

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

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

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

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

Announcement

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

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

Video and Audio Recording of Today's Meeting:

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

Minutes:

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

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

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

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

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

Mr. Jones abstained from voting on the motion.

The Falmouth seat on the Board:

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

General Manager’s Report:

Mr. Davis summarized the results of the Authority’s operations in November 2018, as set forth in a business summary for that month that had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers, automobiles and trucks (with each category down 1.2%) than it had in November 2017. The number of cars parked in that month was down 1.8% compared to November 2017. In the first eleven (11) months of the year, the Authority had carried fewer passengers (down 0.3%), more automobiles (up 0.2%) and more trucks (up 0.4%) than it had during the same period in 2017. The number of cars parked was down 1.5% in that same period.

Mr. Davis reported that the Authority’s net operating loss for the month was around \$2,691,000, or about \$648,000 more than what was assumed in the budget. Total income was \$6,166,000, or about \$276,000 higher than assumed

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

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

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

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

Update on the Woods Hole Terminal Reconstruction Project:

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

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

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

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

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

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

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

Vote to Elect Temporary Secretary:

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

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

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

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

Vote to Elect Interim Treasurer:

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

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

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

Approval of Proposed License Amendment with Hy-Line Cruises:

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

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

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

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

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

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

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

Approval of Proposed License Amendment with Seastreak LLC:

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

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

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

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

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

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

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

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

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

Amendment to By-Laws:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Public Comment:

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

Executive Session:

Then, at approximately 11:27 a.m., Mr. Jones entertained a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on December 18, 2018; to consider the purchase, exchange, lease or value of real property; and to discuss the Authority's strategy with respect to collective bargaining matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions.

These matters include:

- The potential for lease or acquisition of real property located at 1251 Route 28A, Cataumet, MA; and
- Negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Service Department employees.

Mr. Jones stated that the public disclosure of any more information with respect to these matters would compromise the purposes for which the executive

session is being called. Furthermore, Mr. Jones said that, after the conclusion of the executive session, the Board would reconvene in public.

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

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

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

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

Lease of 1251 Route 28A, Cataumet:

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

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

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

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

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

A TRUE RECORD

MOIRA E. TIERNEY, Temporary Secretary

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

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

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

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

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

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

Video and Audio Recording of Today's Meeting:

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

Announcement

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

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

General Manager's Report:

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

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

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

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

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

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

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

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

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

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

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

Entering the Committee of the Whole:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Entering Public Session and Public Comment:

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

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

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

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

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

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

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

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

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

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

A TRUE RECORD

MOIRA E. TIERNEY, Temporary Secretary

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

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

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

The Meeting in Public Session

February 9, 2019

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

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

Announcement:

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

Video and Audio Recording of Today's Meeting:

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

Regarding Public Comment:

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

Video Presentation by Mr. Sainsbury:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Questions from the Members:

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

Public Questions and Comments:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Public Comment:

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

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

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

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

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

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

A TRUE RECORD

MOIRA E. TIERNEY, Temporary Secretary

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

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

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

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

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

Port Council President George J. Balco of Tisbury was also present, as was Dukes County Commissioner Leon Brathwaite and the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Reservations and Customer Relations Manager Gina L. Barboza; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee J. McHugh; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

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

Announcement:

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

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

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

Introduction of Kathryn Wilson:

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

Minutes:

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

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

Ms. Wilson did not vote on the motion.

Election of Board Secretary:

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

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

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

Port Council’s Report:

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

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

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

Results of Operations:

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

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

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

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

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

Update on the Woods Hole Terminal Reconstruction Project:

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

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

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

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

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

Approval of Proposed License Amendment with Seastreak LLC:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Mr. Hanover – to approve a 20% discount on the price of all electronic passenger ticket books for the high-speed ferry during the period March 20 2019 through April 5, 2019, as recommended in Staff Summary #MKT 2019-1, dated February 14, 2019.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On-Island Public Presentations on HMS Report:

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

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

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

Public Comment:

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

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

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

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

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

Scheduling matters related to HMS Consulting:

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

Executive Session:

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

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

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

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

A TRUE RECORD

KATHRYN WILSON, Secretary

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

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

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

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

The Meeting in Public Session

March 19, 2019

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

Port Council President George J. Balco of Tisbury was also present, as was Dukes County Commissioner Leon Brathwaite, Falmouth Selectman Douglas C. Brown and the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Reservations and Customer Relations Manager Gina L. Barboza; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Operations Mark K. Rozum; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

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

Minutes:

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

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

Ms. Tierney abstained from voting on the motion.

Port Council's Report:

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

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

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

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

Results of Operations:

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

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

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

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

Update on the Woods Hole Terminal Reconstruction Project:

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

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

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

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

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

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

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

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

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

Update on Woods Hole Terminal Building Design:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Reauthorization of the Authority’s Investment Policy:

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

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

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

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

Ms. Tierney was not present for the vote.

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

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

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

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

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

Proposed 2019 Capital Budget:

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

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

Among the capital budget projects are:

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

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

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

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

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

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

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

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

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

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

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

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

Retirement of Cathy Malone:

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

Public Comment:

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

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

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

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

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

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

Executive Session:

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

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

Authority's meeting in executive session on January 22, 2019; to consider the purchase, exchange, lease or value of real property; and to discuss the Authority's strategy with respect to collective bargaining matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiation and bargaining positions. These matters include:

- The potential for lease or acquisition of real property; and
- Negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's reservation clerks and other customer service department employees.

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

IT WAS VOTED – upon Mr. Hanover's motion, seconded by Mr. Ranney – to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on January 22, 2019; to consider the purchase, exchange, lease or value of real property; and to discuss the Authority's strategy with respect to collective bargaining matters.

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

A TRUE RECORD

KATHRYN WILSON, Secretary

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

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

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

The Meeting in Public Session

April 16, 2019

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

Port Council Chairman George J. Balco of Tisbury and Vice Chairman Edward C. Anthes-Washburn (who arrived during discussion of the business summary) were also present, as was Dukes County Commissioner Leon Brathwaite and the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Port Captain Jordan Baptiste; Reservations and Customer Relations Manager Gina L. Barboza; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee J. McHugh; Director of Operations Mark K. Rozum; Health, Safety, Quality and Environment Manager Angela M. Sampson; and Director of Engineering and Maintenance Carl R. Walker.

Video and Audio Recording of Today's Meeting:

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

Minutes:

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

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

Ms. Tierney abstained from voting on the motion.

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

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

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

Port Council's Report:

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

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

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

Results of Operations:

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

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

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

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

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

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

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

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

Update on the Woods Hole Terminal Reconstruction Project:

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

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

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

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

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

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

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

Update on Woods Hole Terminal Building Design:

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

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

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

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

Status on the Implementation of HMS Recommendations:

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

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

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

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

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

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

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

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

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

Preliminary Version of Proposed
2020 Winter & Spring Operating Schedules:

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

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

Highlights of the proposed spring schedule include:

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

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

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

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

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

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

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

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

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

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

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

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

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

Therefore, Mr. Davis said, portions of the minutes of the Authority's meetings in executive session through December 31, 2018 that were being released to the public included those pertaining to:

- a) The Authority's negotiations for new collective bargaining agreements and amendments to its current collective bargaining agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's maintenance employees;
- b) The Authority's renewal of a lease with Prime Properties Limited Partnership for property located at 509 Falmouth Road, Mashpee, Massachusetts
- c) The Authority's potential acquisition of property owned by Joseph Arno located at 31 Easy Street, Nantucket, Massachusetts, with redaction of the appraisal value of the property pursuant to Mass. G.L. c. 4, § 7, cl. 26th (i)(1);
- d) The Authority's potential exercise of an option to renew its lease of 3.55 acres of land at the Martha's Vineyard Airport;
- e) The Authority's potential litigation with Senesco Marine, LLC, with redactions for materials protected by attorney-client privilege and confidential disclosures and agreements made at mediation;
- f) The Authority's renewal of a lease with Gary Wing, as Trustee of the Woodland Trust and G&B Realty Trust for property located at 1251 Route 28A, Cataumet, Massachusetts; and
- g) The Authority's strategy sessions in preparation for negotiations with nonunion personnel, including former Treasurer Gerard J. Murphy.

Application for MassDOT Low-No Discretionary Grant:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ms. Wilson abstained from voting on the motion.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Public Comment:

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

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

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

At approximately 11:44 a.m., Mr. Jones then said he would entertain a motion to go into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on March 19, 2019; to consider the purchase, exchange, lease or value of real property; and to discuss the Authority’s strategy with respect to collective bargaining matters, because a public discussion of these matters may have a detrimental effect on the Authority’s negotiation and bargaining positions. These matters include:

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

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

IT WAS VOTED – upon Mr. Hanover’s motion, seconded by Ms. Wilson – to go into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on March 19, 2019; to consider the purchase, exchange, lease or value of real property; and to discuss the Authority’s strategy with respect to collective bargaining matters.

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

A TRUE RECORD

KATHRYN WILSON, Secretary

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

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

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

17. Statement to be read prior to going into executive session.

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

The Meeting in Public Session

May 21, 2019

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

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

Recognition of Public Officials

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

Video and Audio Recording of Today's Meeting:

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

Minutes:

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

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

Port Council’s Report:

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

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

Results of Operations:

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

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

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

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

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

Update on the Woods Hole Terminal Reconstruction Project:

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

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

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

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

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

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

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

Update on Woods Hole Terminal Building Design:

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

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

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

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

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

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

Status on the Implementation of HMS Recommendations:

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

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

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

Proposed 2020 Budget Policy Statement:

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

Other highlights of the draft policy included:

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

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

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

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

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

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

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

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

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

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

Fairhaven Dredging Agreement:

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

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

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

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

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

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

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

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

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

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

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

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

Ms. Tierney abstained from voting on the motion.

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

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

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

Disclosure of Potential Conflict of Interest:

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

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

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

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

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

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

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

Public Comment:

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

At approximately 10:36 a.m., Mr. Hanover then said he would entertain a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on April 16, 2019; to discuss the Authority's strategy with respect to pending litigation; to consider the purchase, exchange, lease or value of real property; and to discuss the Authority's strategy with respect to collective bargaining matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions. These matters include:

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

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

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

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Wilson – to enter into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on April 16, 2019; to discuss the Authority’s strategy with respect to pending litigation; to consider the purchase, exchange, lease or value of real property; and to discuss the Authority’s strategy with respect to collective bargaining matters.

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

A TRUE RECORD

KATHRYN WILSON, Secretary

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

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