenty-seven percent (27%) higher than the contracted price due to various change orders.

Mr. Munier asked how the Authority plans for change orders when budgeting for the repair projects, to which Mr. Amundsen replied that there is a standard ten percent (10%) contingency in the budget for such matters. Mr. Davis added that, due to the long lead time in budgeting for the projects, items that require attention can come up in the interim that were not originally identified.

In response to a question from Mr. Anthes-Washburn, Mr. Davis said the Authority's procurement policy requires Board approval for change orders of \$100,000 or greater and that there was no limit on the value of the change orders as a percentage of the contract price.

Regarding the additional work on the *M/V Island Home*, Mr. Anthes-Washburn asked how much the work would have cost had it not been done through a change order to the original contract. Mr. Davis said the docking and undocking of the vessel alone is a \$50,000 cost, so this was the more cost-effective method. Mr. Amundsen noted that the work did not cause a delay in the vessel's timeline for undocking and, in response to a further question from Mr. Shufelt, added that not doing the work raises the risk assessment of the project. The vessel could have left dry dock without the work being performed, he said, but were there to be a catastrophic failure of the reduction gear, the vessel would be out of service for months.

Mr. Anthes-Washburn said understanding how these projects were progressing and having this report be included would be very helpful going forward, especially in regards to understanding the benefit to the Authority's future operations.

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis presented the following updates on the Woods Hole Terminal Reconstruction Project:

- Marine contractor Jay Cashman Inc. continued working on the 96-inch monopiles. The final four monopiles needed to be driven to the embedment depth of approximately 100 feet with the diesel hammer after initially being driven with the vibratory hammer. By the end of January 2020, the driving of the 96-inch monopiles was completed for this phase of the project.
- Cashman continued to work on the north passenger pier. The carpenters finished the perimeter forms on the passenger pier; and the electrician placed the conduits for the pier power and communications in the pier as the conduit will be encased in the cast-in-place concrete topping. Cashman worked on setting formwork for the cast-in-place concrete topping on the north passenger pier, which is located between Slip No. 2 (the middle slip) and Slip No. 3 (the northern slip) as the iron workers were placing the rebar for the poured concrete on the pier. The final pile cap for the pier was cast in place and the remaining precast pile caps have been set, which allows for installation of the remaining precast deck planks as well as the reinforcing and conduit. More recently, the concrete subcontractor poured the topping deck for the passenger platform as the concrete subcontractor poured 120 cubic yards of concrete to complete the slab for the passenger platform.
- Cashman finished driving the sheet pile bulkhead sheets across the middle slip. Cashman then installed the sheet pile bulkhead closure sheets at the southern end of the middle slip and began filling the slip with crushed stone. The landside crew was busy setting the deadman sheet pile wall and the whaler beam to the back of the bulkhead sheet piles. The deadman wall will be connected to the whaler with tie rods. Last week, Cashman completed connecting the deadman wall to the sheet pile bulkhead in the middle slip by fastening the tie rods to each component.
- Cashman started setting the falsework necessary to drive the 30-inch diameter pipe piles for the floating passenger platform. They will then drive the 16-inch pipe piles for the transfer bridge foundation. Lawrence-Lynch Corp. was on site to excavate behind the sheet pile bulkhead and to bring additional fill onsite.
- Thus far, the Authority has sent out eighty-eight (88) weekly community emails on the construction progress.

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

Mr. Jones stated he was still concerned about the movement of the bulkhead in the middle slip, to which Mr. Cloutier responded that it has been monitored weekly and that, while it did move during backfilling operations, there has been no movement observed in the last two weeks. He said the movement was due to a combination of the pile vibration and soil conditions in the area.

Mr. Davis said, due to the bulkhead movement, the project's engineers were looking at solutions moving forward. One possible solution was to place an anti-scour pad and/or stone riprap at the site; Mr. Davis said an application had been made to the Falmouth Conservation Commission to obtain the requisite permitting in the event that the solution includes a combination of those efforts. Mr. Davis said he wanted the matter to be on the Commission's agenda as soon as possible. Mr. Jones said he was still concerned about the substrate in the area; Mr. Cloutier said it was believed that the bulkhead sits on a good foundation and it was the work being done around the bulkhead that caused the shifting. Mr. Jones noted that the Authority had no other choice than to accept that as the case.

In response to a question from Mr. Jones, Mr. Cloutier said proposed plans called for a 12-foot berm of riprap from the bulkhead, sixty-five (65) feet of interlocking concrete pads and then another riprap berm around the concrete pads. Mr. Ranney asked how deep the water was in the area; Mr. Cloutier said the water went as deep as twenty-six (26) feet, which is believed to have been caused by prop wash from the *M/V Island Home*, but the project had been permitted to a depth of seventeen (17) feet,.

Dino Fiscaletti, a senior consultant with GZA, offered more details on the size of the anti-scour pads, which he said would depend on how much prop wash was generated by the vessels.

In response to a question from Mr. Brathwaite, Mr. Cloutier said the pavers on the slips' passenger walkways would be nonskid. Lian Davis with BIA.studio added that they are a uni-paver system made up of compressed concrete that will not hold water and create a high-friction surface that is used on waterfronts all over the country, including New York and Boston, and is a system specifically built for this application.

In response to a question from Mr. Hanover, Mr. Cloutier said the middle slip would be ready for the season and that the project was ahead of schedule in most regards compared to last year.

Ms. Wilson asked if Jay Cashman, Inc. claimed any damages from the recent allisions with its barges by Authority vessels; Mr. Kenneally said it had not in regards to the allision with the *M/V Martha's Vineyard*, but it had with regards to the allision with the *M/V Gay Head*. He noted that the matter was being handled by the Authority's insurance carrier and that he had not received any damage calculations on the *M/V Gay Head* claim.

Mr. Davis said that, three (3) weeks ago, Cashman informed the Authority that it had to demobilize the impact hammer and, to do so, it would need access to the work site from Slip No. 3. Discussions occurred regarding placing a temporary fender to protect the barges, but the work was not done. He said the barges would be coming further into the middle slip to attach the fenders, which should help the situation.

Regarding the terminal building, Mr. Davis said that, on January 29, 2020, the architectural team made a presentation to the Falmouth Conservation Commission to request an amendment of the Authority's Order of Conditions to allow for the one-story terminal and two-story utility building concept. The Falmouth Conservation Commission at their following meeting voted to approve the Authority's request for an amended order of conditions. Mr. Davis said the Authority was extremely grateful to the Conservation Commission for approving the request.

On February 4, 2020, the architectural team made a presentation to the Falmouth Historical Commission, Mr. Davis said. During the meeting, the commissioners noted the great lengths that have been made to address community concerns.

Mr. Davis also noted that the Massachusetts Department of Environmental Protection had notified the Authority that its requested amendment to the project's Chapter 91 license was approved.

Woods Hole Terminal Reconstruction Timeline and Budget:

Mr. Davis noted that, at the last Board meeting, he presented Change Order No. 53 to Contract No. 9B-2012, Woods Hole Terminal Design Services, from BIA.studio, which sought an additional \$885,681 in fees relating to schematic design services for the recently approved one-story terminal building and two-story utility building, the existing temporary terminal building and the previously submitted two-story terminal designs that did not obtain approvals. During the presentation, some Members expressed concern about Change Order No. 53 and requested an independent review of the reasonableness of

BIA.studio’s fees and a projected total cost for BIA.Studio to complete the project. Some Members also expressed concerns about the costs submitted by marine contractor Jay Cashman Inc.

Ultimately, consideration of Change Order No. 53 was postponed pending the results of an independent review of the reasonableness of BIA.studio’s fees. Following the Members’ meeting on January 21, 2020, Mr. Davis said he instructed staff to produce a complete and updated accounting of BIA.studio’s Contract No. 9B-2012 and Jay Cashman Inc.’s Contract No. 16-2017, including all change orders. In addition, he said he instructed staff to investigate potential vendors to complete an independent review of BIA.studio’s fees.

Mr. Davis said staff contacted the State Designer Selection Board, which declined to provide any referrals to review the reasonableness of BIA.studio’s fees. While efforts to source a qualified reviewer continue, Mr. Davis said he requested that former General Counsel Steven M. Sayers review the accounting of BIA.studio’s fees in conjunction with the language of Contract No. 9B-2012 to determine whether the fees are aligned with the applicable contractual terms and conditions. Staff have also compiled a full and complete accounting of BIA.studio’s Contract No. 9B-2012 and Jay Cashman, Inc.’s Contract No. 16-2017, including all change orders.

Mr. Davis then shared a slideshow highlighting the cost breakdown by project element; the history of the project; and the costs for both BIA.studio and Jay Cashman Inc.; and what costs are still expected in the project, including the final construction estimates for the terminal building and utility building. The cost breakdown by project element was presented as follows:

	<u>Budget</u>	<u>Net Change Orders*</u>	<u>Total cost</u>
Feasibility Study	\$ 300,000	\$ 693,204	\$ 993,204
Admin. Building	\$14,824,886	\$ 970,993	\$15,795,879
Temporary Terminal Building	\$ 2,754,182	\$ 274,013	\$ 3,028,195
Waterside	\$54,547,915	\$2,513,341	\$57,061,256
Permanent Terminal Building & Storage Building	\$15,236,257	\$ 652,492	\$15,888,749
Woods Hole Terminal Reconstruction Total	\$87,663,240	\$5,104,043	\$92,767,283

*Includes additional services, regulatory requirements, and changes to scope of contract

At 11:03 a.m., Mr. Ranney's telephonic participation in the meeting was interrupted.

Mr. Munier noted that, for most of the categories listed above, the projects either had been completed or were underway with the exception of the construction of the terminal and utility building, so he said he wondered if "budget" was the right heading for the column as it was a mix of contracted amounts and projections. He said he felt the earlier project would be best labeled as contracted amounts rather than a budget.

Mr. Davis said the information had been presented for information only and that staff was still investigating a source for an independent review of the fees to date.

Status of the Implementation of the HMS Consulting Recommendations:

Mr. Davis then provided the following updates on the implementation of the recommendations contained in the comprehensive review of the Authority's operations conducted by HMS Consulting, Glosten Associates and Rigor Analytics:

- Safety Quality Management System (SQMS): Safety Management Systems LLC is reporting a minor delay in the current phase due to the volume of additional documentation identified within the Marine Operations Department. They have continued on the related development of the SQMS Guide and Vessel Operations Manual, as well as continuing to have biweekly meetings and on-site visits.
- Learning Management System (LMS): At the annual Passenger Vessel Association conference, Mses. Kennefick and Sampson, along with representatives from Marine Learning Systems LLC, delivered a presentation on the Authority's LMS. It was well received by the other ferry operators in the session.
- Strategic Planning: The Request for Proposals for consultants to assist in developing a strategic plan was issued just before Thanksgiving. Over twenty-eight (28) firms have taken out packages. Proposals are due back at the end of this week, and one addendum was issued.
- Vessel Operations: The Authority remains in the midst of executing changes to its organizational structure.

At 11:18 a.m., Mr. Ranney's telephonic participation in the meeting was restored.

Proposed Preseason Promotion for High-Speed Passenger Ticket Books:

Mr. Davis said that, for the past eight (8) years, the Authority has offered a twenty percent (20%) discount on the sale of high-speed passenger electronic ticket books for a short period prior to the resumption of service on the M/V Iyanough. More than forty-five percent (45%) of the yearly ticket book sales for the M/V Iyanough occur during the promotional period. The staff is proposing to, once again, offer the discount this year during the period of March 23, 2020 through April 5, 2020. The discount would apply solely to electronic ticket books for adults, seniors and children.

Mr. Ranney said he loved the promotion and wished to continue to do it.

Upon a motion from Mr. Balco and a second by Mr. Lowell, the Port Council **voted** unanimously to recommend approval as presented.

IT WAS VOTED – upon a motion by Ms. Wilson, seconded by Mr. Ranney – that the Members approve a 20% discount on the price of all electronic passenger ticket books for the high-speed ferry during the period March 23, 2020 through April 5, 2020 as recommended in Staff Summary #COMM 2020-01, dated February 14, 2020.

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

Report on Systems Issues during the
January 21, 2020 General Opening for Martha’s Vineyard:

Mr. Davis reviewed the events of the general internet opening for summer reservations on the Martha’s Vineyard route and the results of the staff investigation into the system issues that occurred that day, as well as a concurrent investigation done by the Authority’s web service vendor, Imarc. Mr. Davis said the Authority was making the following recommendations in this regard:

1. The Authority will require the inclusion of the mobile site in future load testing and redesign the load testing process to perform a complete end-to-end testing across all platforms (website, mobile site, reservation system, credit card processing, etc.).
2. The Authority will require load testing involvement from Imarc's technical team, other vendors including Carter Browne, who manages the Authority's credit card processing, and David Cox, the vendor for the Authority's reservation system.
3. The Authority will review changing the current tool used for load testing and/or the use of an outside vendor for enhanced analysis and review.
4. The Authority will oversee a study of a website upgrade/redesign, which will incorporate the conclusions of this report, in preparation for the solicitation of proposals and award of a contract for a mobile app and/or redesign of the website.
5. The Authority will utilize a "virtual waiting room" to improve the customer experience and to manage activity on the Authority's servers.

Mr. Davis said the Authority would issue a press release later that day with the report and the path being taken by both the Authority and Imarc to ensure the system issues do not happen again. He said that staff understands the hardship the situation caused for the Authority's customers and staff will be looking to improve performance going forward.

Mr. Hanover said the website issues were embarrassing, especially as there were issues in two of the last three years. He asked how bookings were compared to last summer, to which Mr. Davis replied that by the end of the day the Authority had processed more transactions than it had on the Vineyard general opening day in the prior year, and for a higher dollar amount, although he said that fact would be of no comfort to the customers who had difficulty booking. Mr. Davis agreed that it was embarrassing for the Authority to be in this position again.

2020 Series A Bond Issuance Results:

Mr. Rozum said an official notice of sale was distributed and bids were opened on February 12, 2020. Twelve (12) bids were received, and the bonds were awarded to JP Morgan of New York, New York, based on their offer to purchase all of the bonds at the lowest True Interest Cost of 1.253189%. The principal amount of the bonds matures in the years 2021 through 2031 with coupon rates of 4.00% and 5.00%. Since the successful bidder included over

\$6,119,000 in bond premium, the total amount of bonds to be issued was “resized” from the initial offering of \$24,925,000 down to \$20,630,000.

Report on 2019 Embarkation Fees:

Mr. Rozum then provided Members with a summary of embarkation fees remitted to the Commonwealth of Massachusetts Department of Revenue for 2019, which totaled \$1,067,979. The fees were distributed as follows:

Barnstable:	\$125,659.50
Falmouth:	\$410,717.00
Nantucket:	\$124,448.50
Oak Bluffs:	\$145,361.00
Tisbury:	\$261,793.00

Mr. Balco asked that the summary be sent to the Boards of Selectmen and town treasurers for the port communities.

Change Order No. 10 to Contract 05-2019,
Dry Dock and Overhaul Services for the *M/V Island Home*:

Mr. Davis said that, on January 14, 2020, the *M/V Island Home* was placed into the scheduled dry dock at Thames Shipyard. During this dry-docking, the Steamship Authority only intended to overhaul the vessel’s Vineyard Haven-end reduction gear. It was discovered during the overhaul of the Vineyard Haven-end reduction gear that there was excessive bearing wear, resulting in abnormal gear contact of the pinion and gear sets. A borescopic examination was requested of the Woods Hole end to determine if similar wear patterns of the pinion and gear sets were occurring, which was the case. The authorized service company for the gears, Karl Senner LLC of New Orleans, Louisiana, strongly recommended immediate overhaul of the Woods Hole end reduction gear as well.

Because waiting for the Members to consider these change orders at their next regularly scheduled meeting would have adversely affected the progress of the work being performed under Contract No. 05-2019, a certification pursuant to Chapter 1, Part F, Section 2(C) of the Authority’s Procurement Policy was provided to the Members on February 12, 2020 attesting to the need for Mr. Davis to approve the work prior to obtaining authorization from the Board, which he was doing at this time.

Upon a motion by Mr. Balco and a second by Mr. Huss, the Port Council **voted** unanimously to recommend approval of the change orders as presented.

IT WAS VOTED – upon Mr. Jones’ motion, seconded by Mr. Ranney – to authorize the General Manager to execute Change Order No. 9 in the amount of \$199,430.64 and Change Order No. 10 in the amount of \$30,831.68 for Contract No. 05-2019, Dry Dock and Overhaul Services for the *M/V Island Home*, with Thames Shipyard & Repair Company Inc. of New London, Connecticut, as proposed in Staff Summary #MO-2020-01, dated February 13, 2020.

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

Award of Contract No. 07-2020,
Reduction Gear Overhaul for *M/V Iyanough*:

Mr. Davis said the Authority intends to overhaul two (2) ZF-4650D R: 2.03 transmissions for the *M/V Iyanough*. Drawings and specifications were sent to one (1) company, and one (1) responsive bid was received.

In response to a question from Mr. Jones, Mr. Amundsen said the transmissions were on the Nos. 1 and 2 engines.

Upon a motion by Mr. Balco and a second by Mr. Lowell, the Port Council **voted** 6-0 to recommend approval as presented.

IT WAS VOTED – upon Mr. Jones’ motion, seconded by Ms. Wilson – to authorize the general manager to award Contract No. 07-2020, Complete A5 Overhaul of Two (2) ZF-4650D R: 2.03 Transmissions from the *M/V Iyanough*, to the lowest eligible and responsible bidder, ZF Marine Propulsion Systems, Miramar LLC of Miramar, Florida, for a total contract price of \$103,342.20, as proposed in Staff Summary #MO-2020-02, dated February 13, 2020.

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

Presentation to Marc N. Hanover, Chairman:

As it was his last meeting with the Authority, Messrs. Ranney and Jones and Ms. Wilson thanked Mr. Hanover for his nearly eighteen (18) years of service to the Port Council and Board (2002-2020), and Mr. Jones read a brief review of the Authority's accomplishments during that time. Mr. Hanover offered his thanks and said he obviously did not do the work by himself and that he could not have accomplished what he did without the help of a Board comprised of people who wanted to work together, who understood the importance of the Authority to Islanders, and who wanted to make things easier for customers. He said he believed the Authority had accomplished that and was getting better all the time. The Authority's customer service is excellent, and he feels confident that the organization will continue to thrive.

Mr. Davis and the staff then presented Mr. Hanover with a commemorative chair to mark his years of service to the Authority.

Retirement of Pat Needre:

Mr. Davis then noted that Pat Needre, the executive assistant to the general manager, was retiring at the end of the month after fifteen (15) years of service to the Authority. Mr. Davis said the entire organization wished her well and that she would be missed.

Public Comment:

Ms. Hufstader asked what the estimated completion date was on the Woods Hole Terminal Reconstruction Project, to which Mr. Davis replied 2025.

Ms. Hufstader then noted that there was a perception among Vineyarders that, with only a single slip available in Woods Hole, there were delays beyond

those anticipated with the freight boats. Mr. Davis said there might have been times where the other vessels had to wait for the freight boat to clear the slip, but by and large those vessels had run on time.

Mr. Saltzberg asked if Mr. Davis could speak to the hiring of a new terminal manager in Vineyard Haven, to which Mr. Davis replied that the position had been offered to and accepted by Leigh Cormie, a longtime agent at the terminal.

Lynn Schad with the Falmouth Climate Action Network asked if there had been any conversations or initiatives into the Authority using electric ferries, to which Mr. Hanover said that they were watching what other ferry lines were doing, particularly in Europe, and that the issue was on the horizon. Mr. Jones said it would be several years before the technology was perfected.

Mr. Brathwaite said he was still waiting for proper signage on the elevator interiors on the *M/V Martha's Vineyard*, to which Mr. Amundsen replied that, as a result of his comments at the January meeting, the Authority was looking at its signage on all the vessels and would be updating them soon.

Then, at approximately 12:02 p.m., upon a motion from Mr. Balco and a second from Mr. Huss, the Port Council **voted** to adjourn its meeting for the day.

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 January 21, 2020; and to discuss the Authority's strategy with respect to considering the purchase, exchange, lease or value of real property, 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 at 485 Thomas B. Landers Road in Falmouth, Massachusetts. The public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called.

After the conclusion of the executive session, Mr. Hanover said the Board would reconvene in public.

IT WAS VOTED – upon Mr. Jones' 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 January 21, 2020; and to consider the purchase, exchange, lease or value of real property.

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

At approximately 12:33 p.m., Mr. Hanover reconvened the meeting in public session. Three members were present: Messrs. Hanover and Jones and Ms. Wilson. Mr. Ranney and Ms. Tierney were absent.

The following members of management were also present: Messrs. Davis, Kenneally, Rozum and Driscoll.

Video and Audio Recording of Today's Meeting:

Mr. Hanover announced that Chris Smallis of Falmouth Community Television, also known as FCTV, was taking a video and audio recording of today's meeting in public session. 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*).

Lease of Real Property Located at 485 Thomas B. Landers Road:

IT WAS VOTED – upon Mr. Jones' motion, seconded by Ms. Wilson – to approve the lease of real property located at 485 Thomas B. Landers Road as proposed in Staff Summary #L-495, dated February 14, 2020.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Wilson	10 %	
Mr. Jones	10 %	_____
TOTAL	55 %	0 %

Mr. Hanover then asked for a motion to adjourn.

IT WAS VOTED – upon Mr. Jones’ motion, seconded by Ms. Wilson – adjourn the meeting.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Wilson	10 %	
Mr. Jones	<u>10 %</u>	<u> </u>
TOTAL	55 %	0 %

A TRUE RECORD

ERIC C. SHUFELT, Port Council Secretary

A TRUE RECORD

MOIRA E. TIERNEY, Authority Board Secretary

**Documents and Exhibits Used at the
February 18, 2020 Meeting in Public Session of the
Port Council and Board of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. February 18, 2020 Meeting Memorandum, dated February 14, 2020.
2. Video and audio recording announcement.
3. Minutes of the Port Council's January 8, 2020 meeting in public session (draft).
4. Minutes of the Board's January 21, 2020 meeting in public session (draft).
5. Business summary for the month of December 2019.
6. Power Point Presentation delivered by Mark H. Amundsen regarding vessel dry dock and repair projects, dated February 18, 2020.
7. Power Point Presentation delivered by William J. Cloutier regarding the Woods Hole Terminal Reconstruction Project, dated February 18, 2020.
8. Staff Summary #GM-739, Report on Woods Hole Terminal Reconstruction Project Timeline and Budget, dated February 17, 2020.
9. Power Point Presentation delivered by Robert B. Davis regarding the Woods Hole Terminal Reconstruction Project Timeline and Budget, dated February 18, 2020.
10. Staff Summary #COMM-2020-01, Approval of Preseason Promotion for High-Speed Passenger Ticket Books, dated February 14, 2020.
11. Staff Summary #GM-740, Report on Systems Issues During the January 21, 2020 General Opening for Martha's Vineyard, dated February 17, 2020.
12. Power Point Presentation delivered by Mr. Davis regarding Systems Issues During the January 21, 2020 General Opening for Martha's Vineyard, dated February 18, 2020.
13. Staff Summary #A-646, Bid Results on the Sale of \$20,630,000 of Steamship bonds, dated February 14, 2020.
14. Memorandum dated February 14, 2020 from Treasurer/Comptroller Mark K. Rozum regarding 2019 Embarkation Fees.

15. Staff Summary #MO-2020-01, Contract No. 05-2019 Thames Shipyard Change Order No. 9 and Change Order No. 10, dated February 13, 2020.
16. Staff Summary #MO-2020-02, Contract No. 07-2020, Complete A5 Overhaul of Two (2) ZF-4650D R:2.03 Transmission, dated February 13, 2020.
17. Statement to be read prior to going into executive session.

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

April 1, 2020

First-Floor Meeting Room (Room 103)
Steamship Authority Administrative Offices
228 Palmer Avenue, Falmouth, Massachusetts

Port Council Members present: Chairman Edward C. Anthes-Washburn of New Bedford; Vice Chairman Robert V. Huss of Oak Bluffs; Secretary Eric W. Shufelt of Barnstable; Robert S.C. Munier of Falmouth; Nathaniel E. Lowell of Nantucket; and George J. Balco of Tisbury (all of whom participated via telephonic conference call).

Port Council Members absent: Mark H. Rees of Fairhaven

Authority Board Members present: James M. Malkin of Dukes County; Kathryn Wilson of Falmouth (both of whom participated via telephonic conference call).

Authority Management present: 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; Woods Hole Reconstruction Project Manager William J. Cloutier; and Director of Shoreside Operations Alison A. Fletcher.

1. Mr. Anthes-Washburn called the meeting to order at 10:13 a.m.
2. Mr. Anthes-Washburn announced that Mr. Driscoll was making an audio recording of today's meeting; additionally, Noah Asimow (representing the *Vineyard Gazette*) indicated he was making an audio recording of the meeting. .

3. Mr. Anthes-Washburn announced that, in response to Gov. Charlie Baker’s executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all of the Port Council members were participating remotely in the day’s meeting because their physical attendance would be unreasonably difficult. All the members were participating via telephone conference call and were clearly audible to one another. As a result of the members’ remote participation, all votes taken were to be by roll call vote.
4. The Port Council then **voted** 6-0 upon a motion from Mr. Balco and a second from Mr. Huss to approve the minutes of their meeting in public session on February 18, 2020.
5. Mr. Davis then reviewed the ongoing situation regarding the COVID-19, or coronavirus, pandemic and noted that the Authority continues to follow health recommendations from the Commonwealth’s Department of Public Health and the U.S. Center for Disease Control and Prevention to help slow the spread of the disease.

Mr. Davis reviewed some measures taken to date:

- Vessel crews have been instructed to pay particular attention to surfaces most likely to be touch points, such as table tops, faucets and toilets, and hand rails.
- Additional crews have been assigned to perform deeper cleanings at night.
- Bus, parking lot, and terminal employees have been instructed to specifically disinfect all hand railings, credit card machines, ATMs, seat backs, counter tops, door handles, and restroom facilities.
- Buses are being cleaned at least once every four (4) hours; terminals at least three (3) times per eight-hour shift.
- Stands with pop-up sanitizing wipes have been installed at each terminal and Purell dispensers are onboard the vessels.
- Signage has been placed at Authority terminals and onboard vessels with messages including:
 - Practice social distancing
 - Please remain in your vehicle on the freight deck
 - The advisory from the Nantucket Cottage Hospital and Martha’s Vineyard Hospital
 - Flu prevention tips from the CDC
 - Handwashing tips from the CDC
 - A notice to all out-of-state customers to self-quarantine for fourteen (14) days
- On the Nantucket route, driver services have been suspended to prevent possible transference of the virus from customers to employees and vice versa

Mr. Davis then reviewed other measures that were less visible to the public:

- Information on best practices regarding health measures has been placed on the Authority’s Learning Management System, and additional materials are added to the system when relevant.

- Employees have been instructed to wash their hands frequently or to use hand sanitizer, and to practice social distancing.
- Vessel crews are assigned strictly to a vessel so as to minimize the risk of cross contamination.
- Vessel crews, before the beginning of their watch, are given a wellness check by a trained medical professional. This wellness check includes a questionnaire asking four (4) questions:
 1. Have you experienced cold or flu-like symptoms such as cough, fever, sore throat, respiratory illness or difficulty breathing in the past 14 days?
 2. Have you had close contact with or cared for a person infected with COVID-19?
 3. Have you traveled or been in close contact with someone who has traveled to an affected geographical area in the past 14 days?
 4. Do you have or think you may have a fever?

The medical professional then obtain a blood oxygen reading and a temperature reading. Crew members are then either given clearance to report to work or are sent home.

- Shoreside personnel are given the wellness questionnaire, which they need to complete and provide to their supervisor to determine if they are given clearance to report to work or are sent home.

Most importantly, Mr. Davis noted, employees have been told that under no circumstances should they be coming to work while they are sick for their own safety, the safety of their crew members and co-workers and for the safety of our passengers.

Mr. Davis noted that, if any employee comes to work sick, they will be sent home, even if it means having to cancel a scheduled trip to help prevent spreading the virus to other people. Contingency plans have been made to maintain service in the event that a significant number of the Authority's employees fall ill, but Mr. Davis said he has every confidence that the Authority will continue to provide essential service to the islands throughout this time.

Mr. Davis said, while the Authority's operations do not lend themselves easily to remote work, some additional measures being taken include:

- Enacting telecommuting procedures at the Authority's administrative offices in Falmouth.
- Preparing to allow reservations center staff to respond to calls remotely.
- Closing both the administrative office and reservation office to the public until further notice
- Asking employees who do not normally work from those buildings to avoid coming there unless absolutely necessary.

Mr. Davis then reviewed customer habits that could help minimize the risk of spreading COVID-19, including maintaining good hygiene, maintaining personal distance, staying in their vehicles during their voyage, and not bunching up at exit doors.

Mr. Davis said schedule reductions have been made on both routes until April 8, 2020, and will be extended until May 5, 2020, due to the stay-at-home advisory issued by Gov. Charlie Baker. Additional schedule modifications, such as operating only one vessel on the Vineyard route on the weekends, are being evaluated. Longer-term schedule modifications are being considered, but so far, summer reservations remain on par with last year's figures.

Mr. Davis reminded the Port Council that a dedicated landing page had been created on the Authority's website (www.steamshipauthority.com/2019coronavirus), where updates will continue to be posted, as well as on the Authority's social media channels and through the local media.

Finally, Mr. Davis thanked the Authority's employees for their dedication and commitment to keeping operations running under difficult circumstances.

Mr. Anthes-Washburn thanked Mr. Davis and the Authority for quickly adopting to best practices. He asked if there had been any shortages on either island or if there had been issues with cargo and freight being shipped; Mr. Davis said there had been a few instances where food delivery trucks were coming ahead of schedule and were given priority over other freight, but by and large all vehicles had been able to travel as planned. In response to a further question from Mr. Anthes-Washburn, Mr. Davis stated that the reduced schedule should be sufficient to serve the islands' needs given the great reductions in traffic being experienced.

Mr. Huss noted that, if construction started up again on the Vineyard, the reduced schedule may not be enough to handle the truck traffic. He also said he thought it was great that employees were being tested; Mr. Davis noted that the Authority was the first ferry company in the country to do so.

Mr. Anthes-Washburn said that, although it is more expensive, keeping the larger vessels on the run made sense from a passenger safety standpoint. Mr. Davis agreed and further noted that the crew quarters on the freight vessels were also smaller.

Mr. Lowell said he agreed with everything done so far and noted that, when social and business activity starts to pick up again, it will take a while for it to return to previous levels.

Regarding the passengers riding in their vehicles, Mr. Munier asked if they had to sign some sort of waiver to do so. Mr. Davis said that the U.S. Coast Guard considers the freight decks to be passenger areas, so it is allowed. However, Mr. Davis said vessel and shoreside crews still need to be cognizant of loading the vehicles so that passengers can freely exit the cars in case of emergency. Mr. Munier said he thinks the Authority has done a great job in a tough situation and that he appreciates the daily updates from Mr. Davis.

In response to a question from Mr. Anthes-Washburn, Mr. Davis noted that, through March 29, 2020, passenger traffic was down 45,000 passengers compared to March 2019. Mr.

Davis said March is typically one of the slower months and that, while fuel costs are down and crewing costs are lower due to reduced trips, the loss for the month is still estimated at \$1,500,000. April's loss is estimated to be between \$5,000,000 and \$6,000,000.

Mr. Davis noted that the recent stimulus bill passed in Congress did have money allocated to transit agencies through programs the Authority participates in, so he expects that some funding would be available, although the timing of the funds' availability was in question.

6. Mr. Rozum reviewed the draft February 2020 business summary. For the month, the Authority carried more passengers (up 6.3%), automobiles (up 4.9%), and trucks (up 4.1%) than it did in February 2019. Through the first two (2) months of the year, the Authority carried more passengers (up 6.4%), automobiles (up 4.1%), and trucks (up 2.3%) than it did during the same time period last year.

Mr. Rozum said the Authority had a net operating loss of \$4,573,000 for the month, approximately \$378,500 less than anticipated in the 2020 budget. Operating revenues and other income totaled \$4,008,000, about \$92,000 higher than anticipated in the budget, while operating expenses totaled \$8,582,000 for the month, about \$471,000 higher than anticipated in the budget.

During the month, the Authority's vessels made a combined 1,348 trips, with no mechanical cancellations on either run, Mr. Rozum said.

For the first two (2) months of the year, the Authority had \$8,834,000 in total income and \$18,218,000 in total expenses, for a year-to-date net operating loss of \$9,884,000, Mr. Rozum said.

7. Mr. Davis provided an update on the Woods Hole Terminal Reconstruction Project. Under all of Gov. Baker's orders, construction – specifically including any public works construction – has been exempted from prohibitions against gatherings of a certain size and business shutdowns. The Authority intends to adhere as closely as possible to the established construction schedule so as to have three (3) slips available for operation by late May. Mr. Davis noted that it could not be predicted what the Authority's operational needs will be this summer with the global uncertainty right now, so the project is proceeding as planned.

Mr. Davis said that marine contractor Jay Cashman, Inc. observed a "safety stand down" on Monday, March 30, 2020, to allow time to ensure all construction personnel are familiar with the health and safety practices required for the continued operation of the project. Cashman intends to keep working on the project as long as they have the available personnel to do so; however, at the end of each working day, they are securing the site as if they are not returning for several weeks.

Thus far, the Authority has sent out ninety-four (94) weekly community emails on the construction progress.

Mr. Cloutier reiterated that the most important consideration was the health and safety of the construction workers and Cashman has a health and safety plan similar to that of the Authority. He noted that there are upwards of fifty (50) people on the small site at any one time; however, they are doing everything they can to keep a safe distance.

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

In response to a question from Mr. Anthes-Washburn, Mr. Cloutier said the Authority will continue to pursue permits for the anti-scour pads previously discussed; but doing the work was not imminent. The bulkhead had not moved in recent weeks and that, if it should become a problem in a year or two, the project could move forward at that time.

Mr. Lowell asked if the piles would suffer from corrosion on the interior, to which Mr. Cloutier responded that they had been filled with concrete to prevent such an occurrence.

7. Mr. Davis provided an update on the Woods Hole terminal design, noting that that matter was in a holding pattern while the billing status of BIA.studio was under review. Mr. Balco asked if consideration needed to be given to extend the occupancy permit for the temporary terminal building; Mr. Davis said staff would discuss options with the state building inspector.
8. Mr. Malkin suggested that the Board and Port Council jointly examine this issue and other matters of the Authority's finances prior to the Board's next meeting on April 21, 2020. He said it would be helpful if the Port Council could offer their insights into various "what if" scenarios for the future and the impacts to the Authority's cash position. Mr. Anthes-Washburn said staff should start to develop those scenarios, to which Mr. Davis said work was under way and that a line-item level examination of the Authority's expenses was already in progress. Mr. Anthes-Washburn said it is hard to do such planning when the future is as opaque as it is, but the No. 1 goal should be to keep necessary levels of service to the islands.

Mr. Munier asked if the bond proceeds for the Woods Hole Terminal Reconstruction Project could be tapped to fund expenses; Mr. Davis said the funding for the marine portion is being paid out of the Capital Improvement Fund, which is unable to be tapped for operational needs according to the opinion of staff and the Authority's bond counsel. Mr. Davis said there was about six to seven weeks of work to go before the slip would be operational and that it is imperative to finish it to improve traffic patterns at the terminal.

9. Mr. Amundsen provided an update on various repair projects under way on the Authority's vessels, including the dry docking of the *M/V Nantucket* at Thames Shipyard in New London, Connecticut, and repair work on the *M/V Iyanough* and *M/V Island Home* at the Authority's Fairhaven maintenance facility. Mr. Amundsen noted that the timeline for the *M/V Iyanough* repairs had been extended as the vessel was not returning to service as planned.

Mr. Lowell asked if, given the delays in bringing the vessels back into service, the Authority was taking the opportunity to do extra work on the vessels. Mr. Amundsen said most of the work was preventative maintenance and that, while some additional matters were being attended to, he was also being mindful of the labor costs to do so. In response to a subsequent question from Mr. Lowell, Mr. Amundsen said the ride control issue on the *M/V Iyanough* had been addressed.

10. 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.
 - Regarding the Safety Quality Management System, the work by Safety Management Systems LLC (SMSLLC) has largely been put on hold due to the coronavirus issue, as putting the extra burden of rolling out the system would be unfair to the Authority's employees and crews given the extra work being done at this time.
 - Regarding the Strategic Planning project, the request for proposals issued for a strategic planning firm to help the Authority in its efforts has been put on hold indefinitely.

Mr. Davis said he planned to have a discussion with Glosten Associates and John Sainsbury to put a temporary halt on the work in light of what was going on.

11. Mr. Davis then presented the proposed 2021 operating schedules for discussion purposes only. Mr. Davis said that the schedules were essentially the same as what had been approved for 2020, with the exception that the first two schedules of the year (previously covering the dates January 4, 2020-March 15, 2020 and March 16, 2020-April 2, 2020) have been combined into one block covering January 4, 2021-March 31, 2021. Mr. Davis said the combination of the first two (2) schedules of the year was in light of the ongoing construction in Woods Hole and the occasional loss of an operating slip due to the project.

Mr. Davis said that staff will be keeping an eye on traffic trends in light of the COVID-19 situation, but he was hopeful things would get back to normal. He said the schedules would be advertised after being brought to the Board and public comment would be sought before he asked for a vote. Mr. Davis noted that, since the schedules were the same as this year, he felt it would be more appropriate to combine them all into one recommendation.

Mr. Malkin asked if a notice should be included that the schedules may change given the current situation; Mr. Davis said the message would be that the schedules represented the maximum possible service and that, going forward, the question would be whether or not they were reduced in light of traffic demands.

12. Mr. Rozum then informed the Port Council that, at the March 17, 2020 Board meeting, staff asked for and received permission to investigate a line of credit for the Authority to manage its cash flow needs. The Authority engaged its bond counsel from the firm Locke Lord on the matter and that he anticipated having a recommendation for the Board at its

next meeting. Mr. Davis said it was an item to have in the Authority’s “toolbox,” and Mr. Rozum said the ultimate goal would be not to have to use it.

13. Mr. Anthes-Washburn said the Port Council was looking forward to working with the staff to determine financial plans in light of multiple scenarios facing the Authority. He said both the Port Council and the Board had people with multiple years’ of experience and they stood ready to offer assistance.
14. Mr. Anthes-Washburn then asked for public comment. Bob Morris of Woods Hole noted that the 2018 financial statements were published to the Authority’s website only in the past week despite the Authority’s Enabling Act calling for them to be published by April 1 of the following year. He said not having the financial statements would make it difficult to apply for federal money and that it would be impossible for the Authority to know if it had to raise rates without up to date financial information.

Mr. Davis replied that the staff knows the 2019 financial results and, regarding the 2018 financials, the Authority was both without a treasurer for the entire year and their auditing firm had turnover that delayed their completion. However, the results of the audit matched the Authority’s data. In regards to rates, the prediction is based on the past years’ traffic data and anticipated revenues and does not rely on financial statements. He further noted that the auditors have been inhouse already and, while the process has been slowed by COVID-19, he expected results soon.

Paulette Silva-Souza said everything has gone “phenomenally well” on board the vessels in light of the COVID-19 epidemic and that it was very easy to socially distance on the vessels. She asked if the Authority was considering any refunds to commuters and holders of parking passes as they were unable to get the full benefit of their purchases due to businesses shutting down. Mr. Davis said he was cognizant of the drop in commuter traffic and that it was something the Authority was looking at, but there were no recommendations at present time.

Then, at approximately 11:53 a.m., upon a motion from Mr. Huss and a second from Mr. Lowell, the Port Council unanimously **voted** to adjourn their meeting.

A TRUE RECORD

Eric W. Shufelt, Secretary

Documents and Exhibits Used at the Port Council’s April 16, 2020 Meeting

1. Agenda for the Port Council’s April 1, 2020 meeting (posted March 27, 2020).
2. Minutes of the Port Council’s February 18, 2020 Meeting in Public Session (draft).
3. Business Summary for the month of February 2020. (draft).
4. PowerPoint presentation, Woods Hole Terminal Reconstruction Project.
5. PowerPoint presentation, Vessel Dry-Dock and Repair Projects.
6. Staff Summary #SO-2020-01, Preliminary of Proposed 2021 Operating Schedules, undated (draft).

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

May 6, 2020

First-Floor Meeting Room (Room 103)
Steamship Authority Administrative Offices
228 Palmer Avenue, Falmouth, Massachusetts

Port Council Members present: Chairman Edward C. Anthes-Washburn of New Bedford; Vice Chairman Robert V. Huss of Oak Bluffs; Secretary Eric W. Shufelt of Barnstable; Mark H. Rees of Fairhaven; Robert S.C. Munier of Falmouth; Nathaniel E. Lowell of Nantucket; and George J. Balco of Tisbury (all of whom participated via Zoom videoconferencing).

Authority Board Members present: James M. Malkin of Dukes County; Kathryn Wilson of Falmouth (both of whom participated via Zoom videoconferencing).

Authority Management present: 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 (who participated via Zoom videoconferencing); Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; and Health, Safety, Quality and Environmental Manager Angela M. Sampson.

1. Mr. Anthes-Washburn called the meeting to order at 9:05 a.m.
2. Mr. Anthes-Washburn announced that Mr. Driscoll was making a video and audio recording of today's meeting.

3. Mr. Anthes-Washburn announced that, in response to Gov. Charlie Baker’s executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all of the Port Council members were participating remotely in the day’s meeting because their physical attendance would be unreasonably difficult. All the members were participating via Zoom videoconferencing were clearly audible to one another. As a result of the members’ remote participation, all votes taken were to be by roll call vote.

4. Mr. Shufelt noted that, in the May 6, 2020 Port Council minutes, his middle initial was incorrect on the signature line. Subject to that change, the Port Council then **voted** 6-0 upon a motion from Mr. Huss and a second from Mr. Balco to approve the minutes of their meeting in public session on April 1, 2020. (Mr. Rees abstained from voting.)

5. Mr. Davis noted that the March business summary had been provided to the Port Council in their packets and proceeded to discuss April traffic figures, which showed that the Authority carried approximately 16% of its expected passenger traffic, 24% of its expected automobile traffic and 40% of its expected truck traffic. The lowered traffic figures represented approximately a \$5,000,000 reduction in expected revenues for the month, he said. Once other sources of revenues are factored in, such as concession fees, the lost revenue for the month will grow higher.

Mr. Davis said, despite the bad news, bookings for future reservations remain relatively strong, especially as it pertains to near-term reservations. June reservations numbers show that bookings are about two-thirds of what would be expected; July and August figures are roughly 90% of expectations, and September and beyond are nearly equal. Mr. Davis said it remains challenging to read the market and demand for service, so the Authority has been issuing new schedules incrementally to better match demand.

Some schedule changes on the horizon include running the third trip of the *M/V Gay Head* more often than not and, on the Vineyard route, double-crewing the *M/V Martha’s Vineyard* to allow for up to four (4) round trips per day, seven (7) days a week, Mr. Davis said.

6. Mr. Davis reviewed the ongoing situation regarding the COVID-19, or coronavirus, pandemic and noted that Authority personnel continue to do a great job in cleaning terminals and vessels. Wellness checks for the crews have been accepted without question from employees, and other personnel perform daily questionnaires to ensure their fitness for duty.

Mr. Davis said the Fairhaven repair facility, after being shut down briefly as a cost-saving measure, has been restarted. The *M/V Island Home* will see its davit replaced there before returning to service later in May 2020. The *M/V Nantucket*, meanwhile, remains at Thames Shipyard in New London, Connecticut, and has experienced some delays in completing its dry dock due to the weather.

Mr. Davis said the Authority continues to monitor whether or not it should bring the *M/V Iyanough* back in service, noting that it takes an average of forty-five (45) passengers per trip to cover the vessel's hard costs. He said a decision would be forthcoming on the vessel's status closer to Memorial Day.

Mr. Anthes-Washburn asked if the April traffic figures ended up being about what staff expected at the last Port Council meeting on April 1, 2020, to which Mr. Davis replied that they were. Mr. Davis said, at the beginning of April, the Authority had approximately \$11,500,000 in cash, while at the end of the month it had approximately \$6,500,000 to \$7,500,000 in cash. Mr. Davis further noted that the Authority was in line to receive more than \$12,000,000 in funding from both the CARES Act and formula funds through the Federal Transit Administration, and that the Board had approved a \$10,000,000 line of credit with Martha's Vineyard Savings Bank. Mr. Davis said the line of credit has a "cleanup period" every eighteen (18) months and that the interest rate came in slightly lower than the initial offer from Cape Cod Five Cents Savings bank.

In response to an inquiry from Mr. Anthes-Washburn, Mr. Davis shared a chart showing advance reservation activity as of May 4, 2020, and said he would send subsequent charts to the Board and Port Council as part of his daily updates.

In response to an inquiry from Mr. Lowell, Mr. Davis noted that, like car rentals, the concessions activity had come to a halt in light of the pandemic. Although the contract with Centerplate could be rescinded under these conditions, Mr. Davis said he did not want to trigger that provision under the circumstances.

Mr. Lowell asked if the Authority was sending communications to its customers that the high-speed service to Nantucket may not resume; Mr. Davis said it would when the decision was made. Similarly, Hy-Line Cruises has not seen much advanced reservation activity for Memorial Day weekend, he noted.

Mr. Davis said that the Authority had recently mandated the use of cloth face coverings for passengers sitting in interior areas of the vessels; a day after that announcement, Gov. Charles Baker announced a similar policy statewide, including on public transit, which went into effect the day of the Port Council meeting. Mr. Davis said he had heard of no issues so far in this regard from employees or passengers. Mr. Munier asked if any employees had tested positive for COVID-19 so far; Mr. Davis said none had to the Authority's knowledge.

Mr. Shufelt asked if Murray Scudder Jr. with Hy-Line had reported any issues with their mask policy; Mr. Davis said they had not, but as a private operator they could refuse service to someone not wearing a mask, whereas the Authority could not until the governor's order.

7. Mr. Rozum reviewed the draft March 2020 business summary. For the month, the Authority carried fewer passengers (down 35.4%), automobiles (down 33.2%), and trucks (down 22.5%) than it did in March 2019. Mr. Davis noted that the losses for the month were encountered in the second half of March.

Through the first three (3) months of the year, the Authority carried fewer passengers (down 8.9%), automobiles (down 9.9%), and trucks (down 7.2%) than it did during the same time period last year, Mr. Rozum said.

Mr. Rozum said the Authority had a net operating loss of about \$5,501,000 for the month, approximately \$1,340,000 more than anticipated in the 2020 budget. Operating revenues and other income totaled \$4,158,000, about \$979,000 less than anticipated in the budget, while operating expenses totaled \$9,659,000 for the month, about \$161,000 higher than anticipated in the budget.

During the month, the Authority's vessels made a combined 1,307 trips, with two (2) mechanical cancellations on the Vineyard run and zero (0) on the Nantucket run, Mr. Rozum said.

Mr. Balco asked if, given the Authority's financial status and projections for the year, if it would make sense to put together a presentation on the Enabling Act for the port communities so they can understand their liability should there be a shortfall. Specifically, Mr. Balco said a definition of "deficiencies" as presented in the Act would be helpful. Mr. Davis said that presented an interesting question as it had been fifty-eight (58) years since an assessment was last made against the port communities and there were likely not many holdovers from that era who could speak to the mechanisms involved. Since that time, the Governmental Accounting Standards Board has come into existence, Mr. Davis said, so the entire issue of the accounting for the Authority has changed. Mr. Balco said, when the issue gets clarified, he would like that information sent to the port communities. Mr. Munier said the timing of the deficiency and whatever funds are received seems to be a key component of the issue as well.

Mr. Lowell asked how much the Authority would save on fuel given its low cost; Mr. Rozum said that, last week, the Authority paid \$0.74 a gallon, so in theory the savings could be \$2,000,000 a year.

Mr. Malkin noted that, in the Port Council's minutes, there had been discussion of its members working with staff to determine the service levels for the Authority given the financial status. As the Board has asked for something similar, he said it would be great if both bodies could work jointly or develop a subcommittee to look at the issues involved. Mr. Anthes-Washburn said he agreed that one effort, not two, would be preferable. He said he wanted the Port Council to be whatever help was necessary and that the cash burn rate discussed earlier was concerning in light of possible assessment to the port communities.

8. At approximately 10:00 a.m., Mr. Rees ended his participation in the meeting.
9. Mr. Davis provided an update on the Woods Hole Terminal Reconstruction Project, noting that any work on the terminal building plans have been put on hold. Mr. Davis said the pile drivers had returned to work and were following state protocols while on the job site. Overall, the number of people at the site was limited to thirty (30), which is limiting the

speed of the progress even while work is continuing. Mr. Huss asked if the temporary terminal building would be able to be used given the circumstances; Mr. Davis said the Authority intended to use it for four to five years so, given that it first occupied the building in December 2017, it should be usable at least until December 2021. However, the Authority would need to initiate discussions with the state building inspector to verify that matter.

Mr. Munier stated he was unclear about the effect of having the pile drivers and carpenters not on site for a period of time; Mr. Davis said the original completion target of mid-May was no longer feasible. He said the Authority would not need the third slip until the middle of June, however. Mr. Munier asked if any force majeure claims have been made in the matter; Mr. Davis said marine contractor Jay Cashman Inc. had documented the work slowdown via correspondence with the Authority but a formal claim had yet to be made.

Mr. Cloutier then shared some slides detailing the work at the site.

10. Mr. Amundsen then provided an update on marine operations projects, including the dry dock of the *M/V Nantucket* at Thames Shipyard in New London, Connecticut, which he said was on track to cost \$1,338,525, slightly ahead of its \$1,292,027 budget.
11. Mr. Davis then informed the Port Council that the 2019 Analysis of Rates versus Cost of Service report had been provided along with an analysis by staff. Mr. Munier asked how much work it takes each year to provide the report; Mr. Davis said Mr. Rozum's staff does most of the work to get the graphs and data together. Mr. Davis noted that the Authority was still waiting on the auditors to sign off on the 2019 financial statements so the report may yet see some revisions.

Mr. Malkin asked when the Authority would see the final audit; Mr. Davis said the goal was to get it done as soon as possible, but noted that the revised actuarial report was only just received. Mr. Rozum said there were a few items left to address and that he expected it would be done at the end of the month. Mr. Davis noted that the April 1 deadline in the Enabling Act was set before many of the current accounting standards had been put into place and, in practice, was rarely achieved. Mr. Malkin said he did not understand how any decisions could be made without complete and audited financial information; Mr. Davis said the scheduling decisions would be made based on demand and would not be affected by the audit's open status.

12. Mr. Anthes-Washburn then asked for public comment. John Cogliano of Plymouth and Brockton Bus Co. said he had submitted a proposal regarding new bus service from Woods Hole to T.F. Green Airport in March and that he wanted to make sure that, as travel began to resume, the company would be in the position to provide the new service. Mr. Davis noted that, at the March Board meeting, the concern had been over the Town of Falmouth's position on the service and he had not had a chance to follow up on the matter. Mr. Cogliano

said he was expecting a license agreement with the Falmouth Economic Development Corp. within the week.

Ms. Wilson noted that the Authority did not have a licensing agreement with Peter Pan and her concern was if another bus company was added to the mix, it made sense to evaluate the request in light of the established service.

Then, at approximately 10:38 a.m., upon a motion from Mr. Balco and a second from Mr. Lowell, the Port Council unanimously **voted** to adjourn their meeting.

A TRUE RECORD

Eric W. Shufelt, Secretary

Documents and Exhibits Used at the Port Council’s April 16, 2020 Meeting

1. Agenda for the Port Council’s May 6, 2020 Meeting (posted May 4, 2020).
2. Minutes of the Port Council’s April 1, 2020 Meeting in Public Session (draft dated May 4, 2020).
3. Chart showing Advance Reservation Activity as of May 4, 2020.
4. Business Summary for the month of March 2020. (draft).
5. PowerPoint presentation, Woods Hole Terminal Reconstruction Project.
6. PowerPoint presentation, Vessel Dry-Dock and Repair Projects.
7. Unnumbered staff summary, 2019 Analysis of Rates versus Cost of Service, undated (draft).

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

June 3, 2020

First-Floor Meeting Room (Room 103)
Steamship Authority Administrative Offices
228 Palmer Avenue, Falmouth, Massachusetts

Port Council Members present: Chairman Edward C. Anthes-Washburn of New Bedford; Vice Chairman Robert V. Huss of Oak Bluffs; Secretary Eric W. Shufelt of Barnstable; Mark H. Rees of Fairhaven; Robert S.C. Munier of Falmouth (who joined the meeting during discussion of the business summary); Nathaniel E. Lowell of Nantucket; and George J. Balco of Tisbury (all of whom participated via Zoom videoconferencing).

Authority Board Members present: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; and Robert R. Jones of Barnstable (all of whom participated via Zoom videoconferencing).

Authority Management present: 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; Woods Hole Reconstruction Project Manager William J. Cloutier; and Director of Human Resources Janice L. Kennefick.

1. Mr. Anthes-Washburn called the meeting to order at 9:57 a.m.
2. Mr. Anthes-Washburn announced that Steve Baty of All Media Productions was making an audio and video recording of today's meeting in open session for Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making a video and audio

recording of today's meeting, as were Rich Saltzberg (representing the *Martha's Vineyard Times*) and Noah Asimow (representing the *Vineyard Gazette*).

3. Mr. Anthes-Washburn announced that, in response to Gov. Charlie Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all of the Port Council members were participating remotely in the day's meeting because their physical attendance would be unreasonably difficult. All the members were participating via Zoom videoconferencing and were clearly audible to one another. As a result of the members' remote participation, all votes taken were to be by roll call vote.
4. Upon a motion by Mr. Balco and a second by Mr. Huss, the Port Council **voted** 6-0 to approve the minutes of their meeting in public session on May 6, 2020.
5. Mr. Rozum then reviewed the April 2020 business summary, which showed the first full month of traffic being affected by COVID-19. In April, the Authority carried fewer passengers (30,766, down 83.8%), automobiles (7,601, down 76.6%) and trucks (7,543, down 57.8%) than it had in April 2019. The total income for the month was approximately \$2,602,000, while total expenses were approximately \$8,088,000, for a net operating loss of approximately \$5,485,000, which was approximately \$3,980,000 more than anticipated in the 2020 budget. Mr. Rozum said year-to-date losses were more than \$5,500,000 ahead of projections, a trend that he said could hopefully be reversed.

Mr. Balco asked if the Authority would break even in any month soon, to which Mr. Rozum stated that May through September are typically months in which the Authority ends up in the black. At this point, he said he did not anticipate the Authority doing that, although it was encouraging to see some upward trends heading into June. Until passenger traffic rebounds, however, he said he did not see the Authority breaking even in any month except possibly July. Mr. Balco asked if the Authority would be able to maintain its cash position through the summer, to which Mr. Davis said yes.

6. Mr. Cloutier provided an update on the Woods Hole Terminal Reconstruction Project, noting that marine contractor Jay Cashman Inc. continues to make steady progress. The pace of work was not as fast this year due to the observation of COVID-19 protocols at the site, and said that the number of contractors on site at any point was limited to thirty-five (35). Last year, for comparison, between fifty (50) and fifty-five (55) would have been working at any one point. Mr. Cloutier said the transfer bridge at Slip No. 2 is done and that the passenger canopy should be done at the end of the week. Landside utility work was nearly finished, and final grading and installation of bollards and light posts was to come. He said he believed that, by the end of the month, the slip would be fully operational.

Mr. Cloutier then shared some slides detailing the work at the site. In response to a question from Mr. Lowell, Mr. Cloutier stated that the new transfer bridges would be

interchangeable and that, with a spare bridge now in the Authority's possession, they could be swapped out for maintenance purposes.

7. Mr. Amundsen then provided an update with photographs on marine operations projects, including the dry dock of the *M/V Nantucket* at Thames Shipyard in New London, Connecticut, which he said was on track to cost \$1,658,031, about 25% ahead of its \$1,292,027 budget. Mr. Munier stated, and Mr. Amundsen agreed, that such overages would be lower once the Authority was deeper into its preventative maintenance program.
8. Mr. Amundsen then provided an update with photographs of the Oak Bluffs Terminal repairs, which he said were proceeding at a good pace and should be completed by June 15, 2020, a week earlier than initially expected.
9. Mr. Amundsen then discussed the recent Vineyard Haven transfer bridge failure, which he said had been traced to a failure of the outer race within the bridge's sheave. It is unclear what the failure mechanism was, he said, but the repairs have been made and the bridge is now in good working order.
10. Mr. Davis noted that, while the Draft 2021 Operating Schedules were on the agenda, on Friday the Authority received a petition from not fewer than fifty (50) Falmouth residents objecting to the continued presence of the 5:30 a.m. freight boat out of Woods Hole. Pursuant to the Authority's Enabling Act, it now had fourteen (14) days to schedule a hearing on the petition; the hearing has been scheduled for 4:30 p.m. on Thursday, June 11, 2020, via Zoom.
11. Mr. Malkin then noted that, of the 5,000 trips run through the end of April, only eight (8) had been cancelled due to mechanical reasons, which seemed to him to be a great number.
12. Mr. Davis said the draft 2020-2025 repair schedules had been presented to the Port Council for their information only. Mr. Lowell asked what vessel would be going into dry dock next this year; Mr. Davis noted it was the *M/V Katama*. As a result, the freight vessel on the Vineyard route would be the *M/V Woods Hole*. Mr. Lowell said the operational issues were very difficult to sort out, especially in light of COVID-19, and that the staff had been doing a great job.

Mr. Anthes-Washburn asked if the repair schedule interacted with the Safety Quality Management System (SQMS) or was an output of it; Mr. Davis said this was the same schedule format the Authority has used for many years, but it will be incorporated into the SQMS system to aid with the scheduling of preventative maintenance.

13. Mr. Rozum then reviewed the draft Budget Policy Statement for 2021, in which he noted several items that would be “fluid” due to the effects of COVID-19.

Mr. Balco said this was a time to form a committee that would review changing the Enabling Act to allow for a reserve fund of substantial size, approximately 40% to 50% of revenues, to aid the Authority in similar situations. He said he did not expect it would get into place now, but it was an appropriate time to move forward with a proposal so that these financial issues would not repeat themselves.

Mr. Anthes-Washburn said the Authority should get a lot more clarity on ridership demand in the near future and asked what the schedule was for the budget process and if it should be delayed. Mr. Rozum stated that the schedule is expected to be presented to the Port Council and Board at their September meetings and approved in October. Mr. Rozum said there would be a point at which the Authority would have to set the rates for the upcoming year and the budget timeline was set working backwards from that date. Mr. Anthes-Washburn said that, by September, he hoped the Authority would be in a much better place than it was now.

Mr. Rees said he thought the budget policy statement was good, but he did not see any mention of the recommendations from the HMS Consulting study that was completed in 2018. Mr. Rozum said he can update the statement with that information, but a lot of the recommendations that were made in 2019 were already included in the 2020 budget and, therefore, were carried into 2021.

Mr. Munier asked if the old model of assuming flat traffic based on a certain time period of data made sense given the “new normal” now facing the Authority. He said it seems that the process should be done with an open mind in terms of what 2021 demand will be like, but the question was how the budget could reflect that and what kind of participation should be expected from the Port Council and Board.

Mr. Lowell said the COVID-19 crisis has opened up the eyes of a lot of people who did not realize the Authority was not subsidized. He said he felt it would take longer than the fall to really know how the Authority’s year would end and that the virus itself is secondary to how people will behave in response to the virus.

At 10:53 a.m., Mr. Shufelt ended his participation in the meeting.

Mr. Rozum said it might make sense to have an overarching COVID-19 statement as it is going to be a thread that runs through all the categories on the draft Budget Policy Statement. Because the Authority has a January-December fiscal year, it is at a disadvantage in terms of planning.

Mr. Malkin asked if an estimate as to COVID-19 related expenses and revenue impacts could be established to get a handle on the pandemic’s effects on both sides of the Authority’s finances. Mr. Davis said it could, and added that he and Mr. Rozum had discussed the need for this budget to be flexible. However, the work on the budget still

needed to start so the Authority could monitor summer traffic and what direction it is going in while putting together the 2021 budget.

Upon a motion from Mr. Balco and a second from Mr. Huss, the Port Council then **voted** 5-1 (with Mr. Rees voting no) to approve the Draft Budget Policy Statement for 2021 as presented with changes that reflected the Port Council's discussion.

14. Mr. Davis then told the Port Council that, at the Board's March 17, 2020 meeting, he had presented a request from Plymouth & Brockton Street Railway Co. to permit its buses to use the Authority's Woods Hole ferry terminal to run service between that site and T.F. Green Airport in Warwick, Rhode Island. The Members at that time had declined to authorize the service, citing a desire to investigate the opinion of the Town of Falmouth on the service and to also coordinate schedules with Peter Pan Bus. Co., which already provided service to and from the Woods Hole terminal.

Since then, Mr. Davis noted the request had been expanded by P&B to include service to Logan Airport as well as T.F. Green. Mr. Davis said he had not heard from the Falmouth Economic Development Investment Corp. (EDIC) as to its decision regarding the service at the Falmouth Bus Depot; additionally, Mr. Davis said he was concerned about adding service at a time when construction work was ongoing at the Woods Hole terminal.

John Cogliano, president of Plymouth & Brockton Street Railway Co., said he received a draft agreement from the Falmouth EDIC last week and that the document was under review. He said the schedule he provided to the Authority calls for three (3) round-trips to T.F. Green Airport per day, and the Boston Logan service would provide five (5) round trips per day. He said he felt the services would be of great benefit to the Authority and its customers given the capability of the service to reduce congestion at the terminal and along Woods Hole Road. He added that he felt it was in the Authority's best interests to have more than one transportation option for its customers.

Mr. Davis said a number of issues still needed to be addressed, including how tickets would be sold and the impact on traffic at the terminal. Mr. Davis apologized for not having enough information to formulate a recommendation but asked if the Port Council wished to express an opinion on the concept via a vote.

Mr. Munier stated he felt the route to T.F. Green would be of benefit to everyone and that, if that benefit required additional routes to make the service profitable as a whole, it was a small price to pay.

Then, upon a motion from Mr. Balco and a second from Mr. Lowell, the Port Council **voted** 6-0 to endorse the Plymouth & Brockton service concept subject to limitations and comments by staff.

15. Mr. Rozum said the Authority was going to continue to examine the drive-on, drive-off services on the Nantucket route and look for ways to reestablish it given the lost revenue being seen due to its cancellation.
16. Mr. Munier praised the Authority’s staff for responding adeptly to the myriad changes being placed upon its service due to COVID-19. He said he appreciated the regular communication and that the staff had reacted as well as it had to the issues. Mr. Huss noted that communication on the islands was much better as well and that keeping the islands informed has helped everyone have a better view of the Authority.
17. In response to Mr. Anthes-Washburn’s call for public comment, Rich Saltzberg with the *Martha’s Vineyard Times* asked Mr. Amundsen clarifying questions regarding the Vineyard Haven transfer bridge, the Oak Bluffs terminal project, the recent gyrocompass failure on the *M/V Island Home*, and about the status of the Authority’s communications with the Commonwealth regarding its funding.

Mr. Asimow asked if the delays in the completion of the Woods Hole terminal work for the season would affect the schedule; Mr. Davis said, with fewer vessels servicing the route, it would not.

Then, at approximately 11:24 a.m., upon a motion from Mr. Balco and a second from Mr. Lowell, the Port Council unanimously **voted** to adjourn their meeting.

A TRUE RECORD

Eric W. Shufelt, Secretary

Documents and Exhibits Used at the Port Council’s June 3, 2020 Meeting

1. Agenda for the Port Council’s June 3, 2020 Meeting (posted June 1, 2020).
2. Minutes of the Port Council’s May 6, 2020 Meeting in Public Session (draft dated May 27, 2020).
3. Business Summary for the month of April 2020 (draft).
4. PowerPoint presentation, Woods Hole Terminal Reconstruction Project.
5. PowerPoint presentation, Vessel Dry-Dock and Repair Projects.
6. PowerPoint presentation, Oak Bluffs Terminal Repairs.
7. Photograph of outer race of sheave bearing on Vineyard Haven transfer bridge.
8. Notice of Public Hearing, 2021 Operating Schedules, with attachments.
9. 2020-2025 Repair Schedule as of 5/29/2020.
10. 2021 Budget Policy Statement, draft.

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

July 1, 2020

First-Floor Meeting Room (Room 103)
Steamship Authority Administrative Offices
228 Palmer Avenue, Falmouth, Massachusetts

Port Council Members present: Chairman Edward C. Anthes-Washburn of New Bedford; Vice Chairman Robert V. Huss of Oak Bluffs; Secretary Eric W. Shufelt of Barnstable; Robert S.C. Munier of Falmouth; Nathaniel E. Lowell of Nantucket; and George J. Balco of Tisbury (all of whom participated via Zoom videoconferencing).

Port Council Members absent: Mark H. Rees of Fairhaven.

Authority Board Members present: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; and Robert R. Jones of Barnstable (all of whom participated via Zoom videoconferencing).

Authority Management present: 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; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Shoreside Operations Alison A. Fletcher; and Director of Human Resources Janice L. Kennefick.

1. Mr. Anthes-Washburn called the meeting to order at 9:03 a.m.
2. Mr. Anthes-Washburn announced that Mr. Driscoll was making a video and audio recording of today's meeting, as was Noah Asimow (representing the *Vineyard Gazette*).

3. Mr. Anthes-Washburn announced that, in response to Gov. Charlie Baker’s executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all of the Port Council members were participating remotely in the day’s meeting because their physical attendance would be unreasonably difficult. All the members were participating via Zoom videoconferencing and were clearly audible to one another. As a result of the members’ remote participation, all votes taken were to be by roll call vote.
4. Upon a motion by Mr. Huss and a second by Mr. Balco, the Port Council **voted** 6-0 to approve the minutes of their meeting in public session on June 3, 2020.
5. Mr. Davis provided an update on the Authority’s activities and performance regarding the COVID-19 pandemic. Preliminary traffic numbers through June 30, 2020, show the Authority has carried 58% of expected passengers (down 143,000), 85% of automobiles (down 7,700) and 93% of trucks (down 1,000). Based on just the traffic figures, Mr. Davis said a \$2,500,000 shortfall in revenues is expected for the month, which is likely to be more than \$3,000,000 when other revenue sources are factored in.

Mr. Davis noted passenger numbers have been increasing, which is to be expected at this time of year, but the gap between actual traffic and forecasted traffic remains fairly steady. In April, for example, the Authority was approximately 5,300 passengers per day behind budget; in June, that figure was approximately 4,800 passengers per day.

Mr. Rozum then reviewed advanced reservation figures by month, a seven-day moving average of traffic, and credit card receipts by date versus 2019 to further illustrate the Authority’s performance. Mr. Balco asked if the Authority was now in a position to be realizing positive cash flow; Mr. Rozum said yes, with Mr. Davis adding it was not as much as he would like, but it was, at least, positive.

Mr. Davis said the current modified schedule has been extended to July 16, 2020, and he anticipated it would be further extended through the middle of August. Based on the demands seen to date, he said this level of service should be able to meet or exceed demand. The *M/V Iyanough* remains on a four (4) round-trip daily schedule, and the ridership numbers have been slowly increasing on that route. Reservations have been capped at 50% of the vessel’s capacity, and so far there have been no cutoffs based on that figure. If demand increases, then the fifth trip may be added, he said.

Mr. Huss noted he has seen customers on board vessels not wearing face masks and that he was informed of a situation wherein a woman wearing one was made to feel uncomfortable by a group of individuals who were not, so she got up and moved. Mr. Huss asked if the customer should have informed the purser, and Mr. Davis said yes, or any crew member. He added that crew members are going around telling people to wear their face coverings, but as soon as the crew member walks away some passengers simply remove them at that point. Announcements are made on board the vessel and at the terminals, and

copious signage has been posted, he said. Nonetheless, staff receive near-daily reports of passengers not wearing masks and it is a challenge, since the Authority does not have the ability to issue fines and, if a passenger indicates he or she has a medical condition that precludes the wearing of a mask, Authority personnel cannot ask any other questions. He said the Authority also stresses daily the need for its employees to wear a mask. Overall, Mr. Davis said Authority personnel are doing a great job in this regard despite the challenges.

Mr. Huss asked about the new electrostatic sprayer the Authority is using to clean, and Mr. Davis said the loaner was received at the end of last week. He said he was hoping it could be used to clean the *M/V Iyanough* in between trips, but that potential application turned out to be impractical so it is being used on the overnight cleanings of the vessel.

Mr. Munier stated the Authority needs to constantly remind its employees the importance of wearing a mask, not only for the protection of the customers but their coworkers as well.

6. Mr. Rozum then reviewed the May 2020 business summary, which showed that the Authority carried fewer passengers (90,495, down 67.9%), automobiles (22,844, down 45.7%) and trucks (13,078, down 34.5%) than it had in May 2019. The total income for the month was approximately \$11,190,000, while total expenses were approximately \$10,027,000, for a net operating income of approximately \$1,163,000, which was approximately \$3,252,000 less than anticipated in the 2020 budget. Mr. Rozum said year-to-date losses were approximately \$22,792,000, which was \$8,819,000 more than anticipated in the budget.

Mr. Balco said he would like the Port Council to recommend to the Board that they establish a subcommittee to revise Section 9 of the Authority's Enabling Act to allow for larger reserve funds to be built up by the Authority that would cover these circumstances.. Mr. Lowell asked if that had not been done already; Mr. Davis said the Authority was having ongoing discussion with the Executive Office of Administration and Finance in this regard and, while the priorities had been the immediate cash needs of the Authority, the long-range picture needed to be considered as well. Mr. Lowell asked if the motion needed to specify how much would build up in the reserve fund; Mr. Balco said it would be up to the subcommittee to review and determine proposed changes.

The Port Council, upon Mr. Balco's motion and Mr. Huss' second, then **voted** to make the recommendation to the Authority Board.

7. Mr. Cloutier provided an update on the Woods Hole Terminal Reconstruction Project and shared some recent photographs from the site. He noted the Authority tested a vessel docking in the new Slip No. 2 and it went well. He anticipates the slip will be open on Friday, July 3, 2020, for use over the holiday weekend. He said the side-loading platform should be available for use the following week and the railings were being installed.

Mr. Shufelt said the pavers on the passenger walkway looked nice, and Mr. Cloutier said the film that had been on the paver bricks was able to be cleaned off and the installation went well.

Mr. Munier asked how the passenger float was constructed, and Mr. Cloutier said it was basically a barge with an aluminum deck that is eight (8) to nine (9) feet above the barge structure.

Mr. Davis said once the passenger pier was finished that side loading of vessels would be possible from both Slip No. 2 and Slip No. 3.

7. Mr. Amundsen then provided an update with photographs on the dry dock of the *M/V Katama* at Thames Shipyard in New London, Connecticut, which he said had only started days earlier. The project's budget is \$788,507, he said.
8. Mr. Amundsen then provided an update with photographs of the Oak Bluffs Terminal repairs, which he said concluded on time and on budget. He discussed Piling No. 2, which encountered resistance while being driven so it was secured using a cement jacket. Mr. Shufelt asked if the pile was driven into the cement, and Mr. Amundsen clarified the cement casting was made around the piling after it was driven to its maximum possible depth. Mr. Davis said the Authority's engineering firm will start on specifications for the remaining repairs so the dock can be back to its full functionality in 2021.
9. Mr. Davis said following the public hearing on June 11, 2020, regarding the 2021 Draft Operating Schedules, staff was still working on evaluating the comments from the hearing and those received via email. The hearing did make clear there were no objections to the Nantucket portion of the schedule or for the winter and spring operating schedules on the Vineyard route, so those were being presented for approval. By and large, he said, those schedules were the same as what was approved in 2019 and 2020, with only a few adjustments due to dates and repair schedules.

The Port Council then, upon a motion from Mr. Balco and a second from Mr. Lowell, **voted** 6-0 to recommend approval of the operating schedules for 2021 on the Nantucket route and the 2021 operating schedules for the winter and spring on the Vineyard route.

10. In response to a question from Mr. Huss, Mr. Davis said the Authority was continuing to work with the U.S. Coast Guard regarding a recent incident in which a passenger aboard the *M/V Gay Head* was found in Hyannis Harbor by a Hy-Line Cruises vessel.
11. Mr. Davis presented an update to the Medical Travel Policy, relating a recent incident with a customer who was trying to get off-island to pick up a loved one at a Boston hospital and bring him back to his Island residence. Mr. Davis said the policy allows for either

reservation staff or the terminal agent to make a decision regarding preferential boarding in circumstances when a customer must travel without delay due to an urgent health issue; in the case of this customer, there was some ambiguity regarding whether or not the policy would apply. Therefore, Mr. Davis said staff was recommending that the language be changed to eliminate that ambiguity and to state that it would apply in similar situations, which he said would be an improvement to the policy.

The Port Council then, upon a motion from Mr. Balco and a second from Mr. Lowell, **voted** 6-0 to recommend approval of the change in the Medical Travel Policy as presented.

12. Mr. Driscoll provided an update on the second round of the high-speed passenger book promotion, which was authorized by the Board following the delay of the high-speed service to Nantucket due to COVID-19. The second round of the sale ran from June 8-21, 2020, during which time the Authority sold an additional 997 ticket books, for a total sold during 2020 of 2,407 books. While that total is still below the average sales since 2012, the second round increased this year's sales by 71%, he said.
13. Mr. Davis stated the Authority was preparing to dispose of surplus property in accordance with the terms of its Procurement Policy. The property includes, but is not limited to, more than one (1) dozen pallets of computers, printers, scanners, power supplies, routers, servers and monitors; various older vehicles and related equipment; as well as four (4) shuttle buses powered by compressed natural gas. The only source of CNG fuel on the Cape recently shut down, so the buses are of no use to the Authority's operations. Mr. Davis said representatives from Metrowest Regional Transportation Authority inspected the buses and have expressed interest in purchasing them for their operations.

The Port Council then, upon a motion from Mr. Balco and a second from Mr. Huss, **voted** 6-0 to recommend to the Board that the general manager be authorized to arrange for the disposal of the surplus property as recommended by staff and in accordance with the Authority's Procurement Policy.

14. Mr. Lowell thanked everyone for their efforts to restore the freight drive-on, drive-off services on the Nantucket route, stating that the service is important not only to the truckers but the Authority as it can help fill the late boat with trucks that would otherwise have to run during peak hours. Mr. Davis said an agreement with the unions was forthcoming and that materials were en route to help employees perform the services safely.
15. Mr. Davis said RSM signed off on the 2019 financial statements the prior day and thanked Mr. Rozum and his team for their promptness in responding to the auditors' many requests during the process.
16. In response to a request for public comment, Dukes County Commissioner Leon Brathwaite thanked the Authority for its efforts to amend the Medical Transportation

Policy. Regarding the disposal of surplus equipment, he reminded the Authority to be sure that all the hard drives were wiped, even those on scanners and printers. Mr. Davis confirmed that the hard drives had been removed from the relevant equipment.

17. Rachel Self identified herself as the customer to whom Mr. Davis referred during discussion of the Medical Travel Policy. She said she was very grateful to the Authority for changing the policy so that similar situations would not happen again. She said the Authority is the only option for people who need to get off-island with a vehicle and it seems that the process of doing so in an emergency has become more adversarial, which she said is unfortunate. She asked that the Authority increase its employee education so these requests are approached from a place of common sense and empathy. Mr. Davis said part of the process following the change in policy would be working with personnel so they understand the importance of these situations. Mr. Anthes-Washburn thanked Ms. Self and said he hoped this fix would make for a better process.

Then, at approximately 10:11 a.m., upon a motion from Mr. Balco and a second from Mr. Huss, the Port Council unanimously **voted** to adjourn their meeting.

A TRUE RECORD

Eric W. Shufelt, Secretary

Documents and Exhibits Used at the Port Council’s July 1, 2020 Meeting

1. Agenda for the Port Council’s July 1, 2020 Meeting, posted June 29, 2020.
2. Minutes of the Port Council’s June 3, 2020 Meeting in Public Session (draft dated June 25, 2020).
3. Chart, Advanced Reservation Activity By Month, All Routes as of June 21, 2020 and June 28, 2020.
4. Chart, Traffic Statistics Comparison, 2020-2019, Using a Seven-Day Moving Average.
5. Chart, Advanced Reservation Activity By Month Comparison, 2020 vs. 2019.
6. Chart, Percent of 2019 Credit Card Receipts By Date, Using Seven-Day Moving Average.
7. Chart, Daily Vehicle Reservation Activity Comparison, 2020 vs. 2019, May 1st to June 28, Using Seven-Day Moving Average.
8. Business Summary, May 2020 (draft).
9. PowerPoint presentation, Woods Hole Terminal Reconstruction Project.
10. PowerPoint presentation, Vessel Dry-Dock and Repair Projects.
11. PowerPoint presentation, Oak Bluffs Terminal Repairs.
12. Unnumbered staff summary, 2021 Winter, Spring, Summer and Fall Operating Schedules for the Nantucket Route, and 2021 Winter and Spring Operating Schedules for the Vineyard Route, undated.
13. Redlined copy, “Summary of the Authority’s Policies Governing When Customers’ Vehicles May be Boarded on a Preferential Basis,” undated.
14. Staff Summary #COMM 2020-03, Review of Pre-Season Promotion for High-Speed Ticket Books, dated June 25, 2020.
15. Unnumbered staff summary, Disposal of Surplus Property, dated June 30, 2020 (draft).

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

August 5, 2020

First-Floor Meeting Room (Room 103)
Steamship Authority Administrative Offices
228 Palmer Avenue, Falmouth, Massachusetts

Port Council Members present: Vice Chairman Robert V. Huss of Oak Bluffs; Secretary Eric W. Shufelt of Barnstable; Mark H. Rees of Fairhaven (who joined the meeting at 9:33 a.m. during discussion of the HMS Consulting Project updates); Nathaniel E. Lowell of Nantucket; and George J. Balco of Tisbury (all of whom participated via Zoom videoconferencing).

Port Council Members absent: Chairman Edward C. Anthes-Washburn of New Bedford; and Robert S.C. Munier of Falmouth.

Authority Board Members present: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; and Robert R. Jones of Barnstable (all of whom observed the meeting via Zoom videoconferencing).

Authority Management present: General Manager Robert B. Davis; Treasurer/Comptroller Mark K. Rozum; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll (who participated in the meeting via Zoom videoconferencing); Director of Marine Operations Mark H. Amundsen; Director of Shoreside Operations Alison A. Fletcher; and Director of Human Resources Janice L. Kennefick.

1. Mr. Huss called the meeting to order at 9:02 a.m.
2. Mr. Huss announced that Mr. Driscoll was making a video and audio recording of today's meeting.

3. Mr. Huss announced that, in response to Gov. Charlie Baker’s executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all of the Port Council members were participating remotely in the day’s meeting because their physical attendance would be unreasonably difficult. All the members were participating via Zoom videoconferencing and were clearly audible to one another. As a result of the members’ remote participation, all votes taken were to be by roll call vote.
4. Upon a motion by Mr. Balco and a second by Mr. Lowell, the Port Council **voted** 4-0 to approve the minutes of their meeting in public session on July 1, 2020.
5. Mr. Davis provided an update on the Authority’s activities and performance regarding the COVID-19 pandemic. He said the Authority was running ninety percent (90%) of its originally scheduled trips on the Vineyard route and one hundred percent (100%) of scheduled trips on the Nantucket route, albeit with smaller vessels that reduced overall capacity to ninety-two percent (92%). The high-speed service is running four (4) round-trips per day, with a fifth trip added to the schedule on Friday and Sunday evenings through Labor Day. Starting August 10, 2020, the Authority will run its regularly scheduled summer service on both routes, Mr. Davis said.

Mr. Davis said the Authority’s employees continue to do an exceptional job cleaning the vessels, terminals and buses and reviewed the new cleaning equipment purchased by the Authority. Medical screenings of vessel crews continue and the Authority has ordered equipment for thermal scan devices to screen all employees before they start their shifts.

Mr. Davis said the enforcement of face coverings and masks continues to be a challenge despite signage being posted and announcements being made at the terminals and on the vessels. Mr. Davis said he believes compliance is generally high, but there still are individuals who, for one reason or another, are not wearing them or are taking them down. With the warmer weather, more people are exiting their vehicles to go to the passenger decks, and they need to bring their masks with them when they do so. Mr. Davis noted the Authority was not alone in this and that it was an industry issue based upon his conversations with other ferry operators.

Regarding Governor Charles D. Baker’s order to self-quarantine when traveling to Massachusetts, the Authority has been sending emails to customers traveling to the islands about how to register their travel online and a link to the state’s website. The Authority is not enforcing the order, but it is taking those measures to educate customers in advance of their travel so they know what their obligations are.

Mr. Davis also reiterated that information about the coronavirus continues to be posted on the Authority’s internal Learning Management System, as well as on its social media channels, its dedicated webpage and on its eNews.

Mr. Rozum then reviewed advanced reservation figures by month, a seven-day moving average of traffic, and credit card receipts by date versus 2019 to further illustrate the Authority's performance.

Mr. Davis thanked the Authority's employees for their dedication to continue to come in despite difficult circumstances. He said it was a testament to their dedication that they have continued to persevere and perform at a high level despite the challenges they face.

6. Mr. Rozum then reviewed the June 2020 business summary, which showed that the Authority carried fewer passengers (193,498, down 42.4%), automobiles (43,642, down 14.7%) and trucks (17,600, down 6.5%) than it had in June 2019. The total income for the month was approximately \$10,865,000, while total expenses were approximately \$8,266,000, for a net operating income of approximately \$2,599,000, which was approximately \$1,465,000 less than anticipated in the 2020 budget. Mr. Rozum said year-to-date losses were approximately \$20,193,000, which was \$10,284,000 more than anticipated in the budget.

Mr. Huss noted that, while the Authority would never be able to make up the losses suffered, it did appear traffic was starting to come back. Mr. Rozum said the softness continues to be in the walk-on passenger category versus the automobiles and truck traffic. Mr. Huss asked what the projection was for the year-end deficit; Mr. Rozum said it was still believed to be between \$20,000,000 and \$25,000,000. Mr. Davis noted that the Authority's cash situation was such that the fund transfers needed to pay debt service payments in March were able to be made; two (2) months ago, he said, he would have been hard-pressed to say that would happen.

Mr. Shufelt noted the high number of trips canceled due to traffic demands, and Mr. Rozum clarified that was the result of the reduced COVID-19 service. At Mr. Lowell's request, Mr. Rozum said he would break out the *M/V Iyanough* trip cancellations separately.

7. Mr. Amundsen then provided an update with photographs on the dry dock of the *M/V Katama* at Thames Shipyard in New London, Connecticut, which includes blasting and coating the hull, installing a new port rudder and stock, overhauling the anchor windlass, and blasting and coating the main deck. The project has tallied \$350,255 in change orders, for an updated total cost estimate of \$1,138,762, he said.
8. Mr. Davis provided the following updates on the implementation of recommendations contained in the HMS Consulting report of the Authority's operations:
 - Regarding the engineering resources project, most of the items had been placed on hold while dealing with COVID-19. However, Mr. Davis said he was pleased to announce that a third port engineer was scheduled to start later this month and that the Authority was well on its way to rounding out the department.

- Regarding the Mission Statement, Mr. Davis said the Communications and Marketing Department was working on getting that properly distributed and implemented.
 - Regarding the Safety Quality Management System, following discussion with SMS LLC, the program has restarted. However, it will encounter a three- or four-month delay as the Authority's crews are running at full schedule and will be unable to train on the vessel operations manuals any time soon.
 - The Strategic Planning project remains on hold.
9. Mr. Davis said, following the public hearing on June 11, 2020, regarding the 2021 Draft Operating Schedules, staff had issued a report evaluating the comments from the hearing and those received via email, as well as an analysis of the schedule in question. Staff's recommendation is to approve the 2021 Summer and Fall Operating Schedules for the Martha's Vineyard route as proposed. Mr. Davis noted that, as discussed in the report, the Authority has formed both a Working Group and Long-Range Task Force to examine both local traffic issues in Falmouth and the overall design of the Authority's operations. While invitations were extended to communities following the approval of the 2021 Summer Operating Schedule for the Vineyard route, Falmouth was the only community that appointed its representatives before the onset of COVID-19 and, as such, the work of the two (2) groups has been delayed, although the Working Group has made some operational recommendations to the Authority. Now, however, both bodies have enough members appointed to constitute a quorum, and the initial meetings are expected to be scheduled within a few weeks.

The Port Council then, upon a motion from Mr. Balco and a second from Mr. Lowell, **voted** unanimously to recommend approval of the 2021 Summer and Fall Operating Schedules on the Vineyard route.

10. Mr. Kenneally said that, following the update of several policies by the Authority, the Customer Policies and Procedures Handbook had been revised to reflect not only those changes, but some other changes for consistency and clarity. He said the Staff Summary outlined the five (5) most substantive changes to the book and the dates the Board had approved each of those changes. Mr. Kenneally said the matter was being presented for informational purposes only as the policies themselves had already been approved.
11. Mr. Davis said he had engaged the services of Jones Lang LaSalle to perform a feasibility study of placing solar panels on the Authority's parking lot on Thomas B. Landers Road. The study would be a precursor to issuing a Request for Proposals to place solar panels at that location. Mr. Huss noted that the panels would provide the added benefit of protecting the cars underneath from the elements.
12. Mr. Rozum conducted a demonstration of the new eFerry ticketing process, including a new payment procedure that will be used to purchase individual ferry tickets on the traditional service. Mr. Rozum said the new procedure is faster and fully integrated with

both Apple Pay and Google Pay and will allow for quick purchase and redemption of tickets for customers. He said he expects the service to be rolled out in the next few weeks.

13. Mr. Rozum briefly reviewed the results of the 2019 audited financials, which generally were positive for the Authority and were presented to the Board at a July 28, 2020 meeting. Auditing firm RSM US LLP reviewed the audit process and adjustments made, along with delays encountered due to COVID-19 and the new mortality table adopted regarding the Authority's pension liability.

Mr. Balco asked when the 2019 annual report would be done; Mr. Driscoll said it was in production and hopefully would be finished soon.

In response to a question from Mr. Rees, Mr. Rozum said there were recommendations made by RSM following the audit and that the Authority would be implementing those.

14. Mr. Lowell asked if there was an update on the status of concessions sales on board the vessels. Mr. Davis said he met with Centerplate and there continue to be concerns about mask usage if the snack bars are reopened. Additionally, Centerplate relies heavily on overseas labor via the J-1 Visa program, so without those staff members there was a concern if they could fully staff their operation. Mr. Davis said, for the time being, it had been agreed that the concessions sales would be delayed and that Centerplate was investigating installing additional vending machines at the landside terminals.

Mr. Davis said it appears the Authority is the exception when it comes to concessions sales among area carriers, but they are not a requirement for the Authority's operation.

Mr. Lowell asked about the compressed natural gas buses that the Authority had recently declared surplus; Mr. Davis said the Board had approved their sale and he expected the transaction to be complete within a few weeks.

15. Mr. Huss said his daughter was recently returning to the island and attempted to get on an earlier boat on a standby basis, but as it was a Sunday there was no standby offered. He said the traffic booth attendant gave his daughter the number of the reservation office to call to move her booking. Reservations informed her that there was no space available even though boats with space on them could be seen leaving port. Mr. Huss said it appeared there was a disconnect somewhere in that process; Ms. Fletcher said she would investigate the matter.
16. Mr. Huss asked for public comment, but none was offered.

Then, at approximately 10:07 a.m., upon a motion from Mr. Balco and a second from Mr. Lowell, the Port Council unanimously **voted** to adjourn their meeting.

A TRUE RECORD

Eric W. Shufelt, Secretary

Documents and Exhibits Used at the Port Council’s August 5, 2020 Meeting

1. Agenda for the Port Council’s August 5, 2020 Meeting, posted August 3, 2020.
2. Minutes of the Port Council’s July 1, 2020 Meeting in Public Session (draft dated August 3, 2020).
3. Chart, Advanced Reservation Activity by Month, All Routes as of July 26, 2020 and August 2, 2020.
4. Chart, Traffic Statistics Comparison, 2020-2019, Using a Seven-Day Moving Average.
5. Chart, Advanced Reservation Activity by Month Comparison, 2020 vs. 2019.
6. Chart, Percent of 2019 Credit Card Receipts by Date, Using Seven-Day Moving Average.
7. Chart, Daily Vehicle Reservation Activity Comparison, 2020 vs. 2019, May 1st to June 28, Using Seven-Day Moving Average.
8. Business Summary, June 2020 (draft).
9. PowerPoint presentation, *M/V Katama* Dry-Dock Project.
10. Unnumbered staff summary, 2021 Summer and Fall Operating Schedules for the Vineyard Route, dated July 30, 2020.
11. Report Issued Under Section 15A of the Authority’s Enabling Act on the Proposed 2021 Summer Operating Schedules of the Woods Hole, Martha’s Vineyard and Nantucket Steamship Authority (draft dated July 30, 2020).
12. Staff Summary #L-501, Amendments to the Authority’s Customer Handbook, dated July 30, 2020, with attachments.
13. Staff Summary #GM-746, Proposed Feasibility Study for Solar Panels at Thomas B. Landers Parking Lot, dated July 17, 2020, with attachments.
14. PowerPoint presentation by RSM US LLP, 2019 Audit, dated July 28, 2020.
15. Financial Statements and Required Supplemental Information, Years Ended December 31, 2019 and 2018.
16. Financial Statements and Required Supplemental Information, Years Ended December 31, 2019 and 2018, Uniform Guidance.