

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

The Meeting in Public Session
February 2, 2017

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 2nd day of February, 2017, beginning at 9:30 a.m., in the Falmouth Art Center, located at 137 Gifford Street, Falmouth, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County (who participated remotely by Skype); and Elizabeth H. Gladfelter of Falmouth.

Port Council member Robert S. C. Munier of Falmouth was also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/ Comptroller Robert B. Davis; Director of Information Technologies Mary T. H. Claffey; Director of Marketing Kimberlee J. McHugh; Director of Engineering and Maintenance Carl R. Walker; Woods Hole Terminal Manager Kevin Smith; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Mr. Hanover's Remote Participation in the Meeting:

Ms. Tierney announced that she had been notified by Mr. Hanover that he desired to participate remotely in this meeting because his geographic distance from Falmouth made his physical attendance today unreasonably difficult. Ms. Tierney stated that she agreed with Mr. Hanover and that, as the Authority's Chairman, she had determined that Mr. Hanover's physical attendance was unreasonably difficult due to his geographic distance from Falmouth and that, therefore, he may participate remotely in this meeting, which includes voting on all matters. Ms. Tierney noted that Mr. Hanover would be doing so by Skype, and that he would be clearly audible to the other Members and each of the other Members would be clearly audible to him. Finally, Ms. Tierney announced that, due to Mr. Hanover's remote participation in this meeting, all votes taken by the Members today would be by roll call vote.

Minutes:

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Jones -- to approve the minutes of the Members' meeting in public session on December 20, 2016.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for November 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 4.1%), more automobiles (up 5.6%) and more trucks (up 7.4%) during the month than it had carried during the same month in 2015. Mr. Lamson further reported that the Authority's net operating loss for the month had been around \$2,154,000, approximately \$165,000 lower than what had been projected, with operating revenues and other income \$880,000 higher than projected and the Authority's operating expenses, fixed charges and other expenses \$716,000 higher than projected, primarily due to higher dry-dock expenses relating to the *M/V Martha's Vineyard* and the *M/V Sankaty* and higher labor costs related to changing the watch arrangement on the *M/V Woods Hole* from a double crew to a triple crew for the entire month.

Mr. Lamson also reported that the Authority's net operating income for the first eleven months of 2016 had been \$14,048,000, around \$4,814,000 higher than expected, with operating revenues and other income having been \$5,098,000 higher than projected during that period and operating expenses and fixed charges \$284,000 higher than projected. Mr. Lamson noted that the extra vessel maintenance expenses that the Authority had incurred this year, including the dock repairs at the Nantucket terminal and the dry-docking expenses for the *M/V Governor* and the *M/V Sankaty*, had been offset with lower-

than-budgeted fuel oil prices and health care claims paid from the Authority's self-funded medical plan.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson then reported that the Authority's design team for the Woods Hole terminal reconstruction project was continuing to work on the design development documents for the marine work that will take place in phases over the next several years, starting in 2018. Mr. Lamson stated that the Authority expected to have all of the plans and specifications finalized later this year so that an invitation for bids for all of the marine work can be issued in September. Mr. Lamson also noted that the Authority will be issuing a separate invitation for bids this summer for the demolition of the existing terminal building, which will start next January.

Construction of the Authority's New General Offices:

Mr. Lamson reported that G&R Construction, Inc., the contractor for the Authority's new administrative office building in the Palmer Avenue parking lot, was finishing the building's underground electrical work and piping this week, and that it expected to finish the remaining foundation work next week, including pouring the concrete floor. Mr. Lamson also reported that the Authority had had a pre-mobilization meeting with the contractor's steel erector and steel supplier the previous week, and that the contractor planned to begin erecting the steel for the building later this month.

Mr. Lamson then gave a PowerPoint presentation showing the contractor pouring the footings and walls for the foundation, and laying the underground electrical work and piping. The presentation also included renderings of what the exterior of the building will look like, internal floor plans for each floor of the building, and drawings of what the interior will look like from different locations within the building.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Temporary Woods Hole Terminal Building:

Mr. Lamson reported that Triumph Modular, Inc. was planning to mobilize next week to begin the excavation and foundation work for the temporary Woods Hole terminal building, and that it still expects the building to be completed before the upcoming summer season. Mr. Lamson then gave a PowerPoint presentation showing the site plan for the area of the Woods Hole terminal where the temporary terminal building will be located, renderings of what the exterior of the building will look like, and the internal floor plan for the building.

In response to a question from Mr. Jones, Mr. Lamson stated that the new permanent terminal building will not have a conference room, although it will have a small training room. Mr. Lamson noted that the Authority had decided not to have a conference room in the new terminal building to address the Woods Hole community's concerns about the size of the new building. Mr. Jones then asked Mr. Lamson to see what could be done about including a conference room in the new terminal building. But Mr. Lamson noted that the Authority's new meeting room will be located in its new administrative offices at Palmer Avenue, where the Authority's senior management staff will also be working, and he observed that it is going to be a challenge for the staff to stay connected to the Authority's operations and customers from that location.

However, Ms. Gladfelter stated that it will be nice to have new restrooms at the Woods Hole terminal, observing that the restrooms in the current terminal building get a lot of use from people using the bike path and visiting Woods Hole. Mr. Lamson agreed, noting that there are no other public restrooms in Woods Hole village, which Ms. Gladfelter stated was the reason why all of the businesses in the village directed people to use the restrooms at the terminal.

Revised 2017 Late Summer and Fall Operating Schedules:

Mr. Lamson asked the Members to approve the staff's proposed revisions to the Authority's 2017 Late Summer and Fall Operating Schedule, as follows:

- Under the previously approved 2017 Late Summer Schedule for the Nantucket route, from September 19, 2017 through October 15, 2017, the *M/V Woods Hole* was scheduled to operate the second daily hazardous trip from Nantucket (leaving at 2:15 p.m.) on Mondays through Fridays. Instead, Mr. Lamson said, the staff was proposing to have the *M/V Gay Head* operate that second daily hazardous trip (leaving Nantucket at 1:30 p.m. on Mondays through Fridays) so that

the *M/V Woods Hole's* 2:15 p.m. trip will be available for vehicle reservations and passengers.

- Under the previously approved 2017 Fall Operating Schedules, beginning on October 16, 2017, only two vessels were scheduled to provide service on the Nantucket route, one large ferry (either the *M/V Eagle* or the *M/V Nantucket*) and one freight boat (the *M/V Gay Head*), both of which were scheduled to be triple-crewed. Mr. Lamson stated that, under the proposed revised schedules, from October 16, 2017 through October 27, 2017, the *M/V Sankaty* will be triple-crewed and operate the *M/V Gay Head's* 7-days-a-week schedule, while the *M/V Gay Head* will be single-crewed and provide two round trips per day on Mondays through Fridays during that period. Mr. Lamson noted that this will add a total of ten round trips per week (two additional round trips per day, Mondays through Fridays) on the Nantucket route during this period.
- Also under the approved 2017 Fall Operating Schedules, beginning October 16, 2017, only three vessels were scheduled to provide service on the Martha's Vineyard route, two large ferries (the *M/V Island Home* paired with either the *M/V Nantucket* or the *M/V Woods Hole*), both of which will be triple-crewed, and one freight boat (the *M/V Sankaty*) that was going to be double-crewed. Mr. Lamson stated that the staff was proposing to replace the *M/V Sankaty* on this route with the *M/V Katama* for the entire schedule and, from October 16, 2017 through October 27, 2017, to add the *M/V Woods Hole* to this route with a triple crew so that it can provide seven additional round trips per day. Further, Mr. Lamson said, after the *M/V Woods Hole* stops providing service on this route on October 28, 2017, the staff was proposing to continue triple-crewing the *M/V Katama* through December 5, 2017 and having the vessel berth overnight on the island during that time so that its first trip from Vineyard Haven will be at 5:30 a.m. As a result, the 5:30 a.m. freight trip from Woods Hole, which operated through December 7th this past year, will stop running for the season on October 27th in 2017.

In response to a question from Ms. Gladfelter, Mr. Lamson stated that trucks carrying products such as gasoline and propane are considered to be carrying hazardous cargo not only when they are full with those products traveling to the islands but also when they are returning empty from the islands. In response to a question from Mr. Hanover, Mr. Lamson stated that, although the *M/V Katama's* 5:30 a.m. freight trip from Vineyard Haven would not be on the published schedule, it would not be designated a hazardous trip and thus

would still be available for travel by passengers except in those instances where the vessel's draft exceeds the allowable depth for carrying more than sixteen passengers.

Mr. Lamson also reported that the Authority had received 35 comments from the public in response to the notices that had been placed about the proposed schedule changes in local newspapers, and he noted that all of those comments were from Falmouth residents and that 75% of them were similar in that they were opposed to any trips departing Woods Hole before 6:30 in the morning. But Mr. Lamson stated that the staff was of the opinion that delaying the first trip from Woods Hole to 6:30 a.m. would cause more detrimental impacts and changes to a greater number of stakeholders, including commuters, students, contractors, freight shippers and island residents who have become accustomed to the current ferry schedules.

In this regard, Mr. Lamson noted that there are 35 island residents who attend Falmouth Academy and take the 7:00 a.m. trip from Vineyard Haven on a daily basis. Mr. Lamson noted that, if the first trip from Woods Hole were delayed to 6:30 a.m., those residents would have to take the 6:00 a.m. trip from Vineyard Haven or get to the mainland later. Mr. Lamson observed that such a change to the schedule would have similar significant impacts on the lives and livelihoods of other regular ferry travelers, including commuters and children from the mainland who attend charter schools on Martha's Vineyard.

Mr. Munier then reported that, at their January 4, 2017 meeting, the Port Council had discussed the staff's proposed schedule changes at length and had recommended their approval. But Mr. Munier noted that the Port Council had voted to recommend the approval of the proposed changes before the Authority had received any comments from the public, and he could not say what the Port Council would recommend now in light of all of the comments that subsequently were received.

Ms. Gladfelter noted that she had attended the Port Council meeting where the proposed revised schedules had been discussed, and that she agreed with an observation that Mr. Munier had made at the time, namely, that these issues are not going to go away. Ms. Gladfelter also stated that she wanted to expand on Mr. Lamson's concern about the impact that delaying the first ferry trip from Woods Hole until 6:30 a.m. might have on island residents who commute to the mainland, including students who comprise 17% of Falmouth Academy's student body. In this regard, Ms. Gladfelter observed that traffic is not just an issue in Woods Hole but an issue throughout all of Falmouth, and that there would be other impacts if 20 to 30 trucks which now leave Woods Hole before 6:30 a.m. were to travel down Route 28 and through the hospital lights at the

same time as others are commuting and when school buses are on the road. Thus, Ms. Gladfelter observed, there are many stakeholders involved in this situation and all of their needs have to be balanced.

Nevertheless, Ms. Gladfelter declared that there was still a concern about the number of trucks traveling on Woods Hole Road, and she noted that the staff's preliminary report on the feasibility of providing freight ferry service between New Bedford and Martha's Vineyard mentioned a number of alternatives that might alleviate that problem. Accordingly, Ms. Gladfelter asked Mr. Lamson if the staff could update that report for the next Authority meeting, particularly with respect to the possibility of barging trash off the island. Ms. Gladfelter also asked Mr. Lamson whether he thought the Authority is going to have to take a proactive stand on this subject.

In response, Mr. Lamson stated that the staff would update that report for the next Authority meeting, and he recounted how the staff recently had had a meeting with Ralph Packer, the Oak Bluffs and Tisbury Town Administrators, Robert Whritenour and John (Jay) Grande, and Greg Carroll to discuss the possibility of baling those two towns' trash, which would allow the trash to be loaded and transported by barge to New Bedford, where it will then be trucked to a disposal site. In this regard, Mr. Lamson noted that Mr. Packer already has facilities in both Tisbury and New Bedford that can be used for this purpose, and that the trash would represent a backhauling opportunity for Mr. Packer because he already is barging freight from New Bedford to the island.

Mr. Lamson further stated that the Authority would have to take the lead on this initiative and that, while there had been a prior study of the economics of a trash barging operation, in his opinion it had included certain costs (such as the cost of buying a tug and a barge) that would not need to be incurred because of Mr. Packer's existing facilities and equipment. Mr. Lamson also stated that he hoped the other towns on the island would also be willing to discuss this alternative for transporting their trash off-island.

Mr. Sayers cautioned, however, that barging trash off-island might not reduce the number of trucks on Woods Hole, as many of the trucks that are currently taking trash off of the island are carrying freight back to the island on their return trips, and those trucks might continue to make those round trips in order to carry freight to the islands. But Ms. Gladfelter observed that such a scenario would still represent an improvement from the current situation, as many of the complaints she receives are about the trash trucks going off-island in the early morning due to the fact that they are very heavy and make a lot of noise going up Woods Hole Road.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to approve the revised 2017 Late Summer and Fall Operating Schedules recommended by management in Staff Summary #TPF-2017-2, dated January 25, 2017.

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

Resolution Authorizing the Sale of Steamship Bonds:

Mr. Davis then recounted how, at their last meeting, the Members had approved a Bond Resolution authorizing him to issue and sell up to \$12,685,000 of Steamship Bonds on a competitive basis. Since then, Mr. Davis said, the staff has been preparing the necessary documents, including a Preliminary Official Statement (POS) and a Notice of Sale (NOS) with the assistance of the Authority's fiscal advisor, Clark Rowell, and bond counsel, Claudia Matzko.

Mr. Davis noted that the original schedule called for the POS and NOS to be distributed by the end of January 2017 and the sale to take place on Monday, February 13, 2017. However, Mr. Davis stated that the Authority since has been notified that the Commonwealth of Massachusetts' information statement will not be available until the end of February 2017. Accordingly, Mr. Davis informed the Members that the current schedule calls for the POS and NOS to be issued on March 2, 2017, and for the sale of the bonds to take place on Monday, March 13, 2017, and he expressed his hope that the delay will not adversely affect the interest rates that the Authority will pay on the bonds.

Sales of Fast Ferry Ticket Books and Other Promotions in 2016:

Mr. Davis then reported that, in 2016, the Authority had sold 9,636 ticket books for the *M/V Iyanough*, a 21.2% increase in the number of fast ferry ticket books that were sold in 2015, and that 4,456 of those ticket books had been sold during the 15-day promotional sale the Authority had during the first two weeks of April 2016. Mr. Davis also reported that electronic ticket books now account for 97% of all of the Authority's fast ferry ticket book sales.

Mr. Davis further reported that, in 2016, the Authority also saw increased sales for certain of its other "Ways to Save" promotions, including a 6.8% increase in its fast ferry 1-day round trip tickets originating in Hyannis, and a 8.1% increase in its fast ferry 1-day round trip tickets originating on Nantucket. On the other hand, Mr. Davis noted that, in 2016, the Authority had sold fewer 1-3 day combo tickets (down 2.2%), fast ferry upgrade tickets (down 8.3%), and SuperSaver vehicle tickets (down 8.0%) on the Nantucket route than it had sold in 2015. But Mr. Davis reported that the Authority had sold 9% more gift cards in 2016 than it did in 2015.

Mid-Life Overhaul Services for the M/V Martha's Vineyard:

Mr. Lamson then asked the Members to award Contract No. 15-2016 for the Mid-Life Overhaul of the *M/V Martha's Vineyard* to Senesco Marine, LLC, of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$16,967,150. Mr. Lamson noted that the Authority had received three bids for the contract, and that each of the two other bids had been higher than \$18,000,000.

Mr. Lamson also noted that the amount of the lowest bid was higher than the Authority's budget estimate for the contract, but he stated that part of the difference was due to the fact that the contract also includes the cost of the vessel's routine dry-docking, which will be an operating expense and not included in the budget estimate that was prepared for the capital budget. In addition, Mr. Lamson said, a number of items had been added to the contract's scope of work after the invitation for bids had been issued.

Mr. Walker apologized for the difference between the budget estimate for the contract and the amount of the lowest bid, which he noted was almost \$3,000,000 and only approximately \$1,000,000 of that difference reflected costs that will be normal operating expenses. Mr. Walker stated that some of the items

that were added to the contract's scope of work after the invitation for bids had been issued were discovered during ship checks of the vessel, while other items simply had not been included in the budget estimate. However, Mr. Walker declared that he thought everything that is included in the project is necessary, such as the upgrades to stainless steel and copper piping to reduce future maintenance expenses, and that, after the project is completed, it will be a good boat that will last 25 more years.

At Ms. Tierney's request, Mr. Walker introduced Captain Edward Jackson of Marine Systems Corporation and noted that Captain Jackson had been the Authority's consultant for the construction of the *M/V Woods Hole* and, prior to that, had worked for the Authority for many years, having been involved in the original construction of the *M/V Martha's Vineyard* and the mid-life refurbishment of the *M/V Nantucket*. Mr. Walker stated that the Authority also planned on having Captain Jackson be the Project Manager for this project.

Finally, in response to a question from Mr. Jones, Mr. Walker stated that all three bidders submitted bids for the same scope of work, and that all of the additional items had been added to the contract prior to the opening of bids through the issuance of addenda to the invitation for bids.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Jones -- to award Contract No. 15-2016 for Mid-Life Overhaul Services of the *M/V Martha's Vineyard* to the lowest eligible and responsible bidder for the contract, Senesco Marine, LLC of North Kingstown, Rhode Island, for a Total Contract Price of \$16,967,150, as recommended by management in Staff Summary #E 2017-1, dated January 20, 2017.

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

Port Council's Report:

Mr. Munier reported that, at their meeting last month, the Port Council had discussed everything that had been considered by the Members that day, as well as a report by the staff on the status of the remaining punch list items that have to be completed in order to close out the construction contract with Conrad Shipyard. Mr. Munier noted that the number of punch list items had been reduced to five, and that the most significant remaining item was the HVAC system. Mr. Munier also reported that the staff was studying what ballast the vessel should be carrying in various load and sea conditions, and that Elliott Bay Design Group had been asked to study how the vessel will perform at certain speeds in various wave height conditions.

Mr. Walker stated that Port Captain Charles G. Gifford had been working with the vessel's Captains in their efforts to adjust the ballast in order to get a more even trim, and that the different amounts of ballast had not adversely affected the vessel's operation. However, Mr. Walker stated that the goal was to be able to load cargo evenly on the vessel and know what its draft will be under different load conditions.

Mr. Walker also stated that Elliott Bay was still developing different models of the vessel at different speeds in four-foot wave height sea conditions with some waves approaching up to eight feet, and that this modeling was for navigation in deeper water. In this regard, Mr. Lamson stated that the *M/V Woods Hole* is like all of the Authority's other ferries in shallow water, particularly on the Nantucket route, when they all begin to experience vibration at higher speeds and have to slow down. In response to a question from Mr. Jones, Mr. Lamson stated that the Authority's ferries have to slow down in water that is 20 feet deep, leaving only on nine or ten feet of water underneath the keel. In addition, Mr. Walker noted that it takes twice the horsepower to increase a vessel's speed in shallow water from 12 knots to 12.5 knots, which results in the Authority spending more money on fuel. By contrast, Mr. Walker said, the *M/V Woods Hole* can sail at 16 knots in deep water and, during its sea trials, it even sailed at 16.6 knots.

Mr. Munier then reported that, at their last meeting, the Port Council had received another report from the staff regarding the status of the upgrade to the Authority's point-of-sale ticketing system, that the system's new hardware was expected to be delivered by the end of February, and that the upgrade expected to be operational by March.

Process for the Selection of the
Authority's Next Treasurer/Comptroller:

Mr. Lamson reported that the job description for the position of Treasurer/Comptroller had been updated and advertised both internally and in local and regional newspapers, and that the Authority already had received more than 40 applications. Mr. Lamson stated that all of the applications had been screened and that the initial round of interviews had begun. Accordingly, Mr. Lamson said, he felt confident that he and Mr. Davis will be able to put forth a qualified candidate for the Members' consideration at the next meeting.

Christmas in Edgartown:

Mr. Hanover stated that he had been asked by the Edgartown Board of Trade if the Authority would be willing to issue a license to Hy-Line so that it could provide passenger ferry service between Hyannis and Edgartown for the Board of Trades' *Christmas in Edgartown* event on December 8th and 9th, and he asked the staff if they could report back about the request at the Members' next meeting. In response, Mr. Lamson stated that Hy-Line had not contacted him about this subject, but that he would contact Hy-Line to find out about it.

Then, at approximately 10:31 a.m., Ms. Tierney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to collective bargaining matters and anticipated and pending litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating, bargaining and litigating positions. After Ms. Tierney announced that these matters included:

- the potential new lease and an agreement of first refusal with Woodland Trust and G&B Realty Trust for the property located at 1251 Route 28A in Cataumet;
- the collective bargaining negotiations for new agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's security employees and licensed deck officers;
- the administrative appeal by thirteen Falmouth residents requesting an adjudicatory hearing on the Authority's DEP Waterways Application No. W16-4601 for the Woods Hole terminal reconstruction project; and

- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis;

she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Tierney announced that the Members would reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to collective bargaining matters and anticipated and pending litigation matters.

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

At approximately 11:44 a.m., the Members reconvened their meeting in public session. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County (who participated remotely by Skype); and Elizabeth H. Gladfelter of Falmouth. The following members of management were also present: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Operations Manager Mark K. Rozum; Director of Information Technologies Mary T. H. Claffey; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Ratification of Tentative Collective Bargaining Agreements:

Mr. Lamson announced that, at their previous meeting in executive session on December 20, 2016, the Members had voted to ratify a tentative new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's parking attendants and bus drivers, and that he recently has been informed that the employees in the bargaining unit have since ratified the agreement as well. Mr. Lamson then asked the Members to ratify a tentative new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's licensed deck officers, and he stated that the agreement already had been ratified by the employees in the bargaining unit the previous day.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to authorize the General Manager and Director of Human Resources to:

- 1. execute the tentative new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's Licensed Deck Officers; and**
- 2. take all necessary and appropriate actions to implement and fulfill the Authority's obligations under the new agreement;**

as recommended by management in Staff Summary #HR-17-53, dated January 6, 2017.

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

Then, at approximately 11:47 a.m., Ms. Tierney stated that she would entertain a motion to adjourn the meeting.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to adjourn the meeting.

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

A TRUE RECORD

ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the
February 2, 2017 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. February 2, 2017 Meeting Memorandum (revised), dated January 27, 2017.
2. Minutes of the December 20, 2016 Meeting in Public Session (draft).
3. Business Summary for the Month of November 2016.
4. PowerPoint Presentation on the Authority's New Administrative Office Building.
5. PowerPoint Presentation on the Temporary Woods Hole Terminal Building.
6. Staff Summary #TPF-2017-02, dated January 25, 2017 – Proposed Revised 2017 Martha's Vineyard Spring Operating Schedule.
7. Staff Summary #E 2017-1, dated January 20, 2019 – “Mid-Life Overhaul Services of the *M/V Martha's Vineyard*” Contract No. 15-2016.
8. Minutes of the Port Council's January 4, 2017 Meeting (draft).
9. Statement to be Read Prior to Going into Executive Session.
10. Staff Summary #HR-17-53, dated January 6, 2017 – Tentative Collective Bargaining Agreement with Teamsters Union Local No. 59 Representing Licensed Deck Officers.

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

**The Meeting in Public Session
February 21, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of February, 2017, beginning at 9:30 a.m., on the second floor of the Sea Education Association, located at 171 Woods Hole Road, Falmouth, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury was also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Information Technologies Mary T. H. Claffey; Director of Engineering and Maintenance Carl R. Walker; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Minutes:

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meeting in public session on February 2, 2017.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for December 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried fewer passengers (down 1.5%), fewer automobiles (down 0.1%) and more trucks (up 2.3%) during the month than it had carried during the same month in 2015. Mr. Lamson further reported that the Authority's net operating loss for the month had been around \$4,093,000, approximately \$1,270,000 higher than what had been projected, with operating revenues and other income \$562,000 higher than projected and operating expenses, fixed charges and other expenses \$1,832,000 higher than projected, primarily due to a \$981,000 increase in various vessel and terminal maintenance expenses, a \$489,000 increase in pension expenses, and a \$242,000 increase in health care expenses.

Mr. Lamson also reported that, for the entire 2016 calendar year, the Authority had carried 3.4% more passengers, 3.7% more automobiles and 5.3% more trucks than it had carried in 2015, and that its net operating income had been \$9,955,000, around \$3,544,000 higher than expected, with operating revenues and other income \$5,660,000 higher than projected and operating expenses and fixed charges \$2,116,000 higher than projected. Mr. Lamson noted that the extra vessel maintenance expenses the Authority had incurred last year (primarily the *M/V Governor* and the *M/V Sankaty* dry-docking costs) had been partially offset by lower-than-budgeted fuel oil prices.

Finally, Mr. Lamson reported that the allocation of revenues and cost of service by route for 2016 could not have ended up any closer to the Authority's projections, with the Martha's Vineyard route accounting for 55.9% of the Authority's total operating revenues and non-service income and 56% of its total cost of service, and the Nantucket route accounting for 44.1% of the Authority's

total operating revenues and non-service income and 44% of its total cost of service.

Mr. Hanover observed that the Authority had reaped the benefits of fuel prices that were substantially lower than the prices that had been projected in last year's operating budget, and he asked whether the Authority has already hedged its fuel prices for 2017 and, if so, at what price. In response, Mr. Davis stated that the Authority's fuel prices already were hedged through all of 2017 as well as some of the first quarter of 2018, and that the hedged price was somewhere around \$2.10 per gallon. Mr. Davis also stated that, based upon forecasts that oil would cost around \$50 per barrel in 2017, the Authority had projected fuel prices to be lower for the purposes of the 2017 operating budget than it had for the 2016 operating budget.

Construction of the Authority's New General Offices:

Mr. Lamson reported that G&R Construction, Inc., the contractor for the construction of the Authority's administrative office building in the Palmer Avenue parking lot, had essentially finished the building's foundation but had decided to wait until next month to pour the basement floor slab until some other work is completed. Mr. Lamson also reported that steel should be arriving to the work site this week and that G&R will begin erecting it before the end of the month. Further, Mr. Lamson said, G&R was moving along with the procurement of critical materials that have long lead times, and the building was still on schedule to be ready for occupancy by the end of the year.

Temporary Woods Hole Terminal Building:

Mr. Lamson then reported that Triumph Modular, Inc., the contractor for the temporary Woods Hole terminal building, had fenced off the work area, was planning to start excavation work this week, and still expected to finish the building by early this summer. Mr. Lamson also stated that, even though the building may be finished well before it is needed, he was still planning to have the Authority continue using the facilities in the existing terminal building through the end of the year.

In response to a question from Mr. Hanover, Mr. Lamson stated that Triumph's fencing would be removed after it completed the construction of the temporary terminal building, but that he did not know whether the Authority

will then have to fence off the building while it is not being used. Mr. Lamson also stated that, while the layout for the reconstructed terminal site does not include any areas for accessible parking spaces, he did not know whether there will be any room for accessible spaces on the site during the project's construction. In this regard, Mr. Lamson noted that the marine contractor will also need space at the site for its construction trailer.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson then reported that the Authority's design team for the Woods Hole terminal reconstruction project was continuing to work on the design development documents for the marine work that will take place in phases over the next several years, starting in 2018. Mr. Lamson also stated that the design team expects to have the plans and specifications finalized later this year so that an invitation for bids for all of the marine work can be issued by mid-September and the marine contract awarded at the Authority's November 2017 meeting. In addition, Mr. Lamson reported that the Authority will be issuing a separate invitation for bids at the beginning of August for the demolition of the existing terminal building, that the demolition contract was expected to be awarded at the Authority's September meeting, and that the demolition work will then start next January.

Point-of-Sale Ticketing System Upgrade:

Mr. Lamson then reported that the Authority's in-house programmers were in the final development and testing stage for the upgrade of the Authority's point-of-sale ticketing system, and that the staff expects all of the Authority's ticket sellers to be trained on the new system over the next several weeks. In addition, Mr. Lamson said, the staff already has started to receive positive feedback from those ticket sellers who have been putting the front end of the new system through some extensive testing.

Mr. Lamson further reported that the Authority's maintenance employees have started to work on the installation of the conduits for the power and communication connections that will be needed at each terminal so that the scanning equipment can be used at the passenger boarding ramps, gangways, and transfer bridges, where both passenger and vehicle tickets will be scanned. Mr. Lamson also stated that SkiData was scheduled to be on-site during the week of March 20th to work on the actual integration between the access control

readers, the servers that are being installed at each terminal, and the Authority's various ticketing systems. Mr. Lamson noted that the new access control readers will have the ability to read bar codes on passenger tickets that are sold online, through the Authority's mobile site, and from the new point-of-sale ticketing system to determine whether they are valid tickets that have not already been used.

Finally, Mr. Lamson reported that the staff was still working to have the upgraded system installed and operational at the Hyannis and Nantucket terminals before the *M/V Iyanough* resumes service on April 1, 2017, and at the Woods Hole, Vineyard Haven and Oak Bluffs terminals before the beginning of the summer schedule in mid-May. In response to a question from Mr. Hanover, Mr. Rozum stated that customers who now use commuter ticket books will instead have hard plastic cards, and that they will be able to present either those cards or their smart phones to be scanned. Mr. Rozum stated that regular passengers also will be able to present either cards or their smart phones, and they would have the additional option of presenting paper tickets. Mr. Rozum also stated that the staff was planning to have a period at the end of each month when commuters will be able to reload their commuter cards for the following month, and that the information will then be able to be scanned from either their cards or smart phones.

Christmas in Edgartown:

Mr. Lamson recounted how, at the last Authority meeting, Mr. Hanover had mentioned that he had been asked by the Edgartown Board of Trade if the Authority would be willing to issue a license to Hy-Line so that it could provide passenger ferry service between Hyannis and Edgartown for the Board of Trades' *Christmas in Edgartown* event on December 8th and 9th. Mr. Lamson stated that he had then contacted Hy-Line Vice President R. Murray Scudder, Jr., who informed him that Hy-Line was starting to look into this possibility and was planning to have one of its vessels stop at Edgartown on its way to Hyannis from the shipyard to see how it would fit at the Town's dock. Although Mr. Lamson noted that, at this point, he had no further information about this matter, he stated that he felt certain that something would be able to be worked out.

Hy-Line's Director of Public Affairs and Business Development, Marty Reilly, stated that Hy-Line was very excited about the possibility of providing ferry service from Hyannis for the *Christmas in Edgartown* event, that both Murray Scudder and Phillip Scudder had been working on this matter, and that Hy-Line was attempting to determine which of the vessels that it has available

will be the most suitable one for docking at Edgartown. Accordingly, Mr. Reilly stated that Hy-Line expected to bring a definitive proposal to the Authority for its consideration within the next few months, and that Hy-Line most likely would request a license to provide two trips per day between Hyannis and Edgartown on the Friday, Saturday and Sunday of the event.

The Members expressed their support for such a request from Hy-Line to provide ferry service for the event, and Ms. Tierney asked the staff to also contact SeaStreak to see if it similarly would be interested in providing ferry service between New Bedford and Edgartown for the event.

Later in the meeting, Mr. Jones asked Edgartown Board of Trade President Sydney Mullen and Board member Elizabeth Rothwell if they could provide some more information about the event. In response, Ms. Rothwell stated that the idea came from Nantucket's *Christmas Stroll*, where ferries are able to dock right in town for the event, and the Edgartown Board of Trade wanted to help travelers similarly experience the *Christmas in Edgartown* event by being able to take a ferry directly to Edgartown. After Mr. Jones wished them good luck with the event, Mmes. Mullen and Rothwell assured Ms. Gladfelter that Edgartown will welcome everyone who travels on the Authority's ferries that weekend as well. Mr. Hanover then noted that, in prior years, the event has resulted in more business that weekend for the entire island. Mmes. Mullen and Rothwell agreed, and stated that the Edgartown Board of Trade was also encouraging businesses outside of Edgartown to promote the event's activities.

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

Mr. Lamson then asked the Members to approve a marketing promotion for the *M/V Iyanough* this year when it returns to service on April 1st by offering a 20% discount on the sale of the Authority's electronic high-speed passenger ticket books from Monday, March 20th, through Monday, April 3rd. Mr. Lamson noted that, for the past five years, the Authority has offered a 20% discount on the sale of high-speed passenger ticket books for a short period of time prior to the *M/V Iyanough's* resumption of service each year. Mr. Lamson also noted that the promotion has become more popular every year and that, in 2016, more than 46% of all high-speed passenger ferry ticket books had been sold during this promotional period. Finally, Mr. Lamson stated that, at their meeting earlier this month, the Port Council had voted to recommend that the Members vote to approve the promotion.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to approve a 20% discount on the price of all electronic passenger ticket books for the high-speed ferry during the period from March 20, 2017 through April 3, 2017, as recommended by management in Staff Summary #A-603, dated February 10, 2017.

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

Resolution Authorizing the Sale of Steamship Bonds:

Mr. Davis then recounted how, at their meeting on December 20, 2016, the Members had approved a Bond Resolution authorizing him to issue and sell up to \$12,685,000 of Steamship Bonds on a competitive basis not later than February 23, 2017. Mr. Davis stated that, at that time, the schedule had called for the Authority's Preliminary Official Statement (POS) and Notice of Sale (NOS) to be distributed by the end of January 2017 and for the sale to take place on February 13, 2017. But Mr. Davis noted that the POS is required to include the Commonwealth of Massachusetts' continuing disclosure agreement, as well as a current Information Statement certified by the Commonwealth's Treasurer and Receiver-General, and that they had not been issued until last week. Therefore, Mr. Davis said, the POS and NOS are now scheduled to be distributed on March 2nd, and the date for the sale of the bonds is now scheduled for March 13th. As a result, he asked the Members to readopt the Bond Resolution to authorize him to issue and sell the bonds on a competitive basis not later than June 30, 2017, saying that he was asking for the additional time beyond March 13th just to be safe.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to extend the time within which the Treasurer/Comptroller is authorized to issue and sell on a competitive basis up to \$12,685,000 of Steamship Bonds pursuant to the Bond Resolution adopted on December 20, 2016 from February 23, 2017 to not later than June 30, 2017, as recommended by management in Staff Summary #A-605, dated February 15, 2017.

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

Investment Policy:

Mr. Davis asked the Members to reauthorize the Authority's Investment Policy, which formally establishes the types of permitted investments that can be made with Authority funds. Mr. Davis advised the Members that the proposed policy, which must be formally adopted every two years in accordance with state regulations, is essentially the same as the policy that the Members previously approved in January 2015, and that it establishes the framework for the Authority's investments (fiscally conservative), identifies the types of permitted investments (government securities and the Massachusetts Municipal Depository Trust), and identifies risk avoidance. Mr. Davis also noted that, at their meeting earlier this month, the Port Council had voted to recommend that the Members adopt the Investment Policy as proposed.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Jones -- to reauthorize the Authority's Investment Policy in the form attached to Staff Summary #A-604, dated February 10, 2017.

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

On-Site Representation Support Services for the
M/V Martha's Vineyard Mid-Life Refurbishment Project:

Mr. Lamson then asked the Members for authorization to enter into an agreement with Marine Systems Corporation (MSC) pursuant to which the Authority would pay MSC to have Captain Edward Jackson be the Authority's on-site Owner's representative for the *M/V Martha's Vineyard* mid-life refurbishment project. Mr. Lamson stated that, based upon the projected number of hours that will be needed for Captain Jackson to perform the anticipated support services, the staff expects that the cost of this contract will be around \$135,000. Mr. Lamson noted that, under the Authority's Procurement Policy, the contract requires the Members' approval because the estimated amount is greater than \$100,000. In response to a question from Mr. Jones, Mr. Lamson stated that the payments will be made to MSC, Captain Jackson's employer, and not to Captain Jackson directly.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to enter into a contract with Marine Systems Corporation for on-site representation support services for the mid-life refurbishment of the *M/V Martha's Vineyard*, in substantially the form attached to Staff Summary #E 2017-2, dated February 15, 2017, and as recommended by management in that staff summary.

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

Waste Management and/or Transportation Logistics Consultant:

Mr. Lamson then asked the Members for authorization to procure the services of a waste management and/or transportation logistics consultant to evaluate the feasibility of transporting municipal solid waste (MSW) from the island of Martha's Vineyard by barge. Mr. Lamson recounted how, over the past few months, the staff has had meetings with representatives from the Towns of Oak Bluffs and Tisbury and Ralph Packer, owner of Tisbury Towing and Transportation Inc. and R.M. Packer Co., Inc., to discuss the logistics and possible timing of barging the Towns' MSW to the mainland. Mr. Lamson stated that, although previous feasibility studies conducted for the Towns have concluded that barging MSW would not be cost effective, he believes that those studies did not take into account the fact that Mr. Packer already is barging bulk freight from New Bedford to Martha's Vineyard and has facilities at both locations. Therefore, Mr. Lamson said, barging MSW off-island to New Bedford will represent a backhauling opportunity for Mr. Packer, which he should be able to provide at a lower cost. Mr. Lamson stated that, if the Members were to authorize him to retain a consultant for this purpose, the consultant will be asked to evaluate the logistics and economics of such a backhauling barge operation to help the Authority determine whether there is a more cost effective way to transport MSW off-island than carrying it by truck on board the Authority's ferries.

Mr. Jones observed that, if Mr. Packer were to start barging MSW from Martha's Vineyard, there would be fewer trucks on the Authority's ferries, which would have an impact on both the Authority's revenues and the truckers who are no longer transporting MSW. Accordingly, Mr. Jones said, the staff should make certain that the consultant also study and quantify all of these potential impacts of a MSW barging operation, as they could be substantial.

Mr. Lamson agreed, and stated that the consultant will be asked to detail what it currently costs to transport MSW off-island by truck, and that those costs will include how much is paid to the Authority. Mr. Lamson also noted that the comparable costs of a barging operation will include the cost of baling the MSW, as well as the costs incurred at the transfer station, barging the MSW to New Bedford, and then unloading the MSW onto trucks to the final disposal site. In response to a question from Mr. Jones, Mr. Lamson stated that baling the MSW would result in it being shrink wrapped.

Mr. Balco then reported that the Authority had a good meeting with all of the various players in this matter, and that some aspects of the barging operation had not been correctly assumed in the previous feasibility studies. Mr. Balco also stated that a barging operation could be beneficial to everyone, observing that Mr. Packer ships a lot of bulk freight from New Bedford and backhauling MSW would improve the economics of those transportation costs. Mr. Balco also noted that baling and wrapping the MSW will cut back on the amount of space it takes and will also eliminate any odor so that the bales will be able to be stored for a period of time. As a result, Mr. Balco said, it may be necessary to barge MSW off-island only a few times per month even during the summer.

Mr. Balco stated that, for all of these reasons, he agreed with the staff that the idea of barging MSW off-island has a lot of potential and would be beneficial from an economic point of view. Mr. Balco also noted that the trucks which will no longer be carrying MSW off-island will probably be used in other ways and that the Authority similarly will find other customers to fill up their spaces on the ferries, resulting in a “win-win” situation all around.

In response to a question from Mr. Jones, Mr. Balco stated that the barging operation would be only for MSW and that it would not include recyclables. In addition, Mr. Balco said, initially only the MSW of the Towns of Tisbury and Oak Bluffs would be barged off-island, although he hoped that all of the other towns on Martha’s Vineyard would eventually join them. Mr. Hanover then observed that one huge benefit of such a barging operation would be getting the trash trucks off of Falmouth roads.

In response to a question from Ms. Tierney, Mr. Balco stated that the Authority had not yet had any discussions about this subject with the City of New Bedford, and that the disposal site for the Towns’ MSW is the Crapo Hill Landfill, which is owned and operated by the Greater New Bedford Regional Refuse Management District. Mr. Hanover also noted that the two Towns already have a contract with that District for the disposal of their MSW.

Also in response to a question from Ms. Tierney, Mr. Lamson stated that the cost of a consultant should be well under \$100,000. Mr. Lamson also stated that the staff had not yet had any discussion with the City of New Bedford about this subject, as they were waiting until they have more information. However, Mr. Lamson noted that this barging operation would not result in the unloading of any trash trucks onto the New Bedford State Pier, as Mr. Packer has his own facilities farther north in New Bedford harbor where the MSW would be unloaded and then trucked to the final disposal site.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to procure the services of a waste management and/or transportation logistics consultant to evaluate the feasibility of transporting municipal solid waste from the island of Martha's Vineyard by barge, as recommended by management in Staff Summary #GM-681, dated February 15, 2017.

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

Port Council's Report:

Mr. Balco reported that, at their meeting last month, the Port Council had welcomed its new member from the Town of Barnstable, Eric W. Shufelt, and that while they will miss having Mr. Jones on the Port Council, they are very happy to have someone to replace him who is so well qualified for the position. Mr. Balco also reported that the Port Council had reviewed the status of the remaining punch list items for the *M/V Woods Hole* and noted that its recent assignment to the Nantucket route would help provide the Authority with a long-term understanding of its capabilities. Otherwise, Mr. Balco said, the Port Council had discussed everything that had been considered by the Members that day, including the upgrade to the Authority's point-of-sale ticketing system, the reauthorization of the Authority's Investment Policy, and the economics of barging municipal solid waste from the island of Martha's Vineyard.

In response to a question from Mr. Hanover regarding the ability of the *M/V Woods Hole* to operate in shallow water and in different kinds of weather conditions, Mr. Lamson stated that the vessel is able to operate in any weather in which any of the Authority's other vessels are capable of operating. However, Mr. Lamson noted that, before the *M/V Woods Hole* was assigned to the Nantucket route, the staff had hoped to receive information from Elliott Bay Design Group about how the vessel can be expected to perform at certain speeds in various wave height conditions. Unfortunately, Mr. Lamson said, the modeling needed to provide that information takes weeks to complete, so the staff was still following up with Elliott Bay to obtain that information.

Mr. Lamson also acknowledged that the vessel does start to squat and vibrate when it operates at higher speeds in shallow water (when there is less than ten feet of water under its keel), but he noted that the Captains know that when the vessel is sailing in certain areas on its route, it cannot go faster than 12 knots, just as the Authority's other vessels cannot go faster than 12 knots in those areas. Mr. Lamson also noted that the *M/V Woods Hole* does not have to go faster than 12 knots in order to maintain its schedule.

Ms. Gladfelter also observed that, even if the *M/V Woods Hole* were able to increase its speed in shallow water, the vessel's fuel consumption would increase substantially, and she noted that the Captains should be able to compensate for this limitation on the vessel's speed in shallow water by planning their route accordingly. Mr. Walker then stated that one of the things the staff discovered about the vessel when it was on the Nantucket route is that, in certain wave conditions, the vessel was taking more water over the bow and had more leaks in the bow door. As a result, Mr. Walker said, all of those areas were sealed to make them watertight to everyone's satisfaction. Ms. Gladfelter noted that the *M/V Woods Hole*'s situation is far better than having a vessel without a bow door, as a recent video that was taken on a Washington State ferry shows.

Then, at approximately 10:17 a.m., Ms. Tierney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and litigating positions. After Ms. Tierney announced that these matters included:

- the potential acquisition of additional property in Hyannis, Massachusetts;

- the administrative appeal by thirteen Falmouth residents requesting an adjudicatory hearing on the issuance of a draft waterways license by the Department of Environmental Protection for the Woods Hole terminal reconstruction project; and
- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis;

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

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters.

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

A TRUE RECORD

ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the
February 21, 2017 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. February 21, 2017 Meeting Memorandum, dated February 16, 2017.
2. Minutes of the February 2, 2017 Meeting in Public Session (draft).
3. Business Summary for the Month of December 2016.
4. Staff Summary #A-603, dated February 10, 2017 – Approval of Pre-Season Promotion for High-Speed Passenger Ticket Books.
5. Staff Summary #A-605, dated February 15, 2017 – Resolution Authorizing the Sale of Steamship Bonds.
6. Staff Summary #A-604, dated February 10, 2017 – Reauthorization of the Steamship Authority's Investment Policy.
7. Staff Summary #E 2017-2, dated February 15, 2017 – On-site Representation Support for the *M/V Martha's Vineyard* Mid-Life Project.
8. Staff Summary #GM-681, dated February 15, 2017 – Authorization to Procure the Services of a Waste Management Transportation Logistics Consultant.
9. Minutes of the Port Council's February 8, 2017 Meeting (draft).
10. Statement to be Read Prior to Going into Executive Session.

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

The Meeting in Public Session

March 21, 2017

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of March, 2017, beginning at 9:30 a.m., in the auditorium of the Woods Hole Research Center, located at 149 Woods Hole Road, Falmouth, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury and Port Council member Eric W. Shufelt of Barnstable were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/ Comptroller Robert B. Davis; Director of Information Technologies Mary T. H. Claffey; Director of Engineering and Maintenance Carl R. Walker; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that Steven Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Recognition of Public Officials:

Ms. Tierney recognized Falmouth Town Manager Julian M. Suso and Dukes County Commissioner Leon Brathwaite in the audience and thanked them for attending today's meeting.

Barnstable Port Council Member Eric W. Shufelt:

Mr. Jones introduced Eric W. Shufelt, who recently had been appointed to be the Town of Barnstable's member on the Port Council. Mr. Jones noted that Mr. Shufelt has worked his entire career on the water, and had been the Dock Master in the Barnstable's Harbor Master's office in charge of four marina enterprise accounts.

Woods Hole Research Center:

Ms. Gladfelter observed that the Members were meeting at the Woods Hole Research Center that day, which she noted is one of the top think tanks in the world on climate change issues, and she then introduced its Executive Director, Philip B. Duffy, and Scientist Emeritus Thomas A. Stone.

Mr. Stone welcomed the Members to the Woods Hole Research Center, which he stated had been founded in 1985 as a spinoff of the Marine Biological Laboratory and is primarily an ecological organization on terrestrial ecology with 60 staff members. Dr. Duffy then informed the audience of some of the Research Center's work, which he stated involved developing science-based solutions to climate change. Dr. Duffy observed that the Research Center is a scholar-based organization whose goal is to have an impact on controlling the effects of climate change and that much of the Research Center's international work is in the developing world, such as its efforts to control deforestation, which is one of the important drivers of climate change. In this regard, Dr. Duffy noted that people can use land management techniques, including reforestation, to reduce carbon dioxide from the atmosphere. Dr. Duffy also stated that the Research Center was also working in the arctic on issues relating to permafrost, as the potential release of greenhouse gases from permafrost as it thaws and decomposes will constitute a major contributor to climate change in the future.

Minutes:

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meeting in public session on February 21, 2017.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for January 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 0.6%), more automobiles (up 2.7%) and more trucks (up 7.4%) during the month than it had carried during the same month in 2016. Mr. Lamson further reported that the Authority's net operating loss for the month had been around \$2,806,000, approximately \$2,786,000 lower than what had been projected, with operating revenues and other income \$194,000 higher than projected and operating expenses, fixed charges and other expenses \$2,592,000 lower than projected, primarily due to timing differences with some of the maintenance expenses for the month and the cost of the contract for the *M/V Katama's* dry-docking coming in lower than expected.

Mr. Lamson also reported that the average cost of the Authority's vessel fuel oil in January 2017 had been \$1.96 per gallon, including the Authority's net hedging cost, compared to the budget projection of \$2.05 per gallon. Mr. Lamson advised the Members that the Authority's hedged fuel prices for the remainder of the calendar year were very close to its budgeted prices and that, as a result, the Authority does not have much financial exposure if fuel prices were to increase unexpectedly.

Ms. Gladfelter noted that the Authority's revenue from terminal operations had been ten percent lower than projected in January 2017, and asked if there was a reason for that deficit. In response, Mr. Davis stated that the revenue primarily consists of reservation cancellation penalties, fees from driver services and redemption fees, which vary from month to month and therefore cannot be predicted with one hundred percent accuracy for any particular month.

Construction of the Authority's New General Offices:

Mr. Lamson reported that G&R Construction, Inc., the contractor for the construction of the Authority's administrative office building in the Palmer Avenue parking lot, had finished the building's foundation and erected its steel framing. Mr. Lamson also noted that the contractor had not experienced any major surprises or setbacks during the excavation for the foundation and the underground utility work, and that, as a result, the construction was proceeding pretty much on schedule. Mr. Lamson also noted that the contract requires the building to be completely finished by January 3, 2018, although he stated that the staff hopes to be able to occupy it before then. Mr. Cloutier then gave a PowerPoint presentation showing the progress of the building's construction.

Temporary Woods Hole Terminal Building:

Mr. Lamson then reported that Triumph Modular, Inc., the contractor for the temporary Woods Hole terminal building, has been a little slow in getting the foundation work completed due to a delay in submitting its stormwater pollution prevention plan (SWPPP) to the Falmouth Conservation Commission, but that, meanwhile, it was building the modular units for the temporary building at its factory in Pennsylvania. In this regard, Mr. Lamson noted that the current schedule calls for the units to be placed on the foundation during the week of April 24th.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Authority was still waiting for the hearing officer's decision on the Department of Environmental Protection's issuance of a Chapter 91 waterways license for the Woods Hole terminal reconstruction project, which he stated should be issued by the end of the month. Meanwhile, Mr. Lamson said, Bertaux + Iwerks Architects are busy working on the design details for the ferry slips and piers, and how the construction work during the off-season will be split up into the different phases so that the Authority will always have two fully operational slips while the terminal is being reconstructed. Mr. Lamson reported that the preliminary design for the permanent terminal building is also underway, but he noted that the architects have a little more time to develop its design because it will be the subject of a separate construction contract, and its construction will not start until after all three slips have been reconstructed.

Point-of-Sale Ticketing System Upgrade:

Mr. Lamson then reported that the Authority's in-house programmers and information technology (IT) staff have started to install the Authority's new point-of-sale ticketing system at each of the terminals, and that the staff hopes to have all of the terminals on the new system by the end of that week. Mr. Lamson also reported that SkiData, the firm that is providing the ticket scanners and connectivity to the Authority's ticketing and reservations systems, was also there that week to start installing its equipment at the Hyannis and Nantucket terminals. Mr. Lamson stated that the staff expects that all of that work will be completed by the time the *M/V Iyanough* goes back into service on April 1st.

Mr. Lamson further reported that SkiData will return later to install its equipment at the Woods Hole, Vineyard Haven and Oak Bluffs terminals so that the Authority can start using the scanners on the Martha's Vineyard route at the commencement of the summer schedule in mid-May. Mr. Lamson noted that the new scanners (also called access control readers) will have the ability to read bar codes of passenger tickets that are sold online or at the Authority's terminals (by scanning the printouts of those tickets), as well as passenger tickets that are sold through the Authority's mobile site (by scanning the screen of customers' smart phones), to determine whether they are valid tickets that have not already been used. Mr. Lamson also noted that, after the scanners are being used for scanning passenger tickets, the staff will focus on the Authority's new ID cards that will replace its coupon ticket books for frequent travelers.

In response to a question from Mr. Jones, Mr. Lamson stated that the staff anticipated that customers traveling on the Nantucket route will be able to buy their tickets on their mobile devices within the new few weeks, and that the scanners used on that route will be able to scan both paper tickets and tickets shown on customers' mobile devices. Then, in response to another question from Mr. Hanover, Mr. Rozum stated that the scanners will similarly be able to scan both paper tickets and mobile devices on the Martha's Vineyard route beginning in mid-May and that, ultimately, customers will be able to use reusable cards instead of coupon ticket books. Mr. Rozum further stated, in response to another question from Mr. Hanover, that the Authority's paper tickets also will be reusable, in the sense that they will be able to be scanned twice, once for each segment of a round trip.

Feasibility of a Freight Ferry Service
between New Bedford and Martha's Vineyard:

Mr. Lamson recounted how, in April 2016, the staff had provided copies of their Preliminary Report on the Feasibility of Providing Freight Service between New Bedford and Martha's Vineyard to public officials of all of the communities that could be affected by such a freight service, and how the Authority also had posted the report on its website for public comment. Ultimately, Mr. Lamson said, only three people submitted comments on the report and none of them seriously disagreed with any of the staff's principal recommendations (except for one person who disagreed with the staff's recommendation that the Authority should not subsidize the cost of the freight service between New Bedford and Martha's Vineyard).

Mr. Lamson then reported that, therefore, the staff's recommendations regarding this potential freight service remains essentially the same as they were presented in the preliminary report, and he reviewed those four recommendations with the Members. Mr. Lamson also noted that, while the report describes a number of potential scenarios for freight service between New Bedford and Martha's Vineyard, the staff does not believe that the Authority should bear the cost of constructing and maintaining a freight ferry terminal in New Bedford that would be necessary to provide the service, or that the Authority otherwise should subsidize the cost of the service. Finally, Mr. Lamson noted that, at their meeting earlier this month, the Port Council had voted to recommend that the Members adopt the staff's recommendations.

But Mr. Jones declared that he has many reservations about any proposed freight service between New Bedford and Martha's Vineyard, observing that the Authority's two-year pilot project in 2000 and 2001 had demonstrated that the service is not economically feasible and that there is no way it financially can be provided without a subsidy. Therefore, Mr. Jones said, he thought the Members have to decide whether they really want to pursue this matter knowing that the only way it will be economically feasible is if it is subsidized by another entity, as he agreed with the staff that the Authority should not subsidize the service in any fashion.

Mr. Jones also observed that such a service would be a huge undertaking and that the Authority would also be losing revenue on its route between Woods Hole and Martha's Vineyard every time a truck uses the New Bedford freight service. Further, Mr. Jones noted that providing the service would take only a few trucks off of Woods Hole Road and he stated that, in light of all of these considerations, he had serious reservations about pursuing it.

Mr. Jones asked Mr. Lamson how he planned to proceed, and suggested that an excellent option to pursue would be the staff's recommendation to entertain a proposal from Packer Marine to provide a tug and barge service for transporting freight vehicles between New Bedford and Martha's Vineyard under a license agreement with the Authority. In response, Mr. Lamson stated that, if the recommendations were adopted by the Members, one of the first steps would be for the staff to discuss this possibility with Ralph Packer, as he has terminals both in New Bedford and on Martha's Vineyard that can accommodate freight trucks on a roll-on/roll-off basis. Mr. Lamson stated that the staff would also engage the services of Craig Johnson, who was in charge of Seabulk/Hvide's operations when it provided freight service between New Bedford and Martha's Vineyard in 2000 and 2001, to investigate the finances and potential operators of such a service to see whether it is feasible for a private operator to provide the service from a facility in New Bedford.

Mr. Lamson also noted that, if a private operator is not able to provide the service without a subsidy, then the next step would be to work with the Cape Cod Commission and other public planning agencies to see if funding can be obtained to construct a facility in New Bedford. But Mr. Lamson emphasized that the staff was not recommending that the Authority make a commitment at this time to provide the service, and he agreed that the reason for the service was to get trucks off of Woods Hole Road and out of Falmouth, which would require taking a route over water between New Bedford and Martha's Vineyard that is about the same distance as the distance between Hyannis and Nantucket. Because of that distance, Mr. Lamson said, the cost of ferry service between New Bedford and Martha's Vineyard would be significantly higher than the cost of ferry service between Woods Hole and Martha's Vineyard, and the difference would need to be made up for somehow.

Mr. Jones then asked whether it would be feasible and prudent simply to look at the staff's first three recommendations and stop there. In this regard, Mr. Jones observed that the Authority would be doing its due diligence if it were to pursue those recommendations and then consider what Mr. Johnson finds out about the possibility of a private operator providing the service.

Ms. Gladfelter observed that the Authority has both short-term and long-term objectives in investigating the feasibility of freight service between New Bedford and Martha's Vineyard, noting that while Woods Hole currently can provide adequate service for the island, the Authority does not know what is going to happen in the future, particularly with increased traffic on Cape Cod and the bridges over the Cape Cod Canal. Ms. Gladfelter also emphasized that the Members would not be making any decisions at this point if they were to adopt the staff's recommendations; rather, they would just be keeping their

options open for the future. Ms. Gladfelter noted that the Authority may have to have alternative or additional service at some point in the future, possibly five years or even 20 years from now, and investigating the feasibility of New Bedford service now would ensure that, at that time, the Authority will not have to start at point zero.

Ms. Gladfelter then stated that she thought the staff had done a good job at providing the Members with an array of options, and that the Members should accept the report and continue to monitor what changes. While Ms. Gladfelter acknowledged that the Authority cannot provide ferry service from New Bedford right now, she stated that this did not mean the Authority should not be thinking about it. Ms. Tierney then suggested that the Members table this matter, observing that it will be an ongoing long-term project. Ms. Tierney also noted that a lot of activity was taking place in New Bedford and that the Authority should continue to monitor it.

Mr. Jones suggested that the Authority do its due diligence by pursuing the staff's first two or three recommendations, observing that any further efforts spent on a New Bedford ferry service would be a waste of the staff's time if the Authority later concludes that it is not feasible. Mr. Balco then reported that the Towns of Tisbury and Oak Bluffs were moving ahead with a separate project to backhaul municipal solid waste from Martha's Vineyard to New Bedford by barge, and that at that point he believed it was a feasible project that can be explored separately.

Ms. Tierney stated that, because this subject was such a dynamic process, she did not believe it was necessary for the Members to vote on any of the staff's recommendations. Mr. Jones then suggested again that the staff pursue its first three recommendations, and Ms. Gladfelter observed that all of the Members agreed that the Authority should do only what it can at this point in time.

Revisions to the Authority's Group Tour Bus Reservations Policies:

Mr. Lamson asked the Members to approve the staff's recommendation to revise the Authority's policies with respect to group tour bus reservations. Currently, Mr. Lamson said, the Authority accepts tour bus reservations up to a year in advance on a first-come, first-served basis and does not require any tour bus company to pay a deposit on its reservations. Mr. Lamson also noted that, while tour bus companies without Authority charge accounts are required to pay for their reservations in full 30 days in advance of their travel dates, all tour bus

companies receive a full refund if they cancel their reservations by 6:00 a.m. the day before their scheduled sailings.

Mr. Lamson then stated that, because a majority of tour bus reservation requests for this year already have been processed, the staff was recommending that the Authority make only the following changes for 2017:

- To require tour bus companies without Authority charge accounts to pay for their reservations in full at the time of booking, and to require tour bus companies who do have Authority charge accounts to pay for their reservations in full 30 days prior to their travel dates.
- To allow tour bus companies to receive full refunds for their reservations only if they cancel the reservations at least 14 days prior to their departure dates. Mr. Lamson noted that, as a result, no refunds would then be issued for reservations that are not cancelled at least 14 days prior to departure, although tour bus companies, like all of the Authority's other customers with automobile or truck reservations, will continue to be able to change their reservations with at least one hour advance notice.

Mr. Lamson asked that the Members also approve additional revisions to the Authority's tour bus reservation policies for reservations beginning in 2018:

- To process all requests for tour bus reservations received by December 1, 2017 by lottery so that each tour bus company receives one reservation before any other tour bus company receives a second reservation on any given day.
- To require tour bus companies who have Authority charge accounts to pay a 10% deposit at the time of booking. (Tour bus companies without Authority charge accounts would continue to be required to pay for their reservations in full at the time of booking.)
- To continue to require tour bus companies who have Authority charge accounts to pay for their reservations in full 30 days prior to their travel dates.
- To continue with the same reservation cancellation policy, namely, that tour bus companies must cancel their reservations at least 14 days prior to their departure dates in order to receive a refund.

Finally, Mr. Lamson reported that, at their meeting earlier this month, the Port Council had voted to recommend that the Members approve the staff's proposed revisions to the Authority's group tour bus reservation policies.

In response to a question from Mr. Hanover, Mr. Lamson stated that the staff was proposing to allow all group tour bus companies to participate in the lottery and not to provide any preference for the Authority's regular customers. Then, after Mr. Hanover stated that tour bus companies should not be allowed to change their reservations with only one hour's notice, Mr. Lamson clarified that tour bus companies that change their reservations on such short notice would not be entitled to any refund if they later did not use their reservations; rather, they would only be allowed to change their reservations to another time in the same way that all of the Authority's other customers are able to change their reservations with only one hour's notice. Mr. Lamson also noted that he did not expect tour bus companies to try to change their reservations on such short notice, as they probably would not be able to obtain other suitable reservations at that time, and that he instead expected tour bus companies to cancel their reservations with at least 14 days' notice in order to receive a refund.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to revise the Authority's group tour bus reservation policies as recommended by management in Staff Summary #M-2017-1, dated March 16, 2017.

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

Discontinuation of the Authority's Online Merchandise Store:

Mr. Lamson asked the Members for approval to discontinue the Authority's online merchandise store and to use the remaining inventory for promotional events. Mr. Lamson observed that, while some organizations sell merchandise for branding purposes even though they lose money, the staff did not think there are a lot of people who want to wear Authority shirts or sweatshirts and, in any event, it was not worth it to keep all of the different sizes and colors of such merchandise in stock that are necessary to support a successful merchandise program. Mr. Lamson also reported that, at their meeting earlier this month,

the Port Council had voted to recommend that the Members approve the staff's request.

Mr. Jones recounted how the online merchandise store sounded like such a great idea when it was presented to the Port Council several years ago, and he stated that he still believes it is a good idea, although he questioned whether the high-end product mix was the right one for the Authority. Mr. Jones noted that the Authority easily should be able to sell hats, but not if people have to go online to buy them. Rather, Mr. Jones said, the merchandise should be sold at the Authority's terminals and on its boats so that customers can buy sweatshirts and ponchos on rainy days. In this regard, Mr. Jones observed that, in 2015, the John F. Kennedy Memorial sold \$45,000 worth of hats, and it has nowhere near the Authority's potential customer base of 3,000,000 passengers per year. Mr. Jones also emphasized that the Authority has to eliminate the middle man from the program, noting that the Authority's margins will increase dramatically if it buys its merchandise directly. Ultimately, Mr. Jones said, he thought there was a possibility of making money by selling merchandise and he did not want the Authority to stop doing so.

After Mr. Jones stated that he would like to look into this matter further, Ms. Tierney suggested that he chair a committee to work with the staff to explore alternatives. Mr. Hanover also suggested that the Authority talk to Centerplate about selling Authority merchandise on the vessels, saying that he agreed with Mr. Jones that selling merchandise at the terminals and on the boats was worth pursuing.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to discontinue the Authority's online merchandise program and to consider new merchandising initiatives that may be developed under the leadership of Barnstable Member Robert R. Jones.

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

Operating Results for the Year Ended December 31, 2016:

Mr. Davis reported that, for the past few weeks, the Authority's auditors, RSM US LLP, have been at the Authority's offices reviewing its activity for 2016 and, while the auditors' report was not yet completed, he would like to inform the Members of the preliminary unaudited results, including the following:

- The Authority's net operating income (which excludes capital grants and income from special-purpose funds) for 2016 was expected to be \$9,955,422, or \$1,347,000 lower than 2015's net operating income but \$3,544,000 higher than what had been projected in the 2016 Operating Budget.
- The Authority's operating revenues had totaled \$103,896,139 in 2016, or \$3,840,000 higher than 2015's operating revenues. Passenger revenue had increased by \$946,000, automobile revenue by \$814,000, freight revenue by \$1,263,000, and parking revenue by \$458,000.
- The Authority's operating expenses had increased to \$93,751,455 in 2016, or \$5,438,000 higher than 2015's operating expenses. Maintenance expenses had increased by \$1,829,000, depreciation expense by \$528,000, vessel operating expenses by \$121,000 (with fuel oil expense decreasing by \$651,000 and payroll expense increasing by \$684,000), terminal and parking operations expenses by \$360,000, reservations and customer service expenses increasing by \$306,000, and other general expenses increasing by \$1,831,000 (primarily attributable to a \$817,000 increase in the Authority's pension obligations and a \$534,000 increase in the Authority's health care costs).
- The Authority's other income had increased by \$410,000 (with license fee income increasing by \$301,000), and the Authority's fixed charges had increased by \$159,000.

As a result, Mr. Davis said, the Authority realized a \$10,400,299 change in net position in 2016, which includes \$205,000 from capital grants and contributions and \$240,000 of income from its special-purpose funds.

After Mr. Davis reported that the Authority's auditors expected to be able to wrap up their audit within the next week or so and to issue their report by the end of the month, Mr. Hanover commended the staff and all of the Authority's employees for an extraordinary year.

The Sale of \$12,685,000 of Steamship Bonds:

Mr. Davis reported that, the previous Thursday, the Authority had sold \$12,685,000 of Steamship Bonds to Fidelity Capital Markets of Boston, Massachusetts, who had been the lowest of eight bidders for the bonds and had offered to purchase all of the bonds at a true interest cost of 2.106513%. Mr. Davis noted that the principal amount of the bonds matures in the years 2018 through 2027, and he described how, because Fidelity had included over \$1,732,000 in bond premium in its bid, the total amount of the bonds to be issued had been “resized” from \$12,685,000 to \$11,060,000. As a result, Mr. Davis said, the true interest cost of the bonds became 2.1242722%. Mr. Davis also noted that Moody’s Investor Service had assigned a rating of Aa1 and a stable outlook to the Steamship Bonds based upon the Commonwealth of Massachusetts’ current general obligation rating.

M/V Gay Head Dry-dock and Overhaul Services Contract:

Mr. Lamson asked the Members to award Contract #01-2017 for dry-dock and overhaul services for the *M/V Gay Head* to Senesco Marine, LLC of North Kingstown, Rhode Island, for a total contract price of \$809,979. Mr. Lamson noted that the Authority had received two bids for the contract and that Senesco had been the lowest eligible and responsible bidder.

IT WAS VOTED -- upon Mr. Hanover’s motion, seconded by Ms. Gladfelter -- to award Contract #01-217 for dry-dock and overhaul services for the *M/V Gay Head* to Senesco Marine, LLC of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$809,979, as recommended by management in Staff Summary #E 2017-03, dated March 17, 2017.

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

Purchase of Data Storage Devices:

Mr. Lamson then asked the Members for authorization to purchase six data storage devices that will ultimately be located in the Authority's new administrative offices. Mr. Lamson stated that the devices would be purchased from IntraSystems, Inc. of Braintree, Massachusetts, for \$189,067 pursuant to a state vendor contract, and that the devices have to be purchased before the Authority moves to its new offices because the existing storage devices, which are near the end of their normal lifecycle, cannot be moved while they are in use.

Mr. Jones observed that the devices obviously are needed, but he asked why they had not been included in the budget. In response, Mr. Lamson stated that there had been a miscommunication about when the devices were going to be needed after they had been included in the original budget request, which resulted in removing them from the list of MIS equipment that is going to be installed in the new office building.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to authorize the General Manager to purchase six Data Storage Devices from IntraSystems, Inc. of Braintree, Massachusetts for \$189,067 pursuant to a state vendor contract, as recommended by management in Staff Summary #MIS01-17, dated March 17, 2017.

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

Port Council's Report:

Mr. Balco reported that, at their meeting earlier this month, the Port Council had:

- reviewed the Authority's preliminary unaudited results for 2016;
- discussed all of the Authority's various projects, including the *M/V Woods Hole* and the status of the remaining items on its punch list;
- discussed the staff's recommendations regarding investigating the feasibility of a freight ferry service between New Bedford and Martha's Vineyard;
- discussed the efforts being made to determine the feasibility of barging municipal solid waste from Martha's Vineyard to New Bedford; and
- recommended, with a split vote, that the Authority discontinue its online merchandise program.

Mr. Jones then asked if Mr. Balco would assist him and the staff in their efforts to develop another merchandise marketing program for the Authority, and Mr. Balco stated that he would.

Potential Conflict of Interest Disclosure by Robert B. Davis:

Mr. Sayers noted that Mr. Davis had provided the Members with a written disclosure informing them that his daughter is the volunteer Treasurer of the Yarmouth Chamber of Commerce, which is one of the local chambers of commerce with whom the Authority has marketing partnerships, and noting that her position with the Yarmouth Chamber may affect his participation as the Authority's next General Manager in those partnerships and other matters involving the Yarmouth Chamber. Mr. Sayers stated that, although the State Conflict of Interest Law allows Mr. Davis to participate in all of those matters, because he has disclosed the potential conflict to the Members, he was recommending that the Members formally determine that the relationship of Mr. Davis' daughter with the Yarmouth Chamber is not likely to affect the integrity of the services which the Authority may expect from Mr. Davis with respect to any of the Authority's matters involving the Yarmouth Chamber and, accordingly, to expressly authorize Mr. Davis to participate in all such matters.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to

- **accept the memorandum from Treasurer/Comptroller Robert B. Davis to the Members, dated March 6, 2017, as his written disclosure under G.L. c. 268A, § 23(b)(3);**
- **determine that the relationship of Mr. Davis' daughter with the Yarmouth Chamber of Commerce (in which she is serving as its Treasurer) is not likely to affect the integrity of the services which the Authority may expect from Mr. Davis with respect to any of its matters involving the Yarmouth Chamber; and**
- **authorize Mr. Davis to participate in all such matters.**

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

Appointment of the Authority's Next Treasurer/Comptroller:

Mr. Lamson recounted how he, together with Messrs. Davis and Parent, had gone through a screening and interview process over the past several months to find the most qualified person they could recommend for appointment by the Members to be the Authority's next Treasurer/Comptroller, and that Terry Cote had emerged as the one finalist with the unique combination of the required experience and knowledge of both government accounting standards and the Authority's finances. Mr. Lamson noted that Ms. Cote is a Certified Public Accountant and has more than 30 years of experience working with or for government, health care and not-for-profit organizations, including more than 13 years of audit experience at Deloitte & Touche. Mr. Lamson also noted that, during her time with Deloitte & Touche, Ms. Cote was a Senior Audit Manager for numerous clients, including the Commonwealth of Massachusetts, the Port Authority of New York and New Jersey, several Massachusetts municipalities,

and the Authority. For the last several years, Mr. Lamson said, Ms. Cote also has been the Chief Financial Officer for Outer Cape Health Services, Inc.

After noting that Ms. Cote was the staff's unanimous recommendation for the position, Mr. Lamson asked the Members to appoint her to be the Authority's next Treasurer/Comptroller, subject to contract negotiations. Mr. Lamson stated that the negotiations will hopefully include an agreed-upon interim period, beginning around May 1st, so that Ms. Cote can work alongside Mr. Davis before he assumes his new duties as the Authority's next General Manager.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to appoint Terry Cote as the Authority's next Treasurer/Comptroller effective July 1, 2017, subject to contract negotiations, as recommended by management in Staff Summary #A-607, dated March 16, 2017.

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

Revisions to the Authority's 2017 Meeting Schedule:

Mr. Lamson then asked the Members to approve changing the order of the locations for the Authority's next three monthly meetings so that the Authority's April meeting will take place in Hyannis, the Authority's May meeting in New Bedford and the Authority's June meeting on Nantucket. Mr. Lamson stated that, ordinarily, the Authority's April meeting would take place in New Bedford, but that the New Bedford Whaling Museum was not available as the site of the meeting on April 18th due to fact that that day falls within school vacation week.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to revise the Authority's 2017 meeting schedule as set forth in a proposed revised 2017 meeting schedule, dated March 15, 2017.

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

Public Comment:

Mr. Brathwaite stated that he was totally confused about the Authority's new electronic ticketing system and that he hoped the Authority will have a communications plan to explain it to its customers, especially to senior citizens. Mr. Brathwaite also asked that the Authority initiate the communication plan immediately and not wait until the new ticketing system is operational.

Mr. Brathwaite stated that he was also confused about what reservation cancellation penalties the Authority will impose on tour bus companies, and he observed that, because a company has no incentive to promptly cancel its reservation after it is already within 14 days of its departure date, it will wait until the very end to do so. Mr. Brathwaite suggested that the Authority consider refunding a portion of a tour bus company's fare if it cancels sooner than just one hour before the time of its reservation.

Then, at approximately 11:03 a.m., Ms. Tierney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and litigating positions. After Ms. Tierney announced that these matters included:

- the administrative appeal by thirteen Falmouth residents requesting an adjudicatory hearing on the issuance of a draft waterways license by the Department of Environmental Protection for the Woods Hole terminal reconstruction project;

- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis; and
- the potential acquisition of additional property on Nantucket, Massachusetts;

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

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters.

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

A TRUE RECORD

ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the
March 21, 2017 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. March 21, 2017 Meeting Memorandum, dated March 16, 2017.
2. Minutes of the February 21, 2017 Meeting in Public Session (draft).
3. Business Summary for the Month of January 2017.
4. Responses to the Public Comments Received Regarding the Preliminary Report on the Feasibility of Providing Freight Service between New Bedford and Martha's Vineyard, dated March 2, 2017.
5. Staff Summary #M-2017-1, dated March 16, 2017 – Proposed Group Tour Bus Reservation Policy Change.
6. Staff Summary #M-2017-2, dated March 16, 2017 – Proposed Discontinuation of the Authority's On-line Merchandise Program.
7. Memorandum to the Authority Members and Port Council Members from Treasurer/Comptroller Robert B. Davis regarding Operating Results for the Year ended December 31, 2016 (unaudited), dated February 27, 2017.
8. Staff Summary #A-606, dated March 16, 2017 – Bid Results on the sale of \$12,685,000 of Steamship Bonds.
9. Staff Summary #E 2017-03, dated March 17, 2017 – Contract #01-2017, "Dry-dock and Overhaul Services for the *M/V Gay Head*."
10. Staff Summary #MIS01-17, dated March 17, 2017 – Request for Authorization to Purchase Data Storage Devices.
11. Minutes of the Port Council's March 8, 2017 Meeting (draft).
12. Memorandum to the Authority Members from Treasurer/Comptroller Robert B. Davis regarding his written disclosure of a potential conflict of interest with the Yarmouth Chamber of Commerce, Inc., dated March 6, 2017.
13. Staff Summary #A-607, dated March 16, 2017 – Staff's Recommendation for the appointment of the Authority's Next Treasurer/Comptroller.
14. Proposed Changes to the 2017 Authority Meeting Schedule, dated March 15, 2017.
15. Statement to be Read Prior to Going into Executive Session.

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

**The Meeting in Public Session
April 18, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of April, 2017, beginning at 9:30 a.m., in the second floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury and Port Council member Robert V. Huss of Oak Bluffs were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Information Technologies Mary T. H. Claffey; Director of Engineering and Maintenance Carl R. Walker; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh (who arrived during Mr. Lamson's report on the results of the Authority's operations for February 2017); Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that Steven Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Minutes:

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meeting in public session on March 21, 2017.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for February 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried fewer passengers (down 0.6%), fewer automobiles (down 4.0%) and fewer trucks (down 3.1%) during the month than it had carried during the same month in 2016, and noted that the lower traffic levels may have been attributable, at least in part, to the fact that the month of February had one more day in 2016 due to it having been a leap year. Mr. Lamson also reported that the Authority's net operating loss for the month had been around \$3,194,000, approximately \$179,000 higher than what had been projected, with operating revenues and other income \$19,000 higher than projected and operating expenses, fixed charges and other expenses \$198,000 higher than projected.

Mr. Lamson further reported that, for the first two months of 2017, the total number of passengers carried by the Authority was essentially the same as the number carried during the first two months of 2016, while the Authority had carried fewer automobiles (down 0.6%) and more trucks (up 2.2%). Mr. Lamson noted that, during this same period, the Authority's total operating loss had been around \$6,000,000, approximately \$2,607,000 lower than the amount projected in the 2017 Operating Budget, with operating revenues and other income \$213,000 higher than projected and operating expenses, fixed charges and other expenses \$2,394,000 lower than anticipated due to a change in the scope of work for the *M/V Katama* dry-dock contract as well as lower actual expenses incurred during the *M/V Island Home*, *M/V Katama* and *M/V Eagle* repair periods. In response to a question from Ms. Tierney, Mr. Davis stated that the Authority's miscellaneous income primarily consisted of license fees.

Construction of the Authority's New General Offices:

Mr. Cloutier gave a PowerPoint presentation showing the progress of the construction of the Authority's administrative office building in the Palmer Avenue parking lot. During the presentation, Mr. Cloutier noted that the contractor had poured the concrete floors for both the basement and the first floor of the building in one day, and he stated that, while there had been a one-week delay to ensure that there is sufficient room between the building's Energy Recovery Unit (ERU), which is situated in the basement, and the first floor beams after the concrete was poured, he was confident that the time will be made up over the course of the next several months so that the building will be completely finished by January 3, 2018.

Temporary Woods Hole Terminal Building:

Mr. Cloutier then gave another PowerPoint presentation showing the progress of the construction of the Authority's temporary Woods Hole terminal building. During that presentation, Mr. Cloutier noted that the contractor now has the foundation ready for the installation of the five modular units that will comprise the temporary building, and that the units were scheduled to be delivered that week for installation the following week. Mr. Cloutier also reported that the contractor expects all of its remaining construction work to be finished by mid-June. Accordingly, Mr. Cloutier said, the Authority will then have the rest of the year to finish the interior and install all of its computer equipment and furnishings.

In response to a question from Mr. Jones, Mr. Cloutier stated that, after the Authority no longer needs the temporary terminal building, it will be an option for someone to disassemble and reinstall the modular units for use at another location, but he doubted it will be practical due to the specialized nature of the units and the cost that would be involved. Nevertheless, Mr. Cloutier stated that people will be welcome to take the units at that time, provided that they remove them on schedule.

In response to a question from Ms. Gladfelter, Mr. Cloutier stated that the modules will not be delivered with the navigation charts that are going to cover their sides. However, Mr. Cloutier stated that the artist will start to install the charts in a few weeks so that they are completed by June 8th.

Woods Hole Terminal Reconstruction Project:

Mr. Cloutier then reported that, the prior Thursday, the Commissioner of the Massachusetts Department of Environmental Protection (DEP) adopted the hearing officer's recommended decision in the administrative appeal proceedings initiated by a group of 13 Falmouth residents of DEP's decision to issue the Authority a draft Chapter 91 waterways license for the Woods Hole terminal reconstruction project. Accordingly, Mr. Cloutier stated that he expected that the license will be issued soon so that the Authority can begin work in the waterside area of the terminal. Meanwhile, Mr. Cloutier said, Bertaux + Iwerks Architects continue to work on the design details for the ferry slips and piers, and he expects the invitation for bids for the waterside work to be issued in September so that the marine contract can be awarded at the Authority's November meeting. In addition, Mr. Cloutier reported that the schematic design drawings for Phases 5 and 6 of the project (terminal building and site work) were moving ahead quite well and should be completed by the end of May 2017.

Point-of-Sale Ticketing System Upgrade:

Mr. Lamson then reported that, last month, the Authority rolled out its point-of-sale ticketing system upgrade, which includes replacing a DOS-based system with a Windows-based system, and that it has been well received by the Authority's ticket sellers. Mr. Lamson noted that the new system allows the Authority to scan and keep track of individual tickets and tell when they are used. Mr. Lamson further reported that, last month, SkiData also installed the new ticket scanning stations at the Hyannis and Nantucket terminals, that the Authority began using them when the *M/V Iyanough* resumed service on April 1st, and that the scanners are also being used to scan tickets for the traditional ferries at the Hyannis and Nantucket terminals. Mr. Lamson stated that SkiData will return during the week of May 8th to install the scanners at the Woods Hole, Vineyard Haven and Oak Bluffs terminals so that they can also be used on the Martha's Vineyard route in time for the summer season.

Mr. Rozum also reported that the staff was continuing to tweak the new scanning operations to address certain problems that have been encountered, and will be installing signs asking customers with certain smart phones or under certain conditions to go into the ticket office and have their tickets printed. But even with these problems, Mr. Rozum said, the Authority has been receiving positive feedback about the new scanners, and he noted that the scanners can process passengers more quickly than the time it takes for an employee to take paper tickets from passengers and give them back their ticket stubs. Mr. Rozum

stated that, with the scanners, there eventually will be no need for ticket stubs and the Authority will be able to improve the boarding process for its passengers. For example, Mr. Rozum said, when it is raining, the Authority will be able to scan passenger tickets under shelters.

Barging Municipal Solid Waste from Martha's Vineyard:

Mr. Davis then provided an update on the Authority's progress exploring the possibility of barging municipal solid waste (MSW) from Martha's Vineyard to New Bedford. Specifically, Mr. Davis reported that the Authority has hired Tetra Tech to assist it in reviewing several different transportation options for shipping MSW off-island, and that this past week the Tetra Tech consultants visited both the Oak Bluffs Transfer Station and Packer Marine's Vineyard Haven facilities to review their operations and explore what everyone's roles would be if MSW were to be barged from Vineyard Haven instead of being transported by truck on the Authority's ferries. Mr. Davis stated that both meetings were productive, but cautioned that the Authority is only in the discovery phase of this process, which is expected to take another three months

Feasibility of a Freight Ferry Service
between New Bedford and Martha's Vineyard:

Mr. Lamson then reported that, the previous week, the Authority hired Craig Johnson of Flagship Management to further explore the possibility of a freight ferry service between New Bedford and Martha's Vineyard that would be operated by a private carrier. Mr. Lamson noted that, although Mr. Johnson is now with Flagship, in 2000 and 2001 he was with Seabulk/Hvide and was in charge of their operation in New Bedford that provided freight service to Martha's Vineyard pursuant to the request for proposals the Authority had issued at that time. Therefore, Mr. Lamson observed, Mr. Johnson already knows a lot about the logistics of this operation.

Mr. Lamson also reported that, before Mr. Johnson contacts any private carriers to see what interest they might have in providing such a service, he will review the existing facilities in New Bedford to see what infrastructure currently exists there to support the service and what options might be available. Finally, Mr. Lamson stated that the Authority is only beginning the discovery phase of this process, which is similarly expected to take another three months.

Hy-Line’s Request to Provide High-Speed
Passenger Service between Hyannis and Edgartown
during the 2017 “Christmas in Edgartown” Weekend:

Mr. Lamson reported that the staff was recommending that the Members approve a request from Hyannis Harbor Tours, Inc. (“Hy-Line”) for permission to operate a high-speed ferry service between Hyannis and Edgartown for the 2017 “Christmas in Edgartown” event, which will be taking place during the second weekend in December. Mr. Lamson noted that Hy-Line had been approached by the Edgartown Board of Trade about providing the service, and that Hy-Line was proposing to operate two round trips on Friday, December 8th, and three round trips on Saturday and Sunday, December 9th and 10th. Mr. Lamson also noted that Hy-Line will be providing the service as additional licensed trips between Hyannis and Martha’s Vineyard under its existing license agreement, and that, at their meeting earlier this month, the Port Council had voted unanimously to recommend that the Members approve Hy-Line’s request.

IT WAS VOTED -- upon Mr. Jones’ motion, seconded by Ms. Gladfelter -- to approve Hyannis Harbor Tours, Inc.’s request to provide high-speed passenger service between Hyannis and Edgartown during the weekend of December 8 through 10, 2017, on the terms and conditions recommended by management in Staff Summary #GM-683, dated April 12, 2017.

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

Approval of Changes in the List of Authorized Check Signers:

Mr. Davis then asked the Members to adopt resolutions updating the list of signers on the Authority’s bank accounts due to the retirement of Kathleen Walters as the Authority’s Assistant Treasurer earlier this year and subsequent promotions within the Authority’s Accounting Department. Mr. Davis noted

that, as a result of these staff changes, Janet Pratt, who was recently promoted to the Authority's Accounting Manager position, would be added to the list along with Courtney Oliveira (the Authority's Assistant Treasurer), Mark Anderson (one of the Authority's Auditors) and Mr. Davis. Mr. Davis also noted that, after Terry Cote assumes the Authority's Treasurer/Comptroller position, she will be added to the list as well.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Jones -- to adopt the resolutions attached to Staff Summary #A-608, dated April 12, 2017, to update the list of authorized signers on the Authority's bank accounts, as recommended by management in that staff summary.

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

Amano McGann Parking Access and Revenue Control System:

Mr. Lamson asked the Members to award Contract #02-2017 for the supply and installation of a new parking access and revenue control system for the Authority's Thomas B. Landers Road parking lot in Falmouth, and for all of the Authority's Hyannis parking lots, to the lowest eligible and responsible bidder for the contract, Amano McGann of Charlestown, Massachusetts, in the amount of \$279,998.36. Mr. Lamson noted that, although this contract was put out for bid, Amana McGann was the only bidder for the contract because this additional system has to be compatible and fully integrated with the Authority's existing Amano McGann parking system.

In response to a question from Mr. Hanover, Mr. Rozum stated that the new equipment will replace the existing equipment in all of the Authority's Hyannis parking lots (except for the parking lot at Mary Dunn Road), as well as the existing equipment at the Authority's Thomas B. Landers Road parking lot. Mr. Rozum noted that, when the Thomas B. Landers parking lot was opened, the Authority installed new equipment at its Palmer Avenue parking lot and used

that parking lot's old equipment at the Thomas B. Landers Road parking lot because it is operated only on a seasonal basis.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to award Contract #02-2017 for the supply and installation of a new parking access and revenue control system for the Authority's Thomas B. Landers Road parking lot in Falmouth, and for all of the Authority's Hyannis parking lots, to the lowest eligible and responsible bidder for the contract, Amano McGann of Charlestown, Massachusetts, in the amount of \$279,998.36, as recommended by management in Staff Summary #TPF-2017-3, dated April 12, 2017.

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

Purchase of Networking Equipment:

Mr. Lamson then asked the Members for authorization to purchase networking equipment for the Authority's new administrative offices from IntraSystems, Inc. of Braintree, Massachusetts, for \$589,989 pursuant to a state vendor contract. The equipment includes a network core router, associated switching equipment and components necessary to build and maintain the backbone and hub for the Authority's computer network.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to authorize the General Manager to purchase networking equipment for the Authority's new administrative offices from IntraSystems, Inc. of Braintree, Massachusetts, for \$589,989 pursuant to a state vendor contract, as recommended by management in Staff Summary #MIS3-17, dated April 13, 2017.

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

Purchase of 13 Servers:

Mr. Lamson then asked the Members for authorization to purchase 13 servers for the Authority’s new administrative offices, again from IntraSystems, Inc. of Braintree, Massachusetts, for \$145,093 pursuant to a state vendor contract. Mr. Lamson noted that the servers will support the Authority’s network administration, including boarding and check-in processes, print functions, user and email services, and credit card processing. In response to a question from Ms. Gladfelter, who asked why the \$145,093 contract amount was substantially less than the \$685,000 estimate for new servers that was included in the budget, Ms. Claffey stated that the budget includes additional servers the Authority will be purchasing as the project progresses later this year.

IT WAS VOTED -- upon Ms. Gladfelter’s motion, seconded by Mr. Hanover -- to authorize the General Manager to purchase 13 servers for the Authority’s new administrative offices, from IntraSystems, Inc. of Braintree, Massachusetts, for \$145,093 pursuant to a state vendor contract, as recommended by management in Staff Summary #MIS2-17, dated April 13, 2017.

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

Recognition of Public Officials:

Ms. Tierney recognized Dukes County Commissioner Leon Brathwaite in the audience and thanked him for attending today's meeting.

Port Council's Report:

Mr. Balco reported that, at their meeting earlier this month, the Port Council had, among other things:

- reviewed the progress of the construction of the Authority's new administrative office building;
- discussed the implementation of the Authority's point-of-sale ticketing upgrade at the Hyannis and Nantucket terminals, and its scheduled implementation at the Woods Hole, Vineyard Haven and Oak Bluffs terminals in time for the summer schedule;
- received a very detailed and helpful update on the status of the *M/V Woods Hole*, including the remaining items on its punch list;
- recommended that the Authority grant Hy-Line's request to provide high-speed passenger service between Hyannis and Edgartown during the 2017 "Christmas in Edgartown" weekend; and
- recommended that the Authority enter into a new lease with the Town of Oak Bluffs for the waterside portion of Sea View Avenue.

Mr. Balco also reported that Port Council Vice Chairman Nathaniel E. Lowell of Nantucket had asked management to explore the possibility of allowing the Authority's freight shippers to pay for their bulk freight reservations by credit card.

M/V Woods Hole:

Mr. Walker reported that the United States Coast Guard has approved an increase in the capacity of the *M/V Woods Hole* from 384 persons (376 passengers and 8 crewmembers) to 453 persons (445 passengers and 8 crewmembers), although he noted that the Coast Guard's local Officer in Charge, Marine Inspection (OCMI) still has to issue a revised Certificate of Inspection (COI) for the vessel. Mr. Walker stated that, when the vessel goes into repair at the end of May to finish some punch list items, an additional raft that is required for the

increased capacity will be installed on the vessel so that it will be able to carry more passengers during the summer, when it will be operating on the Nantucket route. Mr. Sayers further noted that, with the ability to carry 445 passengers, the *M/V Woods Hole* should be able to handle the same number of passengers on that route that previously have been carried by the *M/V Nantucket*.

In addition, Mr. Walker reported that the number of open items on the vessel's punch list has been whittled down from 150 to around a dozen, and that the remaining items will be addressed when the vessel goes into repair at the end of May. Mr. Walker noted that one of the remaining items is the vessel's HVAC system and that, while the HVAC contractor has modified the system and added equipment to address the humidity issues, the Authority still has to wait for warm weather to see whether it is working as required. Mr. Walker also reported that the automatic doors had been worked on in December 2016 and were now working better, although he cautioned that vessel doors are always a problem, especially those to the outside passenger decks when it is windy. With respect to all of these punch list items, Mr. Walker said, the Authority has received great responses from Conrad Shipyard and its subcontractors, and everything that needed to be corrected had been added to the punch list and tracked.

Release to the Public of Portions of Executive Session Minutes:

After recounting how the Members had delegated to him, as the Authority's General Manager, their responsibility to approve appropriate portions of the minutes of the Members' meetings in executive session for release to the public when the publication of such portions will no longer defeat the lawful purposes of the executive session, Mr. Lamson stated that he had determined that all portions of the minutes of the Authority's meetings in executive session through December 31, 2016 should be released to the public except for those portions of the minutes reflecting the Board's discussions and actions regarding ongoing matters that are still appropriately the subject of executive session. As a result, Mr. Lamson said, the additional portions of the minutes of the Authority's meetings in executive session through December 31, 2016 that were being released to the public, subject to the above limitations, included those pertaining to:

- (a) The renewal of the Authority's lease with the Martha's Vineyard Airport Commission for space for the Authority's reservation office at the Martha's Vineyard Airport;

- (b) The Authority's potential litigation with Lawrence-Lynch Corp. and Green Seal Environmental, Inc., as well as Geosyntec Consultants, with respect to whom should bear the cost of the preferred option to correct the stormwater runoff problems the Authority is having at its Thomas B. Landers Road parking lot;
- (c) The Authority's negotiations for new collective bargaining agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's maintenance employees, agency and terminal employees, parking lot attendants and bus drivers, security employees, and licensed deck officers, and with District No. 1 – PCD, MEBA for the Authority's licensed engineering officers;
- (d) The Authority's contract negotiations with General Manager Wayne C. Lamson;
- (e) The Authority's potential litigation against Conrad Shipyard for liquidated damages due to the delayed delivery of the *M/V Woods Hole*;
- (f) The Authority's potential disposition of property located at 220 Palmer Avenue in Falmouth; and
- (g) The Authority's contract negotiations with Treasurer/Comptroller Robert B. Davis with respect to the terms and conditions of his employment as the Authority's next General Manager.

Review of the Authority's Non-Union
Wage and Salary Management System:

Mr. Lamson then reported that the staff had engaged the services of an independent consultant to look at the Authority's non-union wage and salary management system to determine whether the Authority's salaries are in line with the salaries for comparable positions in other organizations, but that the staff was still waiting for the consultant's report. Accordingly, Mr. Lamson said, the Members could establish a committee to discuss this subject at a later time or they could discuss it themselves at a future meeting.

Mr. Hanover stated that he had asked that this matter be placed on the agenda for today's meeting because, based upon what he had learned during the search for the Authority's next Treasurer/Comptroller, he was concerned that the Authority's salaries for its non-union employees were lower than what they should be, and he asked that the Members establish a committee to look into this matter. Ms. Tierney then asked Mr. Hanover whether he was willing to serve on and chair the committee, which he said he was and that he also would like

Mr. Balco to serve on the committee. Ms. Gladfelter also stated that she was willing to serve on the committee.

Mr. Sayers then cautioned that, while it was his opinion that committees of the Authority are not subject to the open meeting law as long as their members do not comprise a quorum of the Authority, he had provided his opinion and the reasons for it to the Massachusetts Attorney General's Division of Open Government and was still waiting for a reply. Mr. Sayers noted that if the Attorney General's office has a different opinion, all of the committee's meetings will need to be noticed and conducted in public. Therefore, Mr. Sayers stated that, if the committee wants to meet and discuss this subject before the Authority receives a response from Attorney General's office, his advice was that, as a matter of caution, the committee's meetings should be noticed in accordance with the open meeting law and should take place in open session. Mr. Sayers also observed that committees of cities, towns, counties and the executive branch are subject to the open meeting law, but that historically committees of state authorities have not been subject to the law and, in his opinion, are still not subject to the law.

After Mr. Sayers noted that Mr. Jones has long disagreed with his opinion, Mr. Jones complimented Mr. Sayers on his letter to the Attorney General's office and said that it did everything but convince him. Mr. Sayers then stated that, even if the Authority's committees are not subject to the open meeting law, the Members may still want to consider whether, as a matter of public policy, this committee's meetings should be conducted in public, observing that this would allow the public to weigh in on what the committee is discussing before any decisions are made, thereby providing an opportunity for the Authority to receive the public's reaction during the decision-making process rather than receiving a potentially negative reaction afterwards.

Public Comment:

At Ms. Tierney's request, Hy-Line Vice President R. Murray Scudder, Jr. introduced his son, Richard Murray Scudder, III, whom he observed was the more important "Murray" at Hy-Line these days and will also be seen more and more as the years go on.

Employment Agreement with Terry Cote Vizard:

IT WAS VOTED -- upon Mr. Jones' motion, seconded by Mr. Hanover -- to authorize the Chairman to execute an Employment Agreement with Terry Cote Vizard, as recommended by management, in substantially the form attached to Staff Summary #A-609, dated April 12, 2017.

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

Public Comment:

Mr. Jones noted that this was Mr. Lamson's last meeting in Barnstable as the Authority's General Manager, and he thanked Mr. Lamson on behalf of the Town for the excellent relationship that Mr. Lamson has built between the Authority and the Barnstable community throughout the years. Mr. Lamson thanked Mr. Jones, and stated that the Town similarly had been very supportive of the Authority over the years and was just as responsible for their excellent relationship.

Then, at approximately 10:35 a.m., Ms. Tierney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and litigating positions. After Ms. Tierney announced that these matters included:

- the notice of claim by thirteen Falmouth residents requesting an adjudicatory hearing on the draft Waterways License issued by the Department of Environmental Protection for the Woods Hole terminal reconstruction project;

- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis;
- the potential acquisition of property on Nantucket;
- the proposed renewal of the Authority's lease with the Town of Oak Bluffs for the waterside portion of Sea View Avenue; and
- the proposed renewal of the Authority's lease for 1251 Route 28A, Cataumet; and

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

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters.

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

A TRUE RECORD

ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the
April 18, 2017 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. April 18, 2017 Meeting Memorandum, dated April 13, 2017.
2. Minutes of the March 21, 2017 Meeting in Public Session (draft).
3. Business Summary for the Month of February 2017.
4. Administrative Office PowerPoint Presentation.
5. Woods Hole Temporary Terminal Building PowerPoint Presentation, dated April 18, 2017.
6. Staff Summary #GM-683, dated April 12, 2017 – Hy-Line's Request to Provide Service Between Hyannis and Martha's Vineyard during the Period December 8-10, 2017 (Christmas in Edgartown).
7. Staff Summary #A-608, dated April 12, 2017 – Approval of Changes in List of Authorized Check Signers.
8. Staff Summary #TPF-2017-3, dated April 12, 2017 – “Supply, Deliver and Install Amano McGann Parking Access and Revenue Control System” Contract #02-2017.
9. Staff Summary #MIS3-17, dated April 13, 2017 – Request for Authorization to Purchase Networking Equipment for the New Admin Offices.
10. Minutes of the Port Council's April 5, 2017 Meeting (draft).
11. M/V Woods Hole – C-1121 – Delivery Punch List – Updated 3/31/2017.
12. Staff Summary #GM-682, dated April 11, 2017 – Release to the Public of Portions of Executive Session Minutes.
13. Woods Hole, Martha's Vineyard and Nantucket Steamship Authority Non-Union Employees Grade and Salary Ranges – Effective July 1, 2016.
14. Letter from Steven M. Sayers to Jonathan Sclarsic, Director of the Division of Open Government of the Office of the Attorney General, dated March 30, 2017, regarding the Open Meeting Law's Definition of “Public Body.”
15. Staff Summary #A-609, dated April 12, 2017 – Employment Agreement with Terry Cote Vizard.
16. Statement to be Read Prior to Going into Executive Session.

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

The Meeting in Public Session

May 10, 2017

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 10th day of May, 2017, beginning at 3:19 p.m., in the second floor conference room of the Authority's Woods Hole terminal, located at the foot of Railroad Avenue, Woods Hole, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury was also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Gerard J. Murphy was also present.

Election of the Authority's Next Treasurer:

Mr. Lamson reported that the staff was recommending that the Members elect Gerard J. Murphy to serve as the Authority's next Treasurer, beginning on July 1, 2017 when Mr. Davis, the Authority's current Treasurer/Comptroller, assumes the position of General Manager. Mr. Lamson stated that, for the past two years, Mr. Murphy has served as the State of New Hampshire's State Comptroller and that, prior to having ultimate responsibility for directing the State's accounting functions, Mr. Murphy had served in several other positions in the State of New Hampshire government since 2006, including being a Financial Analyst for the State's Department of Transportation, Budget Officer for the State Legislature, the Governor's Budget Director, and then the State's Financial Reporting Administrator. Mr. Lamson also noted that, as the State's Financial Reporting Administrator, Mr. Murphy was responsible for the preparation of the State's Comprehensive Annual Financial Report.

Mr. Lamson further reported that, if the Members were to elect Mr. Murphy as the Authority's next Treasurer and approve an employment agreement with him, he would start his employment with the Authority as its Treasurer-Elect on Wednesday, May 31st.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to elect Gerard J. Murphy to serve as the Authority's Treasurer, effective July 1, 2017, subject to contract negotiations, as recommended by management in Staff Summary #A-610, dated May 8, 2017.

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

Mr. Jones then complimented Mr. Murphy on his impressive resume, and stated that he was confident Mr. Murphy will do an excellent job at the Authority. After Mr. Jones also observed that it appeared that, over the course of his career, Mr. Murphy had been recruited for a number of new positions and expressed his hope that he would not be recruited for another new position after becoming the Authority's Treasurer, Mr. Murphy assured him that the Authority was where he wanted to spend the rest of his professional life. In this regard, Mr. Lamson noted that the Authority has had only three Treasurers over the last fifty years, and that two of those Treasurers were in the room that day.

Employment Agreement with Gerard J. Murphy:

Mr. Lamson then reviewed the material provisions of the staff's proposed employment agreement between the Authority and Mr. Murphy, observing that, except for Mr. Murphy's initial salary, the provisions were essentially the same as those of the employment agreements the Authority has entered into with himself and Messrs. Davis and Sayers over the years, and included an initial five-year term that will automatically renew unless and until the Authority provides Mr. Murphy with a year's notice (or Mr. Murphy provides the Authority

with six months' notice). In response to a question from Ms. Tierney, Mr. Murphy stated that he had reviewed the proposed employment agreement and that its provisions were acceptable to him

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to authorize the Chairman to execute an Employment Agreement with Gerard J. Murphy in substantially the form recommended by management and attached to Staff Summary #A-611, dated May 8, 2017.

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

Then, at approximately 3:32 p.m., Ms. Tierney entertained a motion to adjourn the meeting in public session.

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

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

A TRUE RECORD

ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the
May 10, 2017 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. Notice and Agenda of the Authority's May 10, 2017 Meeting, posted May 8, 2017.
2. Staff Summary #A-610, dated May 8, 2017 – Staff's Recommendation for the election of the Authority's next Treasurer.
3. Staff Summary #A-611, dated May 8, 2017 – Employment Agreement with Gerard Murphy.

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

The Meeting in Public Session

May 23, 2017

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 23rd day of May, 2017, beginning at 9:30 a.m., in the Harbor View Gallery of the New Bedford Whaling Museum, located at 18 Johnny Cake Hill, New Bedford, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury was also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Security Lawrence S. Ferreira; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that Steven Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Chairman's Welcome:

Ms. Tierney then welcomed everyone to New Bedford and thanked them for attending today's meeting, observing that Harbor View Gallery in the New Bedford Whaling Museum was New Bedford's jewel meeting place. Ms. Tierney also noted that this was Mr. Lamson's last meeting in New Bedford as the Authority's General Manager, and she thanked him for everything he has done over the years to improve the relationship between the Authority and the entire New Bedford community.

Minutes:

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meetings in public session on April 18 and May 10, 2017.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for March 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried fewer passengers (down 7.4%), fewer automobiles (down 4.3%) and fewer trucks (down 3.0%) during the month than it had carried during the same month in 2016, and noted that the lower traffic levels may have been attributable, at least in part, to the large number of trips that were cancelled during that month due to weather (84 trips) compared to the same month in 2016 (22 trips). Mr. Lamson also reported that the Authority's net operating loss for the month had been around \$2,699,000, approximately \$941,000 lower than what had been projected, with operating revenues and other income \$188,000 lower than projected and operating expenses, fixed charges and other expenses \$1,130,000 lower than projected.

Mr. Lamson further reported that, for the first three months of 2017, the Authority had carried fewer passengers (down 2.7%), fewer automobiles (down 2.0%) and more trucks (up 1.7%) than during the first three months of 2016. Mr. Lamson noted that, during this same period, the Authority's total operating loss had been around \$8,699,000, approximately \$3,548,000 lower than the amount projected in the 2017 Operating Budget, with operating revenues and other income \$24,000 higher than projected and operating expenses, fixed charges and other expenses \$3,524,000 lower than anticipated due to actual expenses for a number of maintenance and repair projects coming in lower than the amounts originally budgeted for those projects during this time period.

Mr. Lamson also reported that, based on the cash balance at the end of March 2017 and the estimated cash transfers to be made to the Authority's special purpose funds for the remainder of the year, it was anticipated that around \$10,480,000 will be transferred to the Authority's Replacement Fund this year, in addition to meeting all of the Authority's scheduled bond interest and principal payments through March 1, 2018.

Construction of the Authority's New General Offices:

Mr. Lamson then reported that the construction of the Authority's new administrative office building was proceeding pretty much on schedule, and that the contractor was now working on the mechanical, electrical and plumbing systems in the basement. Mr. Lamson also noted that the contractor has been holding off on closing in the roof and siding until the Glulam (glued laminated timber) beams are delivered and installed next month. Through the end of April, Mr. Lamson said, the Authority had authorized \$88,745 in change orders to the construction contract from the original contract amount of \$12,687,000, and had paid the contractor around \$3,000,000, or approximately 24% of the total contract amount. Mr. Lamson also noted that the staff was beginning to work with the architect on the procurement of the office furniture, computer equipment and telephone system that will be needed in the new building.

Mr. Cloutier then gave a PowerPoint presentation showing the progress of the construction of the Authority's administrative office building in the Palmer Avenue parking lot.

Temporary Woods Hole Terminal Building:

Mr. Lamson reported that, toward the end of last month, the modular units for the Woods Hole temporary terminal building were delivered and placed onto their foundation without any problems or issues. However, Mr. Lamson said, the trenching and underground utility work that since has taken place has presented a challenge to maintain terminal operations over the past few weeks, and the work has resulted in various temporary changes in traffic patterns at the terminal. But Mr. Lamson noted that the contractor is still looking to finish all of the outside work over the next few weeks, including restoring the bike path and exit lane for the back parking lot on the north side of the temporary building, and then finish up its remaining work by June 8th. In this regard, Mr. Lamson observed that the Authority had hoped to finish all of the outside work before the Memorial Day weekend, but that much of the utility work was held up until

the Authority received its waterways license for the project, which it received only late last month. Through the end of April, Mr. Lamson said, the Authority had authorized \$21,231 in change orders to the construction contract from the original contract amount of \$2,591,182, and had paid the contractor around \$1,532,000, or approximately 59% of the total contract amount.

Mr. Cloutier then gave another PowerPoint presentation showing the progress of the construction of the Authority's temporary Woods Hole terminal building. During that presentation, Mr. Cloutier noted that, during the trenching and underground utility work, the contractor had run into a lot of interference and discovered that the water main was twelve inches higher than shown on the drawings. As a result, Mr. Cloutier said, the sewer connection will have to be relocated, which will impact traffic on Railroad Avenue after the Memorial Day weekend.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Authority should be receiving an updated cost estimate for the Woods Hole terminal reconstruction project by the end of this month, and that the design team was still working toward a mid-September date for the issuance of an invitation for bids for the marine contract so that the contract can be awarded at the November Authority meeting. Mr. Lamson also noted that there will be a separate contract for the demolition of the current General Office building after the new administrative office building and the temporary terminal building are completed, and that the invitation for bids for the demolition contract was expected to be issued in August so that the contract can be awarded at the September Authority meeting. Meanwhile, Mr. Lamson said, the architects were still working through some design concepts for the new permanent terminal building so that they can be presented to the Members for their consideration within the next few months.

Point-of-Sale Ticketing System Upgrade:

Mr. Lamson reported that most of the SkiData scanners have now been installed at each of the terminals, but that the staff is still working through some issues that have arisen with the scanning of bar codes on certain smart phones. For example, Mr. Lamson said, the brightness (or the lack of brightness) of some phones' display screens, as well as the orientation of the bar codes on some screens that rotate, have caused problems with scanning high-speed passenger tickets that are sold through the Authority's mobile site, and those problems are

affecting around ten percent of the phones that are scanned. Mr. Lamson stated that the Authority needs to resolve those problems before it allows customers to buy tickets for the traditional ferries on their smart phones, and that the staff hopes to resolve them over the next few weeks. In this regard, Mr. Lamson noted that the Authority needs a better way for bar codes to be displayed on customers' smart phones, or possibly another type of bar code or image that is easier to scan.

Mr. Lamson also reported that the staff is also looking forward to rolling out the RFID cards for the 46-ride monthly commuter books on the Martha's Vineyard route by the end of the month. Mr. Lamson noted that, after the Authority tests those RFID cards and works out any unexpected issues, it will then be able to expand the sale of RFID cards to replace the other types of multi-coupon ticket books on both routes.

In response to a question from Mr. Hanover, Mr. Rozum stated that commuters will be able to reload their RFID cards online and that the computer system will keep track of how many coupons have been used and how many are left. Mr. Rozum also noted that customers will not have to wait until the end of each month to purchase the following month's coupon book, and Mr. Lamson stated that, because the coupons in a 46-ride monthly commuter book are only valid for one calendar month and cannot be carried over from month to month, the system will also prevent customers from using coupons that are not valid for the month in which they are being used.

Renewal of the Tisbury Park 'n Ride Agreement:

Mr. Lamson asked the Members for authorization to renew the Authority's agreement with the Town of Tisbury and the Martha's Vineyard Transit Authority ("VTA") to continue to provide the Tisbury Park 'n Ride service for the next three years. Mr. Lamson noted that, as proposed, the agreement would require the Authority to continue reimbursing the VTA, as it has since 2003, for fifty percent (50%) of both the labor cost of the vehicle's drivers and the fuel costs which the VTA reasonably incurs to operate the service on a year-round basis. Mr. Lamson noted that the Authority has been reimbursing the VTA 50% of the labor cost of the vehicle's drivers based upon an hourly rate of \$18.50 (not including benefits) since 2003, and that the VTA was currently paying its drivers \$24.00 per hour, which represented an increase of less than 2% per year. Therefore, Mr. Lamson said, he was recommending that the Authority's reimbursement be based upon the VTA's current labor rate, which will increase the agreement's annual cost to the Authority from around \$66,400 to approximately \$83,000, an increase of a

little more than \$16,000. But Mr. Lamson also noted that, because of the increase in the number of passengers using the service, it will still cost the Authority only around \$0.67 per passenger, slightly less than what it cost the Authority to carry each passenger several years ago.

Mr. Lamson also asked the Members to approve a revision to the proposed agreement that would allow the Town of Tisbury to charge commercial trucks for parking at the Park ‘n Ride lot even if they don’t stay in the lot overnight. Specifically, Mr. Lamson said, he was recommending that the first sentence in Part III (A) of the proposed agreement be revised to read: “The Town will make the Lot available free of charge to all persons who wish to park their vehicles there for four calendar days or less, except that the Town may charge for the parking of commercial vehicles.” Mr. Lamson agreed with Mr. Jones that this was not a new issue and that the Town previously had complained about the problems it was having with commercial trucks parking at the lot, and he observed that this revision would leave it up to the Town to decide whether or not it wants to charge commercial trucks for parking at the lot.

In response to a question from Mr. Jones, Mr. Balco stated that the lot is pretty filled most of the time and that allowing the Town to charge commercial trucks for parking there would not detract from the principal purpose of the agreement.

IT WAS VOTED -- upon Ms. Gladfelter’s motion, seconded by Mr. Ranney -- to approve and authorize the General Manager to execute a new agreement with the Town of Tisbury and the Martha’s Vineyard Transit Authority with a term ending December 31, 2019, as described in Staff Summary #GM-684, dated May 17, 2017, and in substantially the same form as set forth in the attachment to that staff summary, with the additional revision to Part III (A) recommended by the General Manager at today’s meeting.

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

Parking Lot Improvements
at 123 School Street, Hyannis:

Mr. Lamson then asked the Members for authorization to proceed with the staff's plans to make certain improvements to the parking lot at 123 School Street in Hyannis, the property that the Authority bought from Elaine Karath in 2012. Mr. Lamson observed that the area currently has parking spaces for eight vehicles and that the improvements would add 13 more spaces there, which will provide more parking for community groups who use the Hyannis terminal's second floor meeting room at night, as well as for Authority employees during the day.

After Ms. Gladfelter suggested that the staff might want to consider having a one-way "U"-shaped traffic flow in the lot with angled parking spaces instead of perpendicular ones, Mr. Jones expressed his concern about the telephone pole on School Street with two transformers on it, observing that Stuart Bornstein was proposing a development with underground utilities on the property that is adjacent to the parking lot. Mr. Jones asked whether the Authority would be coordinating with Mr. Bornstein about the project's utilities and, in response, Mr. Lamson stated that his understanding was that Mr. Bornstein was proposing to install underground utilities for all of the properties on School Street that are situated between South Street and Hyannis Harbor.

Mr. Jones then stated that he was in favor of the parking lot improvements, observing that it will improve the Authority's shuttle bus operations by allowing the buses to go back and forth on School Street without having to travel on Main Street. However, Mr. Jones stated that the parking lot should not be used by people who leave their cars in Hyannis while they are sailing on fishing boats, and he suggested that a solution to this problem might be to limit the amount of time that a car can be parked in any particular space. Mr. Jones then observed that the Authority had bought this property without any use in mind for it, and he stated that, in his opinion, this was the best use that can be made of the property for what it is.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to proceed with management's proposed parking lot improvements at 123 School Street, Hyannis, as described in Staff Summary #GM-685, dated May 17, 2017, including the award of a construction contract to the lowest eligible and responsible bidder if the amount of the contract is less than \$100,000.

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

Proposed 2018 Winter and Spring Operating Schedules:

Mr. Lamson reviewed with the Members the staff's preliminary version of the Authority's proposed 2018 Winter and Spring Operating Schedules, as set forth in Staff Summary #TPF-2017-4, dated May 17, 2017, noting that the proposed schedules take into consideration that the *M/V Martha's Vineyard* will be undergoing its mid-life refurbishment beginning in September 2017 and won't be returning to line service until the 2018 Early Spring Operating Schedule that commences on March 15, 2018. Mr. Lamson also noted that the proposed schedules were being presented today for discussion purposes only and that the Authority already had placed advertisements of the proposed schedules in the local newspapers to provide for a 30-day comment that will end before the Authority's next meeting on June 20th.

With respect to both routes, Mr. Lamson noted that the staff was proposing to begin the spring schedule on March 15, 2018, two days earlier than it began this past year, and also to end the spring schedule on May 10, 2018, resulting in the 2018 summer schedule starting on May 11, 2018 five days earlier than it began this past year. Mr. Lamson stated that the staff also was proposing to open the Oak Bluffs terminal at the same time.

With respect to the Nantucket route, Mr. Lamson stated that the staff was not proposing any changes to any of the trip times, the quantity of trips or the vessel crewing during either the winter or the spring schedule, and that the only proposed change from this past year's schedules would be the assignment of the *M/V Nantucket* in place of the *M/V Eagle* through January 10, 2018 while the *M/V Eagle* is in repair.

With respect to the Martha's Vineyard route, Mr. Lamson stated that:

- The staff is proposing to triple crew the freight boat during the 2018 Winter Operating Schedule, when the existing General Office building is scheduled to be demolished. Mr. Lamson noted that, although the freight boat has been single crewed during past winter schedules, the staff does not want to get into a situation where the freight boat is tied up at Woods Hole over a weekend and there is no place to dock an additional vessel there during the terminal's reconstruction. Further, Mr. Lamson said, during prior winters, the Authority sometimes has needed to call in extra crews so that the freight boat can provide extra trips on the weekends, and this will not be necessary next winter under the proposed schedules because a crew will already be there.
- The staff also was proposing to assign the *M/V Woods Hole* in place of the *M/V Island Home* from January 11, 2018 through March 23, 2018 while the *M/V Island Home* is in repair. Mr. Lamson noted that, although the *M/V Woods Hole* does not have as much passenger capacity as the *M/V Nantucket*, the Authority never carried more than 376 passengers on any trip during this past year's winter schedule.
- The staff is planning to berth the freight boat at Vineyard Haven during the Early Spring Operating Schedule (from March 15 through April 1, 2018) and have its first trip leave the island at 5:30 a.m. Mr. Lamson noted that the Authority berthed a freight boat at Vineyard Haven this past year, with a daily 5:30 a.m. departure, and did not receive any complaints from the public.
- It will not be until April 2, 2018, when the *M/V Woods Hole* is operating as the freight boat on the route, that the first freight trip will leave Woods Hole at 5:30 a.m. By comparison, the Authority resumed the 5:30 a.m. freight trip from Woods Hole this past year on March 17, 2017.

Mr. Lamson noted that the Authority already had received a few comments about the proposed schedules, although he stated that many of them were copies of prior comments that were submitted in the fall of 2016 and January 2017 when the staff had proposed previous operating schedules. Mr. Lamson also reported that the staff was going to look into whether the Authority should tweak the currently proposed 2018 winter and spring operating schedules to address the possibility that the Authority may have to operate out of one slip at the Woods Hole terminal if construction activities there require the marine contractor to work out of the other operating slip for a few weeks. However, Mr. Lamson observed that revising the schedules now to address that possibility may create more conflicts rather than fewer.

2016 Analysis of Rates versus Cost of Service:

Mr. Davis reviewed with the Members his analysis of the effectiveness of the Authority's rate structure to cover each route's cost of service for passengers, automobiles and trucks during the 2016 calendar year, as set forth in Staff Summary #A-612, dated May 17, 2017. Mr. Davis noted that the methodologies used in the analysis were the same as those that have been used for the previous twelve years, and that his annual review is conducted to determine the effectiveness of the Authority's rate structure for each island to cover that island's cost of service.

With respect to the Martha's Vineyard route, Mr. Davis noted that:

- (a) In 2016, the cost of vessel operations increased by \$1,364,000, or 5.5%, mainly due to increases in the dry-dock expenses for the *M/V Sankaty* and the addition of the *M/V Woods Hole*, although those additional expenses were partially offset by a slight decrease in vessel fuel costs. By contrast, indirect non-vessel costs decreased by \$507,000, or 2.1%, which resulted in the overall cost of service for the Martha's Vineyard route increasing by \$857,000, or 1.7%, from 2015.
- (b) The total number of trips operated increased by 157 in 2016, with total capacity for the year increasing by 34,620 car-equivalent unit spaces primarily because of the *M/V Woods Hole*'s increased vehicle capacity. The number of spaces occupied increased by 24,600, or 4.0%, from 2015, resulting in a decrease of the occupancy rate from 81.9% in 2015 to 81.4% in 2016.
- (c) The estimated cost of a car-equivalent unit space was \$49.61 in 2016, down from \$51.35 in 2015. On average, automobiles covered 97.1% of their allocated cost of service, with the standard fare automobiles covering 129.4% and excursion fare automobiles covering 39.9%. By comparison, on average, trucks covered 114.8% of their allocated cost of service.

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

- (a) In 2016, the cost of vessel operations increased by \$1,821,000, or 12.1%, primarily due to increases in the dry-dock expenses for the *M/V Sankaty* and the *M/V Eagle*, although those expenses were partially offset by a \$500,000 decrease in vessel fuel costs. Indirect non-vessel costs also increased by \$2,830,000, or 24%, due to dock work at the Nantucket terminal, restroom renovations at both the Hyannis and Nantucket terminals, and the repair of the exterior steps at the Hyannis terminal. As

a result, the overall cost of service for the Nantucket route increased by \$4,651,000, or 17.3%, from 2015.

- (b) The total number of trips operated increased by 97 in 2016, with total capacity for the year increasing by 5,790 car-equivalent unit spaces. The number of spaces occupied increased by 8,899 from 2015, resulting in an increase of the occupancy rate from 84.2% in 2015 to 86.0% in 2016.
- (c) The estimated cost of a car-equivalent unit space was \$131.05 in 2016, up from \$113.16 in 2015. On average, automobiles covered 116.1% of their allocated cost of service, with the standard fare automobiles covering 147.3% and excursion fare automobiles covering 41.3%. By comparison, on average, trucks covered 88.3% of their allocated cost of service.

Mr. Davis also noted that the Nantucket route's cost of service had increased substantially in 2016 from what it had been in 2015 principally because the Authority had undertaken larger repair projects at the Nantucket and Hyannis terminals in 2016 compared to the smaller terminal repair projects that had been undertaken in 2015.

Ms. Gladfelter then stated that she appreciated all of the work that had gone into preparing this analysis and observed that, when there eventually is a need for rate increases, the information will be useful in considering which fares should be increased. For example, Ms. Gladfelter said, she assumed that when deciding which Nantucket fares should be increased, the Authority will consider the fact that trucks historically have not been covering their allocated cost of service. But Mr. Jones noted that the Authority has repeatedly decided that automobiles on the Nantucket route should pay more than their allocated cost of service so that trucks can pay less, based upon the philosophy that it is more important to ensure that freight is able to be transported less expensively, as an increase in the Authority's freight tariffs affects the cost of goods sold on the entire island.

Mr. Davis agreed, observing that the differences in the Authority's fares are the result of public policy decisions that have been made by the Members over the years. Ms. Gladfelter then asked how the Authority determines whether passengers are paying their fair share of each route's cost of service, noting that passenger fares comprise approximately thirty percent of the Authority's total revenues. In response, Mr. Davis stated that, when considering whether any of its passenger fares should be increased, the Authority principally compares those fares with the passenger fares of its competitors, as well as looking at how much each passenger fare has increased in the past.

Reduction Gears for the M/V Iyanough:

Mr. Lamson then asked the Members to award Contract No. 03-2017 for two reduction gears for the *M/V Iyanough* to the lowest eligible and responsible bidder for the contract, ZF Marine Propulsion Systems Miramar, LLC of Miramar, Florida, for a total contract price of \$155,605. Mr. Lamson noted that, even though the Authority issued an invitation for bids for the reduction gears, there is only one supplier of the gears and, as a result, the Authority received only one bid in response to the invitation.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to award Contract No. 03-2017 for two reduction gears for the *M/V Iyanough* to the lowest eligible and responsible bidder for the contract, ZF Marine Propulsion Systems Miramar, LLC of Miramar, Florida, for a total contract price of \$155,605, as recommended by management in Staff Summary #E 2017-4, dated May 11, 2017.

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

Purchase of 10 Additional Servers:

Mr. Lamson asked the Members for authorization to purchase ten additional servers for the Authority's new administrative offices from IntraSystems, Inc. of Braintree, Massachusetts, for \$111,610 pursuant to a state vendor contract. Mr. Lamson noted that the Authority purchased thirteen other servers last month, and that eight more servers for the office are scheduled to be purchased in September.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to purchase ten additional servers for the Authority's new administrative offices, from IntraSystems, Inc. of Braintree, Massachusetts, for \$110,610 pursuant to a state vendor contract, as recommended by management in Staff Summary #MIS04-17, dated May 17, 2017.

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

Port Council's Report:

Mr. Balco reported that, at their meeting earlier this month, the Port Council had discussed many of the matters that the Members had considered that day, including how the Authority's ticket scanners were coming into service, the School Street parking lot improvements in Hyannis, the staff's proposed 2018 winter and spring operating schedules, and the renewal of the Tisbury Park 'n Ride agreement. Mr. Balco also reported that the Port Council had spent a significant amount of time reviewing Mr. Davis' analysis of the Authority's rates versus the cost of service and concluded that the poor island is not overpaying because the rich island is paying its fair share of the Authority's cost of service. Accordingly, Mr. Balco said, it appears that any future rate increases should be allocated to both islands, given that, at least for the past decade, neither island has been subsidizing the other island's cost of service.

Disclosure of Potential Conflict of Interest by
Robert B. Davis, Phillip J. Parent and Steven M. Sayers:

Mr. Lamson then reviewed with the Members the written disclosure that Messrs. Davis, Parent and Sayers had submitted about their potential conflict of interest if they were to participate in the a review of the Authority's salary structure and salary and wage program for its non-union employees, given the fact that they have a financial interest in that matter. Mr. Lamson stated that he was recommending that the Members vote to determine that Messrs. Davis, Parent and Sayers may participate in the matter because their financial interest is not so substantial as to be deemed likely to affect the integrity of the services which the Authority and the Commonwealth of Massachusetts may expect from them.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to:

- **accept the written disclosure from Treasurer/ Comptroller Robert B. Davis, Director of Human Resources Phillip J. Parent and General Counsel Steven M. Sayers, as set forth in their letter to the State Ethics Commission, dated May 15, 2017;**
- **determine that the financial interest that Messrs. Davis, Parent and Sayers have in the matters described in the disclosure is not so substantial as to be deemed likely to affect the integrity of the services which the Authority and the Commonwealth of Massachusetts may expect from them; and**
- **authorize Messrs. Davis, Parent and Sayers to participate in those matters.**

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

Applicability of the Open Meeting Law to the
Port Council and Committees of the Authority:

Mr. Sayers then noted that, as set forth in Staff Summary #L-468, dated May 17, 2017, Assistant Attorney General Jonathan Sclarsic, Director of the Office of the Attorney General's Division of Open Government, had informed him by letter of the Division's position that the Port Council and committees of the Authority and the Port Council are subject to the Open Meeting Law because, in Assistant Attorney General Sclarsic's opinion, both the Authority and the Port Council are located within the Executive Branch. Mr. Sayers stated that he disagreed with Assistant Attorney General Sclarsic's opinion and would continue his efforts to reach agreement with the Division of Open Government regarding the applicability of the Open Meeting Law to the Port Council and any committees established by either the Authority or the Port Council. But Mr. Sayers also recommended that, for as long as the Division maintains its current position, the Port Council and all such committees comply with the Open Meeting Law's requirements even though, in his opinion, they are not legally required to do so.

The Oak Bluffs Terminal's Extended Hours of Operation:

Mr. Hanover asked Ms. Barboza if there was any way that the Authority can keep track of how many people are making advance reservations at the Oak Bluffs terminal between 7:15 a.m., the terminal's new opening time, and 9:30 a.m., the time that the terminal opened in the past, to see how many people the Authority is serving with those extended hours. Mr. Lamson stated that he was also interested in receiving that information, and Mr. Balco suggested that the Authority advertise the terminal's extended hours a little more.

Public Comment:

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

Then, at approximately 10:58 a.m., Ms. Tierney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, to discuss the deployment of security personnel or devices, and strategies with respect thereto, and to discuss the Authority's strategy with respect to collective bargaining and anticipated litigation matters, because a

public discussion of these matters may have a detrimental effect on the Authority's bargaining, negotiating and litigating positions. After Ms. Tierney announced that these matters included:

- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis;
- the potential acquisition of property on Nantucket; and
- negotiations with Teamsters Union Local No. 59 for a new collective bargaining agreement for the Authority's security employees and regarding the merger of the Authority's money purchase plans for its parking attendants, bus drivers and security employees into the money purchase plan for the Authority's unlicensed vessel employees;

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

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to go into executive session to consider the purchase, exchange, lease or value of real property, to discuss the deployment of security personnel or devices, and strategies with respect thereto, and to discuss the Authority's strategy with respect to collective bargaining and anticipated litigation matters.

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

A TRUE RECORD

ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the
May 23, 2017 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. May 23, 2017 Meeting Memorandum, dated May 18, 2017.
2. Minutes of the April 18, 2017 Meeting in Public Session (draft).
3. Minutes of the May 10, 2017 Meeting in Public Session (draft).
4. Business Summary for the Month of March 2017.
5. Administrative Office Building PowerPoint Presentation.
6. Woods Hole Temporary Terminal Building PowerPoint Presentation, dated May 23, 2017.
7. Staff Summary #GM-684, dated May 17, 2017 – Proposed Renewal of the Tisbury Park 'n Ride Agreement.
8. Staff Summary #GM-685, dated May 17, 2017 – Proposed Parking Lot Improvements – 123 School Street, Hyannis.
9. Staff Summary #TPF-2017-4, dated May 7, 2017 – Preliminary Version of Proposed 2018 Winter and Spring Operating Schedules.
10. Staff Summary #A-612, dated May 17, 2017 – 2016 Analysis of Rates versus Cost of Service, including the Background Material Relative to the Effectiveness of the Authority's Rate Structure to Cover the Respective Cost of Service for Passengers, Automobiles and Trucks.
11. Staff Summary #E 2017-4, dated May 11, 2017 – Contract 03-2017, "Supply and Deliver Two (2) ZF-4650 (D) Reduction Gears."
12. Staff Summary #MIS04-17, dated May 17, 2017 – Request for Authorization to Purchase Additional Servers for the New Admin Offices.
13. Minutes of the Port Council's May 3, 2017 Meeting (draft).
14. Staff Summary #GM-686, dated May 17, 2017 – Robert B. Davis, Phillip J. Parent, and Steven M. Sayers Disclosure of Potential Conflict of Interest.
15. Staff Summary #L-468, dated May 17, 2017 – The Open Meeting Law's Applicability to the Port Council and Committees of the Authority.
16. Statement to be Read Prior to Going into Executive Session.

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

The Meeting in Public Session

June 15, 2017

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 15th day of June, 2017, beginning at 3:02 p.m., in the second floor conference room of the Authority's Woods Hole terminal, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford (who participated remotely by telephone conference call); Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council member Robert S. C. Munier of Falmouth was also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Treasurer-Elect Gerard J. Murphy; and General Counsel Steven M. Sayers.

Ms. Tierney's Remote Participation in the Meeting:

Mr. Ranney announced that he had been notified by Ms. Tierney that she desired to participate remotely in this meeting because her geographic distance from Woods Hole made her physical attendance today unreasonably difficult. Mr. Ranney stated that he agreed with Ms. Tierney and that, as the Authority's Vice Chairman who was chairing today's meeting in Ms. Tierney's physical absence, he had determined that Ms. Tierney's physical attendance was unreasonably difficult due to her geographic distance from Woods Hole and that, therefore, she may participate remotely in this meeting, which includes voting on all matters. Mr. Ranney noted that Ms. Tierney would be doing so by telephone conference call, and that she would be clearly audible to the other Members and each of the other Members would be clearly audible to her. Finally, Mr. Ranney announced that, due to Ms. Tierney's remote participation in this meeting, all votes taken by the Members today would be by roll call vote.

Public Hearing on the Authority's Proposed
2018 Winter and Spring Operating Schedules:

Mr. Lamson advised the Members that, the previous Thursday, he had received a petition signed by 61 Falmouth residents requesting that the Authority conduct a public hearing on its proposed 2018 Winter and Spring Operating Schedules and that Mr. Sayers had prepared a memorandum, dated June 9, 2017, in which he had made certain recommendations for consideration by the Members regarding the format and conduct of the public hearing. The Members then reviewed that memorandum with Mr. Sayers and first considered who should conduct the public hearing. In this regard, the Members agreed that the hearing should be conducted by Mr. Sayers and that, after the Chairman opens the hearing, it would be best if the Members only listened to the public testimony as observers and did not deliberate among themselves during the hearing.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to designate the Authority's General Counsel to conduct the public hearing on the proposed 2018 Winter and Spring Operating Schedules.

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

Mr. Sayers then informed the Members that the Authority already has made arrangements for Steve Baty of All Media Productions to attend the hearing and make a video and audio recording of it. Therefore, Mr. Sayers said, the Members will be able to review that recording if any of them are unable to attend the hearing.

The Members then discussed whether persons providing testimony should be sworn in as witnesses. Initially, Mmes. Gladfelter and Tierney expressed their preference for this requirement to ensure that everyone who testifies realizes the importance of their testimony, but Mr. Jones stated that he had never conducted or participated in a public hearing where people were required to be sworn in, and that he strongly recommended against it.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- that persons not be required to be sworn in as witnesses in order to provide testimony at the public hearing.

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

The Members continued to discuss the issues described in Mr. Sayers's memorandum and generally agreed with his recommendations. Specifically, they agreed that Mr. Sayers should establish time limits for people's testimony if they are necessary to ensure that everyone who wants to testify has a fair opportunity to do so; but that Nat Trumbull, who submitted the petition on behalf of the 61 Falmouth residents, should be provided more time to testify than others. The Members also agreed that public officials should be provided the opportunity to testify either at the beginning or at the end of the hearing, whichever they prefer, that otherwise Mr. Trumbull should be provided the opportunity to testify first, and that others should then be called upon in the order that they sign up at the hearing.

The Members also agreed that the public should be asked to submit their written testimony as soon as possible after the hearing so that the staff can consider their testimony before completing their draft report for consideration by the Port Council and the Members at their regular July 2017 monthly meetings. In this regard, Mr. Lamson noted that the staff was planning to provide the Port Council with the materials for their July 6, 2017 meeting by Friday, June 30, 2017.

Although Mr. Jones noted that the Barnstable Town Council always have a police officer at their meetings, the Members agreed that the Authority should not have a police officer attend the public hearing. The Members also agreed that they all should be seated at the front of the room and that everyone who talks should speak into a microphone.

At this time, Ms. Tierney stated that she had to leave the meeting.

Finally, the Members agreed that the Authority should not take any positions at the hearing or attempt to correct or clarify any statements that might be made during the testimony. Indeed, in order to reduce the possibility of getting into debates with individuals at the expense of providing everyone with the opportunity to testify, the Members agreed that the Authority also should not answer any questions that might be posed at the hearing, unless the questions can be answered quickly and easily.

Then, at approximately 4:10 p.m., Mr. Ranney entertained a motion to adjourn the meeting.

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

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

A TRUE RECORD

ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the
June 15, 2017 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. Notice of the Authority's June 15, 2017 Meeting in Public Session, posted at 9:00 a.m. on June 13, 2017.
2. Statement to be Read at the Beginning of the Meeting.
3. Memorandum from General Counsel Steven M. Sayers to General Manager Wayne C. Lamson, dated June 9, 2017 – Petition from Residents of the Town of Falmouth.

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

The Meeting in Public Session

June 27, 2017

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 27th day of June, 2017, beginning at 10:00 a.m., in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford (who participated remotely by Skype); Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury, Port Council Vice Chairman Nathaniel E. Lowell of Nantucket, and Port Council member Robert V. Huss of Oak Bluffs were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Treasurer-Elect Gerard J. Murphy; Operations Manager Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh; Director of Information Technologies Mary T. H. Claffey; Nantucket Terminal Manager Elaine K. Mooney; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

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

Ms. Tierney's Remote Participation in the Meeting:

Mr. Ranney announced that he had been notified by Ms. Tierney that she desired to participate remotely in this meeting because her geographic distance from Nantucket made her physical attendance today unreasonably difficult. After saying that he agreed with Ms. Tierney, Mr. Ranney announced that, as the

Authority's Vice Chairman who was chairing today's meeting in Ms. Tierney's physical absence, he had determined that Ms. Tierney's physical attendance was unreasonably difficult due to her geographic distance from Nantucket and that, therefore, she may participate remotely in this meeting, which includes voting on all matters. Mr. Ranney noted that Ms. Tierney would be doing so by Skype, and that she would be clearly audible to the other Members and each of the other Members would be clearly audible to her. Finally, Mr. Ranney announced that, due to Ms. Tierney's remote participation in this meeting, all votes taken by the Members today would be by roll call vote.

The June 16, 2017 M/V Iyanough Accident:

Mr. Lamson then gave a report to the Members on the June 16, 2017 accident involving the Authority's high-speed ferry, the *M/V Iyanough*, as more fully set forth in Appendix A to these minutes.

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to approve the minutes of the Members' meetings in public session on May 23 and June 15, 2017.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for April 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority

had carried more passengers (up 7.5%), more automobiles (up 6.2%) and more trucks (up 4.9%) during the month than it had carried during the same month in 2016, noting that the increase in the number of passengers carried in April 2017 included a 55% increase in the number of high-speed ferry passengers as a result of starting the service on April 1st this year (compared to April 12th in 2016). Mr. Lamson also reported that the Authority's net operating loss for the month had been around \$26,000, approximately \$1,212,000 lower than what had been projected, with operating revenues and other income \$513,000 higher than projected and operating expenses, fixed charges and other expenses \$699,000 lower than projected.

Mr. Lamson further reported that, for the first four months of 2017, the Authority had carried more passengers (up 0.8%), more automobiles (up 0.6%) and more trucks (up 2.7%) than during the first four months of 2016, and noted that, during this same period, the Authority's total operating loss had been around \$8,725,000, approximately \$4,760,000 lower than the amount projected in the 2017 Operating Budget. Mr. Lamson stated that, during this period, the Authority's operating revenues and other income had been \$537,000 higher than projected and operating expenses, fixed charges and other expenses had been \$4,223,000 lower than anticipated due to actual expenses for a number of maintenance and repair projects coming in lower than the amounts originally budgeted for those projects during this time period.

Construction of the Authority's New General Offices:

Mr. Lamson then reported that the construction of the Authority's new administrative office building was continuing to proceed pretty much on schedule, and that the contractor was installing the Glulam (glued laminated timber) beams which arrived at the beginning of this month. Mr. Lamson also reported that the contractor has held off on closing in the roof and siding until after the beams have been installed, and that the staff was beginning to work with the architect on the procurement of the office furniture, computer equipment and telephone system that will be needed in the new building.

Mr. Sayers then gave a PowerPoint presentation showing the progress of the construction of the Authority's administrative office building in the Palmer Avenue parking lot.

Temporary Woods Hole Terminal Building:

Mr. Lamson reported that the contractor for the Woods Hole temporary terminal building is finishing up its work, and that the trenching and tying into the Town of Falmouth's sewer system is completed. Mr. Lamson noted that, earlier this month, the site contractor had to dig up Railroad Avenue to connect the building to the Town's sewer main, and he expressed the Authority's appreciation for everyone's patience while traffic on Railroad Avenue was rerouted for a few days.

Mr. Sayers then gave another PowerPoint presentation showing the progress of the construction of the Authority's temporary Woods Hole terminal building. After the presentation, Mr. Hanover and Ms. Gladfelter noted that a lot of people were very impressed by how the building looks, particularly because the building's sides have a mural of navigation charts of Woods Hole and Martha's Vineyard, and that people are disappointed that the building is only temporary.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the final design work for the marine portion of the Woods Hole terminal reconstruction project was continuing to move forward. Mr. Lamson stated that the Authority had received an updated construction cost estimate last week, and that the staff was in the process of reviewing it before presenting it to the Port Council and the Members next month. Mr. Lamson also stated that, next month, the staff will also be presenting to the Port Council and the Members some design concepts for the new permanent terminal building before going before the Falmouth Historic Districts Commission. Mr. Lamson noted that, meanwhile, the Authority was still on schedule to issue an invitation for bids for the marine contract in September so that the contract can be awarded at the Authority's November meeting.

Point-of-Sale Ticketing System Upgrade:

Mr. Lamson reported that the Authority had rolled out the sale of RFID cards for the 46-ride monthly commuter books on the Martha's Vineyard route at the end of last month, that customers are able to reload their 46-ride cards before the end of each month at the Authority's ticket offices and that, beginning next month, they also will be able to reload them each month online. Mr. Lamson

noted, however, that the staff was still working through some remaining issues with the scanning of bar codes on tickets when they are displayed on certain smart phones. To resolve those issues, Mr. Lamson said, the Authority has transitioned to a different bar code format that is easier for its scanners to read, especially in bright sunlight. Mr. Lamson reported that, after the Authority finishes with that part of the project, it will roll out RFID cards for 10-ride adult ticket books and then begin selling traditional ferry tickets online and on smart phones before making RFID cards available for child and senior ticket books.

The Authority's Public Hearing on Its Proposed Schedule Changes:

Mr. Sayers then recounted how, pursuant to the Authority's Enabling Act, the Authority had placed advertisements last month of its proposed 2018 Winter and Spring Operating Schedules for the period from January 5 through May 10, 2018 in newspapers with general circulation in Falmouth, Barnstable, Martha's Vineyard, Nantucket and New Bedford. Mr. Sayers noted that on June 8th, in response to those advertisements, the Authority received a petition signed by 61 residents of the Town of Falmouth requesting that the Authority hold a public hearing on its proposed schedules. Mr. Sayers stated that, also pursuant to its Enabling Act, the Authority then conducted a public hearing at the Falmouth Public Library on June 20th to receive testimony regarding its proposed schedules to ensure that the Authority gains the benefit of the views of the parties affect, and that 90 people signed in at that hearing.

Mr. Sayers stated that the staff will consider all of the testimony received at the hearing, as well as written testimony that is submitted, and then prepare a draft report recommending either that the Authority maintain the 2018 Winter and Spring Operating Schedules as originally proposed by the staff, or that the Authority make modifications to those proposed schedules. Mr. Sayers further stated that the staff will explain the reasons for their recommendations in the draft report and that, when it is prepared, the draft report, together with all of the written testimony received, will be forwarded to the Members and the Port Council, and then posted on the Authority's website. In this regard, Mr. Sayers stated that the staff expected that the draft report will then be considered by both the Port Council and the Members at their regular monthly meetings.

Mr. Sayers noted how, in their petition, the 61 Falmouth residents object to the Authority's continued scheduling of freight service from Woods Hole prior to 6:30 a.m. due to the sleep deprivation caused by the noise impact of early morning Steamship Authority-related truck traffic on Falmouth and Woods Hole residents. Mr. Sayers then recounted how the Authority first received complaints

about its 5:30 a.m. freight trip in the fall of 2015 and how, since then, the Authority has taken a number of measures to reduce the noise associated with that trip as well as all of the Authority's other early morning trips from Woods Hole. For example, Mr. Sayers said:

- The Authority has stopped assigning the *M/V Katama*, the *M/V Gay Head*, or the *M/V Sankaty* to operate the 5:30 a.m. freight trip, as all of those boats require trucks to back up, and use their back-up alarms, when they are being loaded onto those boats. The Authority now assigns only the *M/V Governor* or the *M/V Woods Hole* to run that 5:30 a.m. freight trip, because trucks drive forward onto those boats when they are loaded.
- The Authority also has changed its methods of staging trucks at the Woods Hole terminal during the early morning so that they do not have to back up, and again use their back-up alarms, when they are being staged before being loaded onto the ferries.
- The Authority has sent letters to its freight shippers reminding them that their truck drivers are not allowed to idle their engines unnecessarily while they are at the terminal, and has posted "No Idling" signs at various locations around the terminal. The Authority also has reminded them to obey the speed limit as they drive down Woods Hole Road and not to use their jake brakes while they are on the road.
- The Authority no longer allows trucks to arrive at the terminal prior to 5:00 a.m., and the Authority has announced that no trucks are allowed at the terminal prior to 5:00 a.m. on its variable message sign on Route 28 leading into Falmouth.

Mr. Sayers reported that, at the public hearing, the Authority did not hear many complaints about the operations at the Woods Hole terminal itself in the early morning, and he stated that this was a tribute to how well Woods Hole terminal manager Kevin Smith and the Terminal Agents manage the truck traffic at the terminal. Mr. Sayers noted that he had witnessed those operations himself a few weeks ago, and that the way that Mr. Smith has the trucks maneuver around the property so that they don't have to back up was almost like a ballet.

But Mr. Sayers acknowledged that the Authority did hear many complaints about the number of trucks coming down Woods Hole Road, pretty much all at the same time, just before the terminal opens at 5:00 a.m., and how trucks that arrive before 5:00 a.m. drive around town until the terminal opens. Therefore, Mr. Sayers said, the staff now realizes that the Authority's decision not to allow any trucks to come onto the property before 5:00 a.m. appears to have created

the unintended consequence of the trucks that have reservations on the first four trips of the morning that leave at 5:30, 6:00, 6:30 and 7:00, as well as trucks that want to go standby on any of those trips, all arriving within a short time after 5:00 a.m., almost as if in a caravan.

Therefore, Mr. Sayers said, starting on Monday, July 10th, the Authority will be prohibiting standby trucks from arriving at the Woods Hole terminal until 6:30 a.m., and there will also be new procedures for trucks arriving at the terminal, as follows:

- Only trucks with reservations for the 5:30 a.m. trip will be allowed to show up at the terminal beginning at 5:00 a.m.;
- Trucks with reservations for the 6:00 a.m. trip will not be allowed to show up at the terminal until 5:15 a.m.;
- Trucks with reservations for the 6:30 a.m. trip will not be allowed to show up at the terminal until 5:45 a.m.;
- Trucks with reservations for the 7:00 a.m. trip will not be allowed to show up until 6:00 a.m.; and
- All other trucks, including standby trucks, will not be allowed to show up at the terminal until 6:30 a.m.

Proposed 2018 Winter and Spring Operating Schedules:

Mr. Lamson then noted that, at the June 20th public hearing on its proposed 2018 Winter and Spring Operating Schedules, the Authority did not receive any comments about the proposed schedules for the Nantucket route, and that the Authority had not received any written comments about those proposed schedules either. Therefore, Mr. Lamson said, the staff was requesting that the Members approve those schedules today so that the Authority can begin processing bulk freight reservations on the Nantucket route for the period from January 5 through May 10, 2018. Mr. Lamson also noted that there had been no changes to the proposed schedules since they were presented at last month's Authority meeting.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the 2018 Winter and Spring Operating Schedules for the Nantucket route, as proposed by management in Staff Summary #TPF-2017-6, dated June 21, 2017.

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

2018 Budget Policy Statement:

Mr. Davis then asked the Members to approve the staff's proposed 2018 Budget Policy Statement that will set forth the guidelines the staff is to use for developing the revenue and expense estimates for the Authority's 2018 Operating Budget. Mr. Davis observed that, if approved, the Budget Policy Statement would require the staff, among other things:

- to base the Authority's projected operating revenue primarily on actual traffic statistics for what will then be the most recent 12 months (August 2016 through July 2017), although the staff will review trends on the Nantucket route for any discernable impact on ridership now that the Authority is the only provider of traditional ferry service on that route;
- to base the Authority's projected vessel operating expenses in part on the operating schedules the staff will be proposing over the next few months for 2018;
- to include depreciation for the new administrative office building, the new temporary Woods Hole terminal building, and the cost of the *M/V Martha's Vineyard's* mid-life refurbishment;
- to properly maintain each of the Authority's terminals and identify terminal repairs and maintenance that will be needed, although no significant terminal repair projects are currently anticipated;
- to schedule the vessels that will be dry-docked during 2018 (the *M/V Nantucket*, *M/V Eagle*, *M/V Island Home*, *M/V Sankaty*, *M/V Katama* and *M/V Iyanough*);
- to take into account the Authority's expected training expenses due to the continuation of a number of different training programs, including STCW basic training for one-fifth of the vessels' crews, Marine Evacuation Slide

(MES) training, customer service training, discrimination prevention training, and rescue boat, security and oil spill prevention and response training;

- to assume that technology will continue to be used to improve customer service and reduce the Authority's operating costs;
- to assume that the Authority will maintain the same types of advertising, although the appropriate mix of media usage will continue to be re-evaluated; and
- to assume that the Authority's health care expense will reflect the continuation of employee contributions for 20% of the expected annual costs of coverage.

Mr. Davis also noted that one of the Authority's more significant operating expenses is vessel fuel oil and that, as for the past few years, the proposed 2018 Budget Policy Statement would require the staff to base the budgeted cost of vessel fuel oil on next year's cap prices or the then-current forecasts for oil prices during 2018 (plus the premium cost of the hedging program), whichever is lower. Mr. Davis observed that, currently, the barrel price of crude oil is trading in the \$45 - \$50 range while a year ago at this same time crude oil was trading in the \$40 - \$50 range (and that one month ago it was trading in the \$50 - \$55 range). In addition, Mr. Davis said, the Authority's hedge program for expected vessel fuel consumption for 2018 already has been executed through the first three quarters of the year with an average cap price of \$2.19 per gallon and that, by comparison, this year's average budgeted cost for vessel fuel is \$2.05 per gallon.

Mr. Davis further stated that projections will also be made in the budget for anticipated license fee income from all of the Authority's licensed carriers, taking into account the most recent traffic expectations and changes in Hy-Line's traffic patterns, and that the budget will also allow the Authority to maintain sufficient fund balances to meet its scheduled debt service requirements and to adequately fund cash transfers to the Replacement Fund (in an amount not less than this year's anticipated transfer of \$9,400,000 but not to exceed the Authority's projected depreciation expense for 2017, which is currently estimated at \$10,164,000).

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

the Members for discussion in September before the final version of the budget is approved in October.

In response to a question from Mr. Jones, Mr. Davis stated that the Authority had paid around \$300,000 in premiums for its fuel price hedging program so far next year and that it will have fuel cap prices similar to its fuel cap prices this year. In this regard, Mr. Davis noted that, over the past five months, fuel prices have exceeded those cap prices and that, as a result, the Authority already has received a return on its hedging program this year.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to adopt the 2018 Budget Policy Statement in the form attached to Staff Summary #A-613, dated June 21, 2017, as recommended by management.

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

Approval of Changes in the List of Authorized Check Signers:

Mr. Davis then asked the Members to adopt resolutions updating the list of signers on the Authority's bank accounts so that Mr. Murphy is one of the four authorized signers when he becomes the Authority's Treasurer/Comptroller on July 1, 2017.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to adopt the resolutions attached to Staff Summary #A-614, dated June 21, 2017, to update the list of authorized signers on the Authority's bank accounts, as recommended by management in that staff summary.

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

Mr. Lamson then introduced Mr. Murphy to the audience and Mr. Ranney welcomed him to his first monthly Authority meeting.

2017 Wage and Salary Program for Non-Union Personnel:

Mr. Lamson noted that, for decades, the Authority has followed a wage and salary program for its nonunion employees that was originally developed by its consultant, the predecessor of Willis Towers Watson, but that, earlier this year, the Members recognized that his retirement as General Manager, as well as the appointment of Mr. Davis as his successor and the appointment of Mr. Murphy to succeed Mr. Davis as the Authority's next Treasurer/Comptroller, presented the ideal time for the Authority to review its salary and wage program for all of its nonunion employees. Accordingly, Mr. Lamson recounted how the Members established a Committee, comprised of Ms. Gladfelter and Messrs. Hanover and Balco, to review that program and how the committee's review also included looking into whether the Authority should adjust the salary structure scales for any of its nonunion positions to ensure that the salaries of all of the positions are in line with the salaries for comparable positions in other public service organizations, as well as the wages paid to the Authority's unionized employees.

Mr. Lamson also reported that the committee was assisted in their review by four members of the management staff, Messrs. Lamson, Davis, Parent and Sayers, who provided them with the following information and recommendations:

- Prior to 2005, the Authority's employees were not required to pay any portion of the cost of their medical coverage. However, the Authority gradually required all of its employees to pay a portion of the cost of their medical coverage to the point where all employees are now required to pay

20% of the cost of their medical coverage. To partially offset this additional financial burden on its employees, particularly those in lower salary grade positions who were disproportionately affected, the Authority adjusted the salaries of its nonunion employees, but it did not correspondingly increase the salary ranges for any of its nonunion positions. Therefore, the staff recommended that the Authority also increase the salary ranges for each salary grade by the amount that it increased the salaries of its lower grade positions to partially offset those employees' obligation to pay 20% of the cost of their medical coverage.

- Although the salary range for each of the 18 salary grades (Grades 2 through 19) in the wage and salary program increases on average by approximately 10% per grade, the percentage increases between the lower salary grades were generally smaller (as low as 6.9%), while they were generally greater between the higher grades (as high as 11.6%). Therefore, the staff recommended that the Authority smooth out those increases so that the salary range for each salary grade is approximately 10% higher than the midpoint of the salary range for the grade immediately below it.
- For 2017, Willis Towers Watson is recommending that the Authority increase the salary ranges for its nonunion positions in all of the salary grades by 2.1%. Therefore, the staff recommended that the Authority also implement the 2.1% salary structure adjustment recommended by Willis Towers Watson.

Mr. Lamson observed that, if these three adjustments are made, the salary ranges for all but three of the Authority's nonunion positions (namely, General Manager, Port Engineer and Assistant Port Engineer positions) would appear to be in line with the salaries for comparable positions in other public service organizations, as well as the wages paid to the Authority's unionized employees. Accordingly, Mr. Lamson reported that, with respect to those three other positions, the staff further recommended that:

1. a new Grade 20, with a salary range that is 10% higher than the salary range for Grade 19, be established, and that the General Manager position be moved from Grade 19 to Grade 20;
2. the Port Engineer position be moved from Grade 14 to Grade 15; and
3. the Assistant Port Engineer position be moved from Grade 12 to Grade 14.

Mr. Lamson stated that the staff also recommended that the Authority approve a budget sufficient to provide merit salary increases averaging three percent (3%) for its nonunion employees, which also is being recommended by Willis Towers Watson. But Mr. Lamson observed that, if the above adjustments are made to the Authority's wage and salary program, the current salaries of 21 nonunion employees will fall below the newly established minimum salaries for their positions. Therefore, Mr. Lamson noted that the staff further recommended that the Authority approve an additional budget, in the amount of approximately \$73,500, which is around 1.25% of the aggregate of the nonunion employees' current annual salaries (not including the salaries of the General Manager or the Treasurer/Comptroller), to increase those 21 employees' salaries to the newly established minimum amounts as part of the merit salary increase process.

Finally, Mr. Lamson reported that, at their meeting on June 15, 2017, the committee unanimously voted to recommend that the Authority adopt the staff's proposed adjustments to the Authority's wage and salary program as he had just described them.

Mr. Jones thanked the committee and the staff for their work, saying that he was delighted to see how they had handled the matter and that the proposed adjustments are long overdue. After Mr. Lamson confirmed that the program pertains only to the employees' wages and salaries, and does not include the benefits that they receive in addition to their wages and salaries, which Mr. Jones noted are considerable, Mr. Jones declared that he thought the committee had done a great job and that he hopes the employees realize that. Mr. Lamson agreed, observing that the Authority has to remain competitive to retain its employees and to recruit new employees as others are promoted and retire.

IT WAS VOTED -- upon Mr. Jones's motion, seconded by Ms. Tierney -- to approve the proposed 2017 wage and salary program for the Authority's nonunion employees as described in Staff Summary #GM-687, dated June 22, 2017.

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

Port Council's Report:

Mr. Balco reported that, at their meeting earlier this month, the Port Council had discussed many of the matters that the Members had considered that day, including the Authority's capital projects and how its ticket scanners were coming into service. Mr. Balco also noted that the Port Council had asked for information about how many times passengers on the Peter Pan bus that is scheduled to arrive at Woods Hole at 9:40 p.m. miss the last ferry to Martha's Vineyard that is scheduled to leave at 9:45 p.m. to see if there is a need to better coordinate those schedules. However, Mr. Balco later noted that, if the bus is running late by five or ten minutes, the bus driver is able to call the Woods Hole terminal so that the Authority can hold the ferry until its arrival.

Mr. Balco also reported that the Port Council had reviewed the staff's proposed Budget Policy Statement and their traffic assumptions, recognizing that a large amount of the traffic on Martha's Vineyard is attributable to the substantial number of cars registered on the island, which have increased at a much faster rate than the Authority's traffic, and that he assumed this was also the case on Nantucket. Finally, Mr. Balco said, the Port Council discussed the possible applicability of the Open Meeting Law to their meetings and noted that Mr. Sayers was working on that issue.

Public Comment:

In response to a question from *Nantucket Inquirer & Mirror* Managing Editor Joshua H. Balling about the service hours of the Captain and Pilot/Mate who were on board the *M/V Iyanough* at the time of the accident, Mr. Lamson stated that because both the Authority's and the Coast Guard's investigation of the accident were continuing, the Authority had no plans to release any more information or to make any more comments at that time. Mr. Lamson also stated that the Coast Guard had not given the Authority any indication about the time line of its investigation.

In response to another question from Mr. Balling, Mr. Lamson stated that the Authority was chartering the *M/V SeaStreak – Wall Street* from SeaStreak to provide service between Hyannis and Nantucket for the upcoming Saturday, Sunday and Monday and that, although the vessel has a capacity of 500 passengers, the Authority would limit the capacity to fewer than 400 passengers in order to accommodate all of the passengers' luggage. Mr. Lamson also noted

that the vessel will be operating on a slightly modified schedule and will be berthing overnight on Nantucket, where the Authority has had to obtain rooms for the crew.

After saying that he could not say enough about SeaStreak and how much it has helped the Authority during this period, Mr. Lamson noted that Hy-line was also going to be providing service between Hyannis and Nantucket with the *M/V Lady Martha* on Friday and that, if Hy-Line feels there is a need to provide more service on other days, the Authority would talk to them about that.

Nantucket resident Phil Gallagher noted that he had heard that the Cape Cod Regional Transit Authority has introduced some interesting improvements to its schedules to make it easier for people to connect with the ferries, and he declared that, in his experience, the Transit Authority always tries to be helpful and bends over backwards for its passengers. Mr. Gallagher suggested that the Authority contact the Transit Authority to see if there might be other ways that the ferry and bus connections can be improved, observing that the Transit Authority is obviously willing to do anything it can to help its passengers.

After thanking Mr. Gallagher for his kind comments, Cape Cod Regional Transit Authority Administrator Thomas S. Cahir recounted how he has been involved with the Authority since he used to work in the Authority's parking lots during college, then when he was a State Representative and Co-Chair of the Legislature's Joint Committee on Transportation, then as Deputy Secretary of the Department of Transportation, and finally as the Transit Authority's Administrator. Mr. Cahir declared that during this entire time he has admired and has tried to emulate his friend Wayne Lamson, who always has done everything asked of him and has been there for everyone. Mr. Cahir stated that he admires Mr. Lamson both as a leader and as a person, and he hopes that everyone appreciates just how extraordinary he is and what he has done for the Authority.

Mr. Cahir then also complimented Mr. Davis, recounting how the Transit Authority approached the Authority a few years ago asking whether the Authority could provide information about its ridership to see if the Transit Authority can obtain additional funding for this region from the Federal Transit Administration. Mr. Cahir noted that it was not easy to provide all of that information, but that due to the efforts of both Mr. Lamson and Mr. Davis the Transit Authority will be receiving millions of additional dollars from the Federal Transit Administration and the Authority will also be able to use a portion of those funds.

Recognition of General Manager Wayne C. Lamson:

The Authority then recognized Mr. Lamson for his 48 years of service with the Authority, as more fully set forth in Appendix B to these minutes.

Then, at approximately 11:15 a.m., Mr. Ranney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and litigating positions. After Mr. Ranney announced that these matters included:

- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis; and
- the potential acquisition of property on Nantucket;

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

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated litigation matters.

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

A TRUE RECORD

ROBERT R. JONES, Secretary

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

**The Meeting in Public Session
June 27, 2017**

**Report of General Manager Wayne C. Lamson
on the
Accident Involving the Authority's High-Speed Ferry, the M/V *Iyanough***

As everyone knows by now, at 9:35 in the evening of Friday, June 16th, the *Iyanough* had an allision with the Hyannis Harbor breakwater. The vessel was traveling from Nantucket to Hyannis on its last trip of the day. There were 48 passengers, 6 crew members, and 3 food service workers on board the vessel at the time of the incident.

On behalf of the Steamship Authority, I again want to thank the Coast Guard, all of the local first responders, the crew of the helicopter from Air Station Cape Cod, and the *Iyanough's* crew and passengers who made the ferry's evacuation safe and orderly under adverse conditions. Our concerns are first and foremost for the safety and well-being of our passengers and crew, and we deeply appreciate the efforts of all who guided them safely to shore.

The Coast Guard hoisted 5 injured passengers off of the ferry, as well as 10 other people who could not walk over the breakwater. The remaining passengers and crew were taken off the ferry to shore by boat. Acting Hyannis Fire Chief Dean Melanson has indicated that 15 people were brought to Cape Cod Hospital for various injuries, none of which were said to be life-threatening. All of the injured passengers and crew members were treated and released from the hospital.

Despite the impact of the allision, the *Iyanough's* fuel tanks remained intact and there was no environmental damage as a result of the incident. The following morning, we were able to free the vessel from the breakwater and take it to the

Hyannis terminal. Later that day, the vessel left under its own power to Fairhaven Shipyard so that it could be inspected to determine what repairs are needed before it can be placed back into service.

The Coast Guard is conducting an investigation of the incident, which includes interviews with the crew to determine its exact cause. We are also investigating the accident and, although our investigation is continuing, our preliminary findings include the following:

- The *Iyanough* departed from Nantucket at 8:45 that evening bound for Hyannis. The winds were reported to be strong from the SSE at approximately 30-35 knots and visibility was diminished by intermittent rain and fog. The crossing itself was uneventful.
- As the vessel approached the “HH” navigation buoy – which is located about 2,500 yards south of the entrance to the main channel for Hyannis Harbor – security calls were made and the buoy was logged. At that point, the next navigation buoy the vessel would pass by on its way into the channel would be Buoy No. 4, which is located a few hundred yards south of the channel entrance, and after passing by Buoy No. 4, the vessel would turn starboard to go between Buoys 5 and 6, which mark the 240-foot wide entrance into the channel, at its usual operating speed of more than 32 knots.
- After logging the HH buoy, the Captain asked the Pilot to use the vessel’s searchlight and light up Buoy No. 4 for him. The Captain then reached across the console and engaged the searchlight for the Pilot.
- When the Captain returned to the RADAR, he recognized the familiar pattern of Buoys 4, 5 and 6 and began adjusting the vessel’s course to accommodate its entrance into the main Hyannis channel. The Pilot was unable to locate any navigational aids with the searchlight.
- But what the Captain had interpreted on the RADAR as Buoy No. 4 was in fact the metal pole at the end of the breakwater, which is about 800 yards north of Buoy No. 4 and also north of the channel entrance. At that time, the breakwater itself was not visible on RADAR because the waves, which were estimated to be 8 feet high at the time, obscured the breakwater’s RADAR image, while the pole was visible because of its greater height above the waves. In addition, what the Captain had interpreted as Buoys 5 and 6 were actually sailboats located on the other side of the jetty. The distances and positions of the pole and the sailboats matched identically to the pattern normally associated with Buoys 4, 5 and 6.

- Therefore, the Captain did not detect anything unusual about the vessel's approach into Hyannis channel until, after adjusting the vessel's course to begin its entrance into the channel, he saw the breakwater in front of the vessel and administered the "panic stop" as trained.
- As far as we have been able to determine, all of the vessel's navigation and mechanical systems were properly functioning that evening. In addition, the Captain and the Pilot tested negative for alcohol and drugs.

Because our investigation is still continuing, I do not feel that it would be appropriate for me to speculate at this time about the cause of this incident. Suffice it to say that we are looking at all potentially contributing factors to this accident, including the actions and operational judgment of the vessel's Captain and Pilot. Both of them are well-respected and well-qualified officers with decades of experience; but they remain on administrative leave while we continue to investigate why, given their experience and abilities, they mistook the structure at the end of the Hyannis Harbor breakwater and two moored sailboats for Buoys 4, 5 and 6.

The *Iyanough* is expected to be out of service for 3-4 weeks for repairs and sea trials before being cleared by the Coast Guard to return to line service. We are looking at somewhere around July 21st as a likely return date based on where we are currently with the ongoing hull repairs.

In the meantime, we have chartered two different Seastreak vessels to help fill in with service between Hyannis and Nantucket during this week and over the weekend. The *Martha's Vineyard Express*, with a capacity of 149 passengers, will be providing service from our Hyannis and Nantucket terminals through this Thursday, June 29th. The vessel is not available on June 30th, so there will be no SSA high-speed service to Nantucket on Friday, although of course we will continue to have our traditional ferry service. We also have reached out to Hy-Line, and they have agreed, to provide extra high-speed service to Nantucket with the *Lady Martha* in lieu of using that vessel for its inter-island service. As a result, the overall capacity of all of the high-speed vessels between Hyannis and Nantucket this Friday will be higher than what was provided last year by the SSA and Hy-Line combined on the Friday before the July 4th holiday. On Saturday, Sunday and Monday, July 1st through the 3rd, we again have been able to charter Seastreak's *Wall Street* to provide service on a modified schedule from our Hyannis and Nantucket terminals. Passengers are encouraged to check our website for any schedule changes and updates at www.steamshipauthority.com.

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

The Meeting in Public Session

June 27, 2017

**The Authority's Recognition of
General Manager Wayne C. Lamson**

Vice Chairman Robert F. Ranney: We are going to have a recognition of Wayne C. Lamson's 48 years of service with the Steamship Authority, and we are going to start with the citation to Mr. Lamson that has been presented by the House of Representatives of the Commonwealth of Massachusetts:

Be it hereby known to all that:

The Massachusetts House of Representatives
offers its sincerest congratulations to:

Wayne C. Lamson

in recognition of

Your 48 years of dedicated service to the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority.

Enjoy your retirement!

The entire membership extends its very best wishes and expresses the hope for future good fortune and continued success in all endeavors.

Given this 30th day of June, 2017
At the State House, Boston, Massachusetts

By: Robert A. DeLeo
Speaker of the House

Offered by: State Representatives
Dylan Fernandes and
David T. Vieira

Mr. Ranney: Not to be outdone ...

Elizabeth H. Gladfelter: The State Senate of the Commonwealth of Massachusetts also has presented this official citation:

Let it be known that
the Massachusetts Senate
hereby extends its Congratulations to:

Wayne C. Lamson

in recognition of

Your 48 years of steadfast and dedicated service as an employee of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority; and

Be it further known, that the Massachusetts Senate extends its best wishes for continued success; that this Citation be duly signed by the President of the Senate and attested to and a copy thereof transmitted by the Clerk of the Senate.

By: President of the Senate
Stanley C. Rosenberg

Attest: Clerk of the Senate
William F. Welch

Offered by: State Senator
Virato M. DeMacedo

Date: June 20, 2017

Marc N. Hanover: Last but not least, this citation is from Governor Charles D. Baker and Lieutenant Governor Karen E. Polito:

Wayne C. Lamson

On behalf of the citizens of the Commonwealth of Massachusetts, I am pleased to confer upon you this Governor's Citation in recognition of your 48 years of dedicated and distinguished service as an employee of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority which includes 22 years as Treasurer/Comptroller and 13 years as General Manager. The Authority experienced unprecedented improvements in ferry service for the traveling public while you were at the helm.

This twentieth day of June in the Year 2017

Charles D. Baker
Governor

Karyn E. Polito
Lieutenant Governor

Wayne C. Lamson: I just want to thank everyone on the Board for all of their support and their confidence in me, especially over the past 13 years that I have been in this position. Although there has been some turnover on the Board over that period, I am so grateful for how well we have been able to work so well together and over those years to keep constantly improving almost every aspect of our operations. I will miss working with all of you, the Board the Port Council, the senior staff, and all of the employees. I wish you all the best, fair winds and following seas.

**Documents and Exhibits Used at the
June 27, 2017 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 27, 2017 Meeting Memorandum, dated June 22, 2017.
2. Announcement at the Beginning of the Meeting.
3. Statement to be Read at the Beginning of the Meeting by Vice Chairman Robert F. Ranney.
4. Report of General Manager Wayne C. Lamson to the Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority on the Accident Involving the Authority's High-Speed Ferry, the M/V Iyanough, dated June 27, 2017.
5. Minutes of the May 23, 2017 Meeting in Public Session (draft).
6. Minutes of the June 15, 2017 Meeting in Public Session (draft).
7. Business Summary for the Month of April 2017.
8. Administrative Office Building PowerPoint Presentation.
9. Woods Hole Temporary Terminal Building PowerPoint Presentation, dated June 27, 2017.
10. Staff Summary #TPF-2017-6, dated June 21, 2017 – Proposed 2018 Nantucket Winter and Spring Operating Schedules.
11. Staff Summary #A-613, dated June 21, 2017 – 2018 Budget Policy Statement.
12. Staff Summary #A-614, dated June 21, 2017 – Approval of Changes in List of Authorized Check Signers.
13. Staff Summary #GM-687, dated June 22, 2017 – Approval of Proposed 2017 Wage and Salary Program for Non-Union Personnel.
14. Minutes of the Port Council's June 7, 2017 Meeting (draft).
15. Statement to be Read Prior to Going into Executive Session.