

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

The Day's First Meeting in Public Session

June 18, 2019

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of June, 2019, beginning at 1:30 p.m. in the second-floor conference room of the Authority's Hyannis terminal, located at 69 South Street, Hyannis, Massachusetts. Four members were present: Chairman Robert R. Jones of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Kathryn Wilson of Falmouth; Moira E. Tierney of New Bedford (who arrived during discussion of the food bank policy) and Robert F. Ranney of Nantucket.

Port Council Secretary Robert V. Huss of Oak Bluffs was also present, as were the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Reservations and Customer Relations Manager Gina L. Barboza; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Human Resources Janice L. Kennefick; Director of Marketing Kimberlee J. McHugh; Health, Safety, Quality and Environment Manager Angela M. Sampson; Operations Manager Mark K. Rozum; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

Mr. Jones announced that Steve Baty of All Media Productions was taking a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio recording of the meeting, as were Louisa Hufstader (representing the *Vineyard Gazette*) and Rich Saltzberg (representing the *Martha's Vineyard Times*).

Port Council's Report:

Mr. Huss, noting that Mr. Balco was unable to attend today's session, reviewed with the Members the topics covered at the Port Council's June 18, 2019 meeting, which included:

- A review of the April business summary and the Authority's financial performance to date, which was looking very good.
- An update on the Woods Hole Terminal Reconstruction Project. Mr. Huss noted that the Slip No. 3 transfer bridge was now operational and that its operation should go fairly smoothly this summer.
- The ongoing implementation of the recommendations contained in the comprehensive review of the Authority's operations by HMS Consulting, Glosten Associates and Rigor Analytics. Mr. Huss noted that the implementation process was likely to affect the Authority's bottom line substantially and that both the Port Council and Board need to be cognizant of that and continue to monitor the situation.
- A modification of the Authority's advertising policy, which staff recommended be changed to specify that marijuana and marijuana-related products be included in the list of items that are prohibited from being advertised. Mr. Huss noted that, pursuant to his suggestion, the Port Council also recommended that e-cigarette and "vaping" products also be banned.
- A policy to allow food banks on Martha's Vineyard and Nantucket the opportunity to get a 50% discount on automobile and passenger fares while transporting food from the mainland. Mr. Huss noted that the Port Council voted to recommend passage of the policy and that the organizations in question do a lot of good for both communities.
- The 2020 winter and spring schedules, which the Port Council voted to recommend passage.

Minutes:

Mr. Hanover noted that the minutes should reflect Elaine Mooney as the Nantucket terminal manager, not Woods Hole as was stated.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to approve minutes of the Authority's May 21 meeting in public session as amended.

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

Mr. Jones abstained from voting on the motion.

Results of Operations:

Mr. Davis provided an update on the Authority's operations for April 2019. The Authority overall carried more passengers (up 3.2 %), more automobiles (up 2.2%) and trucks (up 6.2%) than it did in April 2018, although Mr. Davis noted that those figures continue to reflect the challenges the Authority faced in the same month last year.

The net operating loss for April 2019 was approximately \$774,000, which was \$317,000 lower than the amount anticipated in the 2019 budget. Operating revenues and other income was approximately \$7,868,000, which was approximately \$240,000 higher than budgeted, while total operating expenses and other expenses were \$8,642,000, or \$77,000 lower than budgeted.

Mr. Davis noted that, of the 1,860 trips made in March 2019 on both routes by the Authority's vessels, there were no cancellations for mechanical reasons on either the Vineyard or Nantucket route.

Year-to-date, Mr. Davis said the Authority has a net operating loss of \$13,337,000, or approximately \$1,045,000 lower than the amount anticipated in the 2019 operating budget. Total operating revenues through March were up \$695,000, while operating expenses and fixed charges were \$350,000 lower than anticipated.

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

Update on the Woods Hole Terminal Reconstruction Project:

Mr. Davis provided an update on Jay Cashman Inc.'s activities over the last month, which included:

- Completing remediation work on monopile No. 8, including installing its fender and completing concrete work.
- Installing barriers and security fencing around the public perimeter of Slip No 3.
- Continuing work on a trestle over the water that will be used for next year's passenger platform work.
- Working on the installation of the catwalks to the mooring bollards.
- Setting the ticket booth while utility contractors finished their work to support the slip operations.

Mr. Davis said Lawrence Lynch worked on paving and installing the drainage and bollard structures at the slip. The electrical contractor powered the transfer bridge and continued work on electrical and communication wiring, as well as installed the shore power connection on the utility platform. The transfer bridge contractor worked on the operational details of the bridge, while the masonry contractor installed the granite cap on the bulkhead perimeter. Finally, the plumber completed the potable water piping on the utility platform.

Mr. Davis said that, at the end of the day on May 23, 2019, the new Slip No. 3 was available for public use. Cashman has completed demobilizing for the season. The barges have left the site for the summer, and divers will install anodes on the piles and sheet pile piping.

Mr. Davis thanked Mr. Cloutier and workers at Cashman and all the subcontractors for their work in making Slip No. 3 operational.

Regarding the sewer pump-out project, Mr. Davis said Robert B. Our Co. continues to be on site setting conduits and installing the concrete risers for the equipment vaults. Mr. Davis noted that, due to a change order on the project, the vaults were to be deeper than expected, which created a concern about accessing a confined space on a regular basis, so the equipment was moved above ground for safety and accessibility purposes. They now expect to have all work completed by June 30, Mr. Davis said.

Thus far, the Authority has sent out sixty-three (63) community emails on what to expect in the coming weeks.

Mr. Cloutier then shared some recent photographs depicting the site. Mr. Hanover noted that, while the transfer bridges are quite a bit longer than what is currently at the site, the bulkheads will also be three (3) feet higher, so he asked if that would create problems with high and low tidal conditions. Mr. Cloutier said the transfer bridges will, under most conditions, be accessible; additionally, the three (3) slips will be at different heights to adjust for the freeboard of the various vessels.

In response to a question from Mr. Hanover, Mr. Davis noted that two (2) or three (3) spaces in the employee parking lot will be lost due to the equipment being located above ground for the sewer pump-out project.

Mr. Jones asked if, between the north side of Slip No. 3 and the Naushon Trust dock to the north, if the Authority holds any water rights in between those two (2) points. Mr. Cloutier replied that the Authority did not, despite its property line directly abutting the Trust's property, because no one has water rights in

Great Harbor. Mr. Cloutier further stated that the only place where the Authority has water rights is at its maintenance and repair facility in Fairhaven.

Mr. Jones further asked if the Authority's riparian rights would allow for a dinghy dock or similar structure to be placed to the north of Slip No. 3. Mr. Davis noted that idea had been considered as part of the Authority's Chapter 91 license, but it was ultimately rejected for a number of reasons, including but not limited to, its proximity to an operating ferry slip and the security considerations at the terminal site.

Mr. Jones noted that the Authority owns a dock at the Hyannis terminal that has more or less been commandeered by the Town of Barnstable for use by its police and fire departments, which to him is a similar situation to what would happen in Woods Hole if a dock were placed in that area. Mr. Davis said that, in Hyannis, a fixed pier separates the dock from the operating slip, while that would not be the case in Woods Hole.

Proposed Amendments to the Authority's Guidelines
Regarding Advertising at Authority Facilities:

Mr. Davis recounted that, in November 2007, the Members approved management's proposed guidelines to regulate the display of advertising at the Authority's facilities. The policy was subsequently revised in May 2008 to expand the scope of the guidelines to include not only the Authority's physical facilities but its website, brochures, schedules, and video informational displays. The May 2008 revisions also included prohibitions on the advertisement of alcoholic beverages and the advertisement of competitors' operations.

Mr. Davis said the staff is currently proposing that the Authority further revise its advertising guidelines to specifically address relatively recent changes in the laws of the Commonwealth of Massachusetts concerning the sale or use of marijuana or marijuana-related products. Mr. Davis said that, under Massachusetts law, marijuana or marijuana-related products cannot be used in public or on federal land. Furthermore, federal law defines marijuana as a controlled substance and prohibits its transportation and/or use by licensed merchant mariners. As a ferry operator licensed and certified by the United States Coast Guard, Mr. Davis said the Authority must comply with all applicable federal regulations.

Mr. Davis said, at its meeting earlier that day, the Port Council raised questions about e-cigarettes and "vaping" and whether or not those would be considered banned from advertising under Part V, Section B, Article 2 of the

guidelines. It was recommended that the guidelines be further refined to specifically include e-cigarettes and vaping devices, Mr. Davis said. With that change, the Port Council voted unanimously to recommend approval of the amended guidelines.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to approve the revised Guidelines Regulating Advertising on the Steamship Authority’s Facilities as proposed in Staff Summary #L-490, dated June 14, 2019, with the addition of specifying that e-cigarettes and vaping-related products also be prohibited from advertisement under Part V, Section B of the guidelines.

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

Proposed Food Program Travel Policy:

Mr. Davis said staff has met with representatives of various town and county agencies, nonprofit organizations, and other entities that distribute food on the islands through local food pantries, community health centers and other agencies for island residents in need. After hearing their concerns and the benefits they provide the island residents, the staff worked with Dukes County and Town of Nantucket to have those governmental bodies sponsor a program to coordinate and administer the program for their respective islands.

Mr. Davis said the proposed program would allow vehicular and passenger travel related to the delivery of food for the food bank programs to be included in the Town & County Travel Voucher Program currently provided to the islands. Mr. Davis reminded the Members that the program provides a fifty percent (50%) reduction in the cost of official town or county travel onboard the Steamship Authority ferries.

The policy, as proposed, would require Dukes County and the Town of Nantucket to administer which island agency or agencies are eligible to participate in the program. Mr. Davis said a separate account(s) would be set up that would be restricted to food bank travel; the individual agencies would be

responsible for paying their cost of travel, although at a fifty percent (50%) discount, at the time of the food shipment.

Mr. Hanover said he thought the policy was only to be used for the Boston Food Bank and asked if other agencies would be eligible, to which Mr. Davis responded that some island agencies do get their food from the Boston Food Bank while others source their products more locally. Mr. Davis said the intent of the policy was to have the town and county distinguish which agencies are eligible for the policy and then inform the Authority.

Mr. Hanover asked if the Authority had any idea what the usage would be; Mr. Davis replied that staff was still working on the exact numbers, but the total travel was expected to be in the \$35,000 to \$40,000 range, so the cost to the Authority of the discount would be between roughly \$15,000 and \$20,000. Mr. Davis also noted that the policy would require staff to report to the Board on its usage on an annual basis.

Mr. Davis noted that the Port Council voted to recommend passage of the policy at its meeting earlier that day.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Mr. Hanover – to approve the Proposed Food Program Travel Policy for the County of Dukes County and Town of Nantucket as proposed in Staff Summary #OPER-2019-3, dated June 14, 2019.

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

Ms. Tierney did not vote on the motion.

Proposed 2020 Winter and Spring Operating Schedules:

Mr. Davis then reviewed the proposed 2020 winter and spring operating schedules with the Members. The schedules cover the period from January 4, 2020 through May 14, 2020.

Mr. Davis said the schedule from January 4, 2020 to March 15, 2020 is similar to the operating schedule for this year:

- On the Vineyard route, it is proposed that there is no change in the sailing times, quantity of available trips or vessel crewing. The biggest difference is that, from February 24, 2020 through March 15, 2020, the *M/V Woods Hole* would operate in place of the *M/V Island Home*, which will be completing its annual overhaul period.
- On the Nantucket route, the *M/V Gay Head* would be triple-crewed and operate Monday through Saturday, with the ability to provide service on Sundays if needed.

Mr. Davis said the schedule from March 15, 2020 to April 2, 2020 would, likewise, be similar to this year's schedule. Again, the *M/V Woods Hole* would be operating in place of the *M/V Island Home* on the Vineyard route as the latter vessel completes its overhaul period. The *M/V Katama* will take the place of the *M/V Woods Hole* during that timeframe. There is no change to the Nantucket schedule during this period compared to 2019.

Mr. Davis said the schedules from April 3, 2020 through May 14, 2020 would be similar to this year's schedule.

Mr. Davis said, after advertising the schedules in the local and regional papers, only one comment was received. It pertained to the language regarding "additional trips being added during peak periods" such as school vacation weeks; the arrival time of trucks; and included a copy of a letter issued by the Falmouth Board of Selectmen back in June 2017. Mr. Davis noted that the Staff Summary omitted that the schedules were advertised in the *Falmouth Enterprise* in addition to the publications listed. He further noted that no 5:30 a.m. trip from Woods Hole is proposed during this period.

Mr. Davis said the Port Council voted to recommend that the Board pass the schedules as proposed at its meeting earlier that day.

Mr. Hanover asked if there would be a problem with the *M/V Woods Hole* replacing the *M/V Island Home* during that timeframe due to the difference in passenger capacities; Mr. Rozum responded that, during this time of year, it would not pose an issue. Mr. Davis added that, since the *M/V Woods Hole* does not allow for side-loading of passengers, it may present issues with the trips on which there is a 15-minute turnaround, but some of that time will be made up during sailing. Furthermore, due to the construction at the Woods Hole terminal, all passenger loading may be relegated to the transfer bridges at various points during this schedule.

Mr. Jones asked if, following the Authority's issues last year when various boats were offline at different points, if there was enough slack in the schedule to accommodate that or if the schedules would have to be altered to do so. Mr. Davis said that the *M/V Sankaty* or the *M/V Katama* are available as a spare vessel during this time. Mr. Jones noted that the decision several years prior to keep the *M/V Governor* turned out to be a wise one, but he remained concerned about the matter. Mr. Davis further noted that the lift decks aboard the *M/V Island Home* also would act as a "safety valve" to allow for additional vehicular transport should an issue arise.

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to approve the Proposed 2020 Winter and Spring Operating Schedules as proposed in Staff Summary #OPER-2019-4, dated June 14, 2019.

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

Annual Salary Increases for Non-Union Personnel:

Mr. Davis said, as part of the annual performance review for non-union personnel, the Authority commissions Willis Towers Watson for updated market data that is used for wage and salary structure adjustments. This year, the advisory firm recommends a salary

structure adjustment of 2.2% and an overall wage increase of 3.1%; Mr. Davis said the program applies to approximately 90 employees.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to approve the 2019 non-union performance wage and salary increase program as proposed in Staff Summary #HR-2019-58, dated June 14, 2019.

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

Approval of Change Order No. 1 for Contract No. 08-2018, Sewer Pump-Out Modifications – Woods Hole and Vineyard Haven:

Mr. Davis said Contract No. 08-2018 required, among other items, for the Woods Hole terminal sewer pump-out station to be relocated under the employee parking lot. The original design for this portion of the project called for the electrical equipment and air compressors to be located underground in concrete vaults similar to the original 2012 design; however, upon review of the physical construction, the Authority determined that, for personnel safety and maintenance reasons, it would be better to have the electrical equipment and compressors located above ground in an equipment shed, leaving the sewage holding tanks in the concrete vaults below ground level. This change in scope required the siting of an equipment shed with an associated concrete foundation, as well as changes in piping and electrical routing.

Mr. Davis noted that the total cost of the change order was \$135,827.24.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to authorize the general manager to execute Change Order No. 1 for Contract No. 08-2018, Sewer Pump-Out Modifications – Woods Hole & Vineyard Haven, with Robert B. Our Co. at a total cost of \$135,827.24, as recommended in Staff Summary #GM-724, dated June 14, 2019.

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

Election of the Authority's next treasurer:

Mr. Davis recounted that, following the resignation of Gerard Murphy at the end of 2018, staff prepared and distributed a job posting for the treasurer/comptroller position to identify qualified candidates either internally or externally for the position. In addition to the Authority's website, the Authority enlisted the services of KLR Executive Search Group LLC ("KLR") to assist in its recruitment efforts.

Mr. Davis said KLR reached out to over 600 candidates and, in response to the postings, just over eighty (80) applicants submitted their resumes. Following a review of the applications, five (5) external and three (3) internal candidates were selected to interview for the position. The initial round of interviews was conducted by the team at KLR, and viable candidates were then interviewed by the Messrs. Davis and Kenneally (the latter additionally acting in his capacity as interim director of human resources). For the ensuing round of interviews, Ms. Kennefick joined the Authority's interview team.

As a result of this process, Mr. Davis said Mr. Rozum emerged as the unanimous choice for the position. Mr. Rozum, who is currently the operations manager at the Authority, began his career with the company in 1996 as a member of the its accounting and finance team. After a stint as reservation manager, Mr. Rozum returned to accounting to serve as internal audit manager before transitioning to director of terminals and parking and then to operations manager. Based upon his familiarity with Generally Accepted Accounting Principles, Governmental Accounting Standards, his strong technical skills and the more than twenty-three (23) years of experience working at the Authority, Mr. Rozum is an ideal candidate for the position of treasurer/comptroller, Mr. Davis said. Should his election be approved, Mr. Rozum would start in his new role effective July 1, 2019.

Mr. Davis said the next step in the process would be looking at filling Mr. Rozum's position. With the addition of Mr. Amundsen as director of marine

operations, Mr. Davis noted that the next occupant of that role may require different skill sets as it will focus more on shoreside operations. Mr. Rozum will continue to advise and assist the new hire as needed, Mr. Davis said.

Mr. Jones noted he could not think of a better person for the position.

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Mr. Ranney – to elect Mr. Mark K. Rozum to serve as the Authority’s treasurer effective July 1, 2019, subject to contract negotiations, as recommended in Staff Summary #GM-725, dated June 17, 2019.

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

Public Comment:

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

At approximately 2:31 p.m., Mr. Jones said he would entertain a motion to go into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on May 21 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or value of real property; and to discuss the Authority's strategy with respect to collective bargaining matters, because a public discussion of these matters may have a detrimental effect on the Authority’s negotiating and bargaining positions. These matters include:

- The litigation with D.D.S. Industries, Inc., G&R Construction, Inc., and/or Berkley Insurance Company regarding Contract No. 16-2016, Construction of New Administrative Offices;
- The litigation “In re: Woods Hole, Martha’s Vineyard and Nantucket Steamship Authority; Civil Action No. 17-cv-12473-NMG; U.S. District Court for the District of Massachusetts;”
- The potential for lease or acquisition of real property;
- Negotiations with SEIU Local 888 for a new collective bargaining

agreement for the Authority's Reservation Clerks and other Customer Service Department employees; and

- Anticipated Negotiations with the Unions (Teamsters Union Local 59, SEIU Local 888 and MEBA) of All the Authority's Represented Employees Regarding the Implementation of the Massachusetts Paid Family and Medical Leave Act and the contributions to be paid by the SSA and its employees under that Act beginning October 1, 2019.

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

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Ms. Wilson – to enter into executive session to discuss and approve the minutes of the Authority's meeting in executive session on May 21, 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or value of real property; and to discuss the Authority's strategy with respect to collective bargaining matters.

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

A TRUE RECORD

KATHRYN WILSON, Secretary

**Documents and Exhibits Used at the
June 18, 2019 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 18, 2019 Meeting Memorandum, dated June 14, 2019.
2. Video and audio recording announcement.
3. Minutes of the May 21, 2019 meeting in public session (draft).
4. Business Summary for the month of April 2018.
5. Power Point Presentation delivered by William J. Cloutier regarding the Woods Hole Terminal Reconstruction Project.
6. Staff Summary #L-490, Proposed Amendments to the Authority's Guidelines Regulating Advertising at Authority Facilities, dated June 14, 2019.
7. Staff Summary #OPER-2019-3, Proposed Food Travel Policy for the County of Dukes County and Town of Nantucket, dated June 14, 2019.
8. Staff Summary #OPER-2019-4, Proposed 2020 Winter and Spring Operating Schedules.
9. Staff Summary #HR-2019-58, Proposed 2019 Annual Salary Increases for Non-Union Personnel, dated June 14, 2019.
10. Staff Summary #GM-724, Approval of Change Order #01 for Contract No. 08-2018, Sewer Pump-Out Modifications, Woods Hole & Vineyard Haven, dated June 14, 2019.
11. Staff Summary No. GM-725, Staff's Recommendation for the election of the Authority's next Treasurer, dated June 17, 2019.
12. Statement to be read prior to going into executive session.