

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

**The Meeting in Public Session
January 21, 2020**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of January, 2020, beginning at 10:00 a.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. All five members were present: Chairman Marc N. Hanover of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert R. Jones of Barnstable.

Port Council Chairman Edward C. Anthes-Washburn of New Bedford and Port Council Member George J. Balco of Tisbury were present, as were the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Human Resources Janice L. Kennefick; Director of Marketing Kimberlee J. McHugh; and Health, Safety, Quality and Environment Manager Angela M. Sampson.

Video and Audio Recording of Today's Meeting:

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

Recognition of Public Officials:

Mr. Hanover noted that Falmouth Selectman Douglas C. Brown and Dukes County Commission Leon Brathwaite were in attendance.

Minutes:

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Wilson – to approve the minutes of the Members’ meeting in public session on December 17, 2019.

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

Report on the Port Council’s January 8, 2020 Meeting:

Mr. Anthes-Washburn reviewed the topics discussed by the Port Council at its most recent meeting, which included:

- The November 2019 business summary, which showed the Authority operating at a loss for a month, but it is expected that it will end the year in positive territory. Members recommended that staff quantify the costs associated with the implementation of the HMS report.
- The Woods Hole Terminal Reconstruction Project, including the waterside work and the plans for the one-story terminal building and two-story utility building.
- The Authority’s debt management policy, which the Port Council voted to recommend for approval.
- A presentation on the Learning Management System by Ms. Kennefick.
- The Port Council’s February meeting, which the Port Council voted to cancel.

Mr. Hanover noted that, if the Board should bring up a topic that the Port Council discussed at one of their meetings, any Port Council member present should feel free to speak about that topic.

The Martha's Vineyard General Internet Opening:

Mr. Davis told the Members that, despite preparations and load testing that occurred prior to the opening date, the Authority's website did not perform as expected upon the general internet opening for the Authority's summer reservations on the Martha's Vineyard route. An unexpected problem occurred that prevented the Authority's customers from making their reservations for travel. After several hours of working with the Authority's vendors on the issue, the decision was made to delay the opening time so all of our customers could better plan their day. Mr. Davis noted the opening was delayed first until 9:00 a.m. and then to noon so the necessary work could be done.

Mr. Davis said this was an unacceptable result on the Authority's biggest reservation day of the year, especially given the fact that the Authority has had issues in two of the three most recent years. After the Authority ensures that the reservations are open and customers are able to book, Mr. Davis said a full accounting will be done in regards to what went wrong and what has to be fixed to make sure it does not happen again. Mr. Davis then apologized to the Authority's customers for what happened and said it will be his top priority to address it.

Mr. Hanover said he would suggest the Authority utilize some consultants to review the Authority's information technology systems. Ms. Tierney noted that this was not the first time this had happened and said that, at the next month's meeting, she expected that there would be a full accounting as to why this happened and what would be done in the future to prevent it from happening again.

Results of Operations:

Mr. Davis summarized the results of the Authority's operations in November 2019. He said that, for the month, the Authority had carried fewer passengers (down 4.5%), automobiles (down 3.1%), and trucks (down 2.4%) than it had in November 2018. Through the first eleven (11) months of the year, the Authority had carried fewer passengers (down 1.7%) and automobiles (down 0.9%), but more trucks (up 3.0%) than it had in the same time period in 2018. Mr. Davis noted the increase in trucks carried was primarily attributable to trucks of less than 20 feet in length.

The Authority's net operating loss for the month was approximately \$2,269,000, which was approximately \$867,000 more than anticipated in the 2019 budget. Total income was \$6,057,000, while total expenses were

\$8,325,000 for the month. Through November, the Authority's net operating income was \$5,935,000, approximately \$4,543,000 less than anticipated in the 2019 operating budget.

Mr. Davis said, during the month, the Authority's vessels made a combined 1,746 trips, of which six (6) were canceled for mechanical reasons on the Vineyard route and zero were canceled for mechanical reasons on the Nantucket route. Mr. Hanover said that was a very good result, and Mr. Davis said the Authority was working to get it even lower.

Update on the Woods Hole Terminal Reconstruction Project:

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

- Marine contractor Jay Cashman Inc. has continued to work on the north passenger pier by driving piles and setting the concrete pile caps. They also set the falsework for the 30-inch diameter piles and the falsework for the 96-inch monopiles.
- The barge that arrived at the beginning of December 2019 with the clamshell crane removed the last of the old wharf debris.
- The ringer barge crane began to drive the monopiles, but only after a delay for weather as well as a delay to replace 2,500 feet of boom cable. Cashman drove nine (9) monopiles using the vibratory hammer and/or the impact hammer to the necessary depths.
- Cashman also completed a "mock-up" of the passenger canopy at the Authority's Gifford Street lot. The canopy, which will feature navigational charts of the area waters, will be installed on the passenger pier.
- It was recently discovered that the driving of the monopiles has caused a portion of the bulkhead installed last season to shift. Shifting was both downward and outward. Engineers are determining what steps will be needed to remedy this situation.
- Thus far, the Authority has sent out eighty-four (84) weekly community emails on the construction progress.

Ms. Wilson said she was concerned about the shifting of the bulkhead and said that having it happen again suggests that the Authority had not been able to anticipate the risks involved regarding the project. She noted the obstructions encountered last year with the monopile driving and asked if the issues were the result of not enough surveys being done of the area. Mr. Cloutier said it was not and the soil movement was the result of using the high-frequency vibratory

hammer. The project has pile-driving guidelines to try to contain the movement of the soils, but he said it is difficult to predict how the soils will react.

In response to a question from Mr. Jones, Mr. Cloutier said there is no bedrock under the soils. He further noted that the water table in the area is relatively high and the mixture of water and sand causes the soil to liquefy. He said it is not an uncommon problem and it is part of the hazards of the kind of work being done. In response to a subsequent question from Mr. Jones, Mr. Cloutier said the monopiles are probably the most efficient product for the site versus another type of pile due to the size needed.

In response to a question from Ms. Wilson, Mr. Cloutier said he did not believe any remedial work would need to be done to the north bulkhead.

Mr. Davis noted the Authority was continuing to work with Cashman regarding the placement of the barges and referenced a recent issue with the M/V Gay Head, which had a minor allision with one of the barges while approaching the southernmost slip. The wind speeds and tidal conditions contributed to the incident, he said. In response to a question from Ms. Wilson, Mr. Davis said there was minimal damage to the vessel and Cashman was still inspecting the barge for any damage. Mr. Davis said Cashman was investigating putting in temporary fenders to keep the barge separated from the operating paths of the vessels. In response to a further question from Ms. Wilson, Mr. Davis said the barges had been placed in the harbor last year, but with the work being done in the middle slip, moving it in and out is a more difficult and time-consuming process.

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

Regarding the terminal building, Mr. Davis said the architectural team is preparing to present the one-story design with the two-story utility building to the Falmouth Conservation Commission on January 29, 2020, followed by the Falmouth Historical Commission. The Massachusetts Department of Environmental Protection was notified of the Authority's intent to have a one-story terminal building instead of the two-story building originally included in the Authority's Chapter 91 license. The notification was necessary due to the change in the overall footprint of the buildings, and Mr. Cloutier said that he had been informed that the state had approved the Authority's request to modify its Chapter 91 license as requested.

Mr. Davis said staff was holding two community sessions on the one-story concept at the administration offices from 3-4 p.m. and 6-7 p.m. on Tuesday, January 22, 2020.

Status of the Implementation of the HMS Consulting Recommendations:

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

- Safety Quality Management System (SQMS): With the completion of the draft gap analysis prepared by Safety Management Systems LLC (SMSLLC), SMS is heading into the development and implementation of the project. They were onsite two weeks ago and are developing a risk assessment register. One of the ways the Authority will be communicating progress to the employees will be via a SQMS Alert, the first of which went out by email and as a physical copy in paychecks last week.
- Learning Management System (LMS): The system continues to be populated with various material. A training matrix is being developed as the Authority continues to use the system, but the system has been deployed company-wide at this time. An "employee portal" will be added within the LMS to distribute notices and updates.
- Strategic Planning: The request for proposals for consultants to assist in developing a strategic plan was issued just before Thanksgiving. Over twenty-six (26) firms have taken out packages. Proposals are not due back until late February. The Authority has received six or seven comments seeking clarification and/or additional information, which will be responded to in the form of an addendum.
- Vessel Operations: The Authority is in the midst of executing changes to its organizational structure. As part of that realignment, the position of director of engineering and maintenance has been eliminated. The engineering and maintenance department will now fall under the authority of the marine operations department and Mr. Amundsen. Mr. Davis said he strongly feels the change will not only begin the process of making the Authority's organizational structure less "flat," as recommended by HMS, but will also aid greatly in communication and operations as the engineering staff and vessel staff will now all fall under the same command structure. As was previously announced, former Director of Engineering and Maintenance Carl R. Walker is no longer with the Authority following this restructuring, and Mr. Davis thanked him for his years of service.

Approval of Strategic Initiatives Continued Support:

Mr. Davis said, in February 2019, the Members voted to approve HMS Consulting and Technical LLC (HMS) and Glosten Associates' proposal to provide implementation-planning services related to the recommendations contained in their report. Following the December 2019 Board meeting, HMS Consulting and Technical President John Sainsbury informed Mr. Davis that HMS's parent company, HMS Global Maritime, had elected to dissolve the HMS Consulting and Technical division. Mr. Sainsbury provided written confirmation of the request to terminate HMS's consulting agreement effective January 15, 2020.

Mr. Davis said a proposal was received from Glosten to provide continued support on the strategic initiatives project. The total estimated cost for this continued support is \$59,000. The scope of this proposal consists of original "Task 3," which includes project support, monitoring and reporting services.

In response to a question from Ms. Wilson, Mr. Davis confirmed the Glosten proposal would cover the work that was not completed under HMS's consulting agreement. He further clarified that the cost will be the same and that Mr. Sainsbury will now work as a subcontractor to Glosten.

Mr. Davis said, in the next two (2) quarters, the Authority intends to use Glosten and HMS as part of the evaluation team for the strategic plan consultant. At that point, the Authority will be firmly in the middle of the SQMS project and will evaluate any need for a further relationship with Glosten.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Mr. Jones – that the Members authorize the general manager to execute a Contract for Continued Support of the Steamship Authority's Strategic Initiatives Planning Project with Glosten Associated at an estimated total cost of \$59,000, as recommended in Staff Summary #GM-737, dated January 16, 2020.

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

Learning Management System Demonstration:

Ms. Kennefick then conducted a demonstration of the Authority's Learning Management System for the Members and highlighted the following points about the system:

- The LMS is a web-based software that delivers and manages training and serves as a hub for assessment.
- All the course content is based on the employees' specific job code.
- The training material for the SQMS will be housed on the site.
- Health, safety, and environmental resources, along with trainings prepared by the Passenger Vessel Association, will also be loaded into the site.
- The site will also serve as an employee communication portal and a repository for human resource materials.

In response to a question from Mr. Jones, Mr. Davis said most of the manuals and technical documentation will be housed in the SQMS, but there will be references within the LMS to that material.

In response to a question from Mr. Brathwaite, Ms. Kennefick confirmed that current employees were consulted in the creation of the materials for new hires. Ms. Kennefick further clarified, in response to a question from Mr. Brown, that the portal would be for both new and current employees.

Reauthorization of Debt Issuance and Debt Management Policy:

Mr. Rozum said that, pursuant to regulations adopted in July 2010, the Commonwealth of Massachusetts requires any state entity authorized to issue debt to formally adopt one or more policies related to debt management. The regulations require that the purpose and use of debt proceeds, internal debt management, debt limitations and the process for debt issuance be addressed with the policies. Administration for these new regulations was assigned to the Commonwealth's Executive Office for Administration and Finance. Debt Issuance and Debt Management policies are required to be formally adopted every two years in each even-numbered year.

Mr. Rozum said that, in February 2018, the Members reviewed and approved the then-proposed Debt Issuance and Debt Management Policy for the Authority. This proposal is unchanged from that version. Since the last adoption of this policy, the Authority has made its required debt service payments. The

Authority's current bonding limit is \$100,000,000 and has \$73,450,000 in outstanding bonds as of December 31, 2019.

Mr. Rozum noted that the Port Council voted to recommend that the Debt Issuance and Debt Management Policy be adopted as proposed at its January meeting.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Wilson – to approve the Steamship Authority’s Debt Issuance and Debt Management Policy as proposed in Staff Summary #A-644, dated January 16, 2020.

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

Resolution Authorizing the Sale of Bonds:

Mr. Rozum said the Authority is seeking to issue and sell up to \$26,000,000 in bonds to finance the waterside reconstruction of the Woods Hole terminal, to refund all of the Authority's outstanding 2009 Series B bonds maturing in the years 2021 through 2029 in the aggregate principal amount of \$5,660,000, and to pay for the costs of issuing the 2020 Series A bonds. Mr. Rozum noted that the refinancing of the 2009 bonds would save the Authority approximately \$600,000 in debt service payments.

Mr. Rozum said it was expected that the bonds would be issued in March, after which the Authority's total outstanding bonds would be approximately \$90,000,000. According to the bond payment schedule proposed, the Authority would retire approximately \$7,500,000 a year.

Ms. Tierney asked what the process would be to increase the Authority's statutory \$100,000,000 bonding limit, to which Mr. Davis stated that it would take an amendment to the Authority's Enabling Act. Raising the limit was considered about one-and-a-half years ago, but there are currently no plans to need bonding authority over the current threshold, he said.

Ms. Tierney asked what the Authority would do if it had to build a boat right now, to which Mr. Davis replied that the design and engineering work would take some time but, ultimately, the Authority would need to get its bond limit increased.

Ms. Tierney asked where she could find a schedule of the Authority's outstanding bonds by year, to which Mr. Davis replied that it could be prepared for her but, in general, the Authority would reduce its debt by \$7,500,000 a year. Ms. Tierney asked if the Woods Hole Terminal Project has had about a \$10,000,000 increase in the overall costs, to which Mr. Davis replied in the affirmative. Ms. Tierney said she was very concerned about these issues and the fact that the Authority would not have the financial wherewithal to build a boat today if it needed to. Mr. Davis agreed that the Authority would be "hard pressed" to build a boat at this time, and Ms. Tierney said that needed to be addressed. If the bonding limit needs to be increased, that process will not be an easy one, she said.

Mr. Jones said he felt as though the Authority as "getting close to falling off the edge" regarding its debt and that its bonding limit was being pushed to the tilt, which could push off other necessary projects. He said the Authority would likely need to build a new boat before its debt level would allow it to do so. Mr. Davis noted that the Authority will be offered a large premium for the bond sale and will retain the option to resize the bond sale, which could offer some relief to its bonding capabilities.

Mr. Hanover asked if the Authority was five years away from a new boat, to which Mr. Davis replied that the most recent capital budget called for the design and engineering of the boat to be done this year, but it would need to be evaluated. In response to a question from Ms. Wilson, Mr. Davis replied that the *M/V Woods Hole* cost approximately \$40,000,000, so using inflation factors a similar vessel would now cost around \$45,000,000 if, a year from now, a contract was awarded for construction. In response to a further question from Ms. Wilson, Mr. Davis said the Authority's bonding limit was last increased in 2013 or 2014.

IT WAS VOTED – upon Mr. Ranney's motion, seconded by Mr. Jones – to adopt the bond resolution as prepared by the Authority's bond counsel, Locke Lord LLP, and as recommended in Staff Summary #A-645, dated January 16, 2020.

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

Contract No. 02-2020,
Drydock and Overhaul Services for the *M/V Katama*:

Mr. Davis said the *M/V Katama* is scheduled for shipyard availability from May 27, 2020 through July 7, 2020 to undergo a U.S. Coast Guard hull exam, machinery inspections, underwater hull cleaning and painting, hull plating replacements and inserts, steering replacement, and bow thruster maintenance.

The 2020 budget estimate for this contract was \$904,915, he said. Drawings and specifications were sent to ten (10) shipyards; two (2) responsive bids were received. Mr. Davis said the recommendation was to award the contract to the lowest eligible and responsible bidder, Senesco Marine of North Kingstown, Rhode Island, for the total contract price of \$895,791.

Mr. Hanover asked if the Authority was on good terms with Senseco, to which Mr. Davis replied in the affirmative. In response to a further question, Mr. Amundsen noted that the gap between the request for proposals being issued and the bid deadline was typically fourteen (14) to thirty (30) days, which was normal industry practice. He said the Authority was working on getting specs to shipyards about six (6) months before the work was scheduled to begin so there is more in-house evaluation time. Mr. Hanover asked if the Authority would receive more responses if the bids were issued farther out, to which Mr. Amundsen stated that was the Authority's goal. The new project engineer is dedicated to preparing shipyard specifications and that a nine-month lead-time would be optimal.

In response to a question from Mr. Jones, Mr. Davis said all the Authority's other vessels would be in service during the *M/V Katama* overhaul period. The *M/V Sankaty* would serve as the spare vessel during this time, should it be needed.

IT WAS VOTED – upon Mr. Jones’s motion, seconded by Mr. Ranney – to authorize the general manager to award Contract No. 02-2020, Dry-dock and Overhaul Services for the *M/V Katama*, to the lowest eligible and responsible bidder, Senesco Marine of North Kingston, Rhode Island, for the total contract price of \$895,791, as recommended in Staff Summary #E2020-01, dated January 16, 2020.

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

Change Order No. 53 to
Contract No. 9B-2012, Woods Hole Terminal Design Services:

Mr. Davis said the change order is for the design engineering and construction documents necessary for the permanent terminal design. Due to the significant change in scope and the extended period of delay, it is necessary to redo the landside schematic design phase, including the basis of design, construction phasing study, the code review, and the cost estimate. Mr. Davis said the total revised fees for these services includes work not only for the currently proposed one-story terminal building and two-story utility building but also the temporary terminal building and the earlier two-story terminal designs.

The total estimated cost for this additional work is \$885,681, Mr. Davis stated.

Ms. Tierney stated she was concerned about the change order and would like to see it reviewed by someone in the architectural field because she has no concept as to the reasonableness of the fees as presented and whether or not BIA.studio was going to take a share of the financial effects of spending time and money on a building design that the Authority’s neighbors, in essence, voted down. Ms. Tierney said she does not see a total projected cost for BIA.studio to complete the project and that she finds it interesting that they estimate their fees to be 12% of a \$27,000,000 construction cost estimate. She asked if anyone was reviewing their itemized bills and time charges and stated that, while the events

surrounding the building's design were unfortunate, she is not comfortable with the way the project is proceeding. Ms. Tierney told Mr. Davis that she wanted him to tell BIA.studio to produce detailed bills and that someone should review the contract. She said there should be some pushback on the bill and that she did not feel comfortable approving it.

Mr. Davis said the invoices submitted by BIA.studio are reviewed by Mr. Cloutier and that he has had conversations about the need for more detail as to the costs with the firm. Mr. Davis noted the scope of the project has changed, including the move to a one-story building from a two-story building, and that has changed how the construction will be phased in as well.

Ms. Tierney said she wanted to table the matter until the next meeting to allow for greater analysis of the request. She said the project's costs only seem to increase and that the firm's costs seem very high to her.

Mr. Jones said he does not share Ms. Tierney's concern over the fees but stated that his concern was over the changes to the project, which inevitably lead to greater costs. The long process of determining the terminal building's design caused the costs to go up and he said he does not blame BIA.studio for charging their fees as the Authority should have come to terms with the design a year ago.

Ms. Tierney said she understood there would be changes to the cost because of the design process, but her concern was if they were fair and reasonable costs and are they supported by a thorough review of the underlying invoices. She said the firm needs to be told that the Board is very concerned with their compensation and that the same message needs to be delivered to Jay Cashman Inc. Ms. Tierney said she thinks the Authority has a reputation of "rubber stamping" changes like this and that BIA.studio needs to take part in taking a financial hit for this process.

Ms. Wilson said the most recent change in the terminal design is very dramatic, but the other changes resulted in designs that were, by and large, very similar to each other. She said she believes that, as architects, they could have helped the Authority make bigger changes that are relevant instead of the incremental ones.

IT WAS VOTED – upon Ms. Tierney's motion, seconded by Ms. Wilson – to table Change Order No. 53 for Contract No. 9B-2012, Woods Hole Terminal Reconstruction Project to allow for an independent review of the proposed changes.

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

Following the vote, in response to a question from Mr. Brown, Mr. Cloutier said the contract calls for an hourly billing by BIA.studio. Mr. Brown said a fixed percentage contract might have allowed the Authority more ability to push back on costs, but it would be more difficult given the hourly billing.

Questions from the Media:

Mr. Hanover asked for questions from the reporters in attendance. Ms. Hufstader said she would like to learn more about how the engineering and maintenance functions were being redistributed with the elimination of the director's position and said that she did not know if the answer was too complicated for this forum or if it would be better addressed in an interview. She further asked for more details on the mechanical problems experienced by the *M/V Katama* in December.

In response, Mr. Davis said the structure of the engineering and maintenance department would best be addressed in a one-on-one session with Ms. Hufstader. The issue with the *M/V Katama* was related to its steering. While the vessel was at the Authority's Fairhaven maintenance facility, the connection of the hydraulic ram on the rudder was repaired. The Authority's engineering and maintenance department has concerns about the pins connecting the hydraulic rams to the rudder, so those were reworked before the vessel reentered service.

Mr. Saltzberg asked if there were steps being taken with Senesco contractually to monitor the work of the company or its subcontractors to make sure there is not a repeat of the midlife refurbishment project of the *M/V Martha's Vineyard*. Mr. Davis said the Authority's engineering staff is now given the task of being on-site basically full time with the vessel to make sure the work is being done in accordance with the contract. In response to a further question from Mr. Saltzberg, Mr. Davis said the terms of the contract would be standard for such a project.

Public Comment:

Ted Fitzelle stated that he was a member of the Falmouth Board of Selectmen's Woods Hole parking lot committee and noted that negotiations over the lease of that lot would be coming up soon. He further said that, while he understood the people of Martha's Vineyard are very important, Woods Hole is the main port of the Authority and it continues to trash the village. He said the residents asked that there be no early boat in the summer, but they were ignored. He said the village wants Cahoon Park put back in after the construction for the enjoyment of the village. In response, Mr. Davis stated that the park is going to be put back in and that all the granite and plaques that were present will be returned. Mr. Rozum said, once the project gets closer to that point, discussions can be held as to the vegetation that would be placed on site.

Mr. Fitzelle asked if, at some point, the Authority would be stopping traffic from leaving the terminal onto Railroad Avenue without stopping. Mr. Davis said that the Authority has been instructing its customers that the people on the street have the right of way and that, prior to last summer, there was not an opportunity to install stop signs and other signage. Now that work has been done and additional signs will be installed following the completion of the middle slip to ensure the intersection is properly marked.

Mr. Brown asked if it was possible that the parking lot could be reconfigured for the summer; Mr. Davis said the issue last year was that only one slip had been reconstructed so trucks had a difficult time making the turn to Slip No. 3. With two (2) slips completed, trucks should be able to make a wider turn and stay on the Authority's property.

In response to a question from Phil Logan, Mr. Davis said the Authority does not purchase fuel from R.M. Packer Co.

Mr. Brathwaite noted that the elevator on the *M/V Martha's Vineyard* has a handwritten sign indicating on which floor to find the restrooms. He said it is a minor detail, but one that can be taken care of easily.

Laurie Raymond of Falmouth asked if traffic from all the slips would be emptying onto Railroad Avenue once the construction is done. Mr. Davis replied that the vehicles from the southern slip would most likely go up Cowdry Road; the middle slip could use either direction; and the northern slip would most likely go up Railroad Avenue. Ms. Raymond asked how the choice is made as to where the middle slip's traffic would be directed, and Mr. Davis said it would depend on where vehicles were staged and what access was available to either route. Mr.

Brown noted that such issues could be addressed by either the working group or task force recently created by the Authority.

Ms. Wilson asked if there was an update on the working group and task force, to which Mr. Davis replied that, at this time, the Town of Falmouth has appointed members to both bodies. A representative from the Martha's Vineyard Commission had been named, but so far neither Tisbury nor Oak Bluffs had done so. Mr. Davis said his understanding was that both towns would be taking the matter up this month. So far, one meeting has been held, but Mr. Davis said the other communities need to be included before the work gets too far down the road.

Mr. Jones noted that the Authority needs to work with all its port communities and that Barnstable has had similar issues to what Falmouth is facing right now. He said the towns need to take an aggressive look at their traffic and parking plans as part of these concerns.

Mr. Brathwaite noted that he was surprised that the Dukes County Commissioners had not been invited to name representatives to both bodies. Mr. Hanover said he thought they should be in addition to the Martha's Vineyard Commission.

IT WAS VOTED – upon Mr. Ranney's motion, seconded by Ms. Tierney – to ask the Dukes County Commission to name representatives to the working group and task force established by the Authority in October 2019.

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

Executive Session:

Then, at approximately 11:54 a.m., Mr. Hanover entertained a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on November 19, 2019; to discuss the Authority's

strategy with respect to pending litigation and; to consider the purchase, exchange, lease or value of real property, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions.

These matters include:

- The 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; and
- The potential for lease or acquisition of real property at 485 Thomas B. Landers Road in Falmouth, Massachusetts.

Mr. Hanover 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 not reconvene in public.

IT WAS VOTED – upon Mr. Ranney'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 November 19, 2019; to discuss the Authority's strategy with respect to pending litigation and; to consider the purchase, exchange, lease or value of real property.

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
January 21, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. January 21, 2020 Meeting Memorandum, dated January 16, 2020.
2. Video and audio recording announcement.
3. Minutes of the December 17, 2019 meeting in public session (draft).
4. Minutes of the January 8, 2020 meeting of the Port Council (draft dated January 16, 2020).
5. Business summary for the month of November 2019.
6. Power Point Presentation delivered by William J. Cloutier regarding the Woods Hole Terminal Reconstruction Project.
7. Staff Summary #GM-737, Approval of Strategic Initiatives Continued Support, dated January 16, 2020.
8. Power Point Presentation delivered by Janice L. Kennefick regarding the Learning Management System.
9. Staff Summary #A-644, Reauthorization of Debt Issuance and Debt Management Policy, dated January 16, 2020.
10. Staff Summary #A-645, Proposed Resolution Authorizing the Sale of Steamship Authority Bonds, dated January 16, 2020.
11. Staff Summary #E2020-01, Dry-Dock and Overhaul Services for the *M/V Katama*, Contract No. 02-2020 dated January 16, 2020.
12. Staff Summary #GM-738, Approval of Change Order No. 53 for Contract No. 9B-2012, Woods Hole Terminal Reconstruction Project, with BIA.studio, dated January 16, 2020.
13. 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

February 18, 2020

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

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

The following members of management were also present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; Director of Marketing Kimberlee J. McHugh; and Health, Safety, Quality and Environment Manager Angela M. Sampson.

Remote Participation by Nantucket Member Robert F. Ranney:

Mr. Hanover announced that he had been notified by Mr. Ranney that he desired to participate remotely in today's meeting because his physical attendance today would be unreasonably difficult. Mr. Hanover stated that he agreed with Mr. Ranney and had determined that his physical attendance today would be unreasonably difficult and therefore, he may participate remotely in this meeting, which includes voting on all matters as well. Mr. Hanover also stated that Mr. Ranney would be participating in the meeting by telephone conference call, that he would be clearly audible to the Members, and that the

Members would be clearly audible to him. Mr. Hanover also noted that, as a result of Mr. Ranney's remote participation in this meeting, all votes taken by the Members that day would be by roll call vote.

Recognition of Public Officials:

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

Video and Audio Recording of Today's Meeting:

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

Moment of Silence:

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

Regarding the Joint Meeting:

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

Minutes:

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

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

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

Results of Operations:

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

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

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

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

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

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

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

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

Update on vessel repairs:

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

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

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

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

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

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

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

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

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

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

Update on the Woods Hole Terminal Reconstruction Project:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Woods Hole Terminal Reconstruction Timeline and Budget:

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

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

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

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

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

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

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

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

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

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

Status of the Implementation of the HMS Consulting Recommendations:

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

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

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

Proposed Preseason Promotion for High-Speed Passenger Ticket Books:

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

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

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

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

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

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

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

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

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

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

2020 Series A Bond Issuance Results:

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

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

Report on 2019 Embarkation Fees:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Presentation to Marc N. Hanover, Chairman:

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

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

Retirement of Pat Needre:

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

Public Comment:

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

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

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

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

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

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

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

Mr. Hanover then said he would entertain a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on January 21, 2020; and to discuss the Authority's strategy with respect to considering the purchase, exchange, lease or value of real property, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions. These matters include the potential for lease or acquisition of real property at 485 Thomas B. Landers Road in Falmouth, Massachusetts. The public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called.

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

IT WAS VOTED – upon Mr. Jones' motion, seconded by Ms. Wilson – to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on January 21, 2020; and to consider the purchase, exchange, lease or value of real property.

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

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

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

Video and Audio Recording of Today's Meeting:

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

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

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

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

Mr. Hanover then asked for a motion to adjourn.

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

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

A TRUE RECORD

ERIC C. SHUFELT, Port Council Secretary

A TRUE RECORD

MOIRA E. TIERNEY, Authority Board Secretary

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

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

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

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

The Meeting in Public Session

March 17, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 17th day of March, 2020, beginning at 10:21 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 (5) members were present: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford (who participated via telephone); Robert F. Ranney of Nantucket (who participated via telephone); and Robert R. Jones of Barnstable.

The following members of management were also present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; and Health, Safety, Quality and Environment Manager Angela M. Sampson.

Video and Audio Recording of Today's Meeting:

Mr. Malkin announced that Steve Baty of All Media Productions was taking a video and audio recording of today's meeting in public session on behalf of Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio recording of the meeting, as were Carrie Gentile (representing the *Falmouth Enterprise*), and George Brennan (representing the *Martha's Vineyard Times*). Mr. Driscoll noted that, due to the telephonic participation of many members of the public, that others may be recording the meeting as well.

Remote Participation by New Bedford Member Moira E. Tierney and Nantucket Member Robert F. Ranney:

Mr. Malkin announced that he had been notified by Ms. Tierney and Mr. Ranney that they desired to participate remotely in today's meeting because their physical attendance today would be unreasonably difficult. Mr. Malkin stated that he agreed with Ms. Tierney and Mr. Ranney and had determined that their

physical attendance today would be unreasonably difficult and, therefore, they may participate remotely in this meeting, which includes voting on all matters as well. Mr. Malkin also stated that Ms. Tierney and Mr. Ranney would be participating in the meeting by telephone conference call, that they would be clearly audible to the Members, and that the Members would be clearly audible to them. Mr. Malkin also noted that, as a result of Ms. Tierney's and Mr. Ranney's remote participation in this meeting, all votes taken by the Members that day would be by roll call vote.

Regarding the Day's Meeting:

Mr. Malkin stated that, as a precautionary measure, the day's meeting was closed to the public due to concerns over the spread of the coronavirus¹. A conference line had been opened for those members of the public who wished to listen and participate telephonically to the meeting. Mr. Malkin thanked those on the conference call for joining the meeting and informed them that their lines would be muted for the duration of the meeting. Mr. Malkin said that, when public comment was called for, those on the call could press 5* on their keypad to virtually "raise your hand." Callers will then be unmuted one by one to allow them to speak.

Minutes:

Mr. Ranney noted that, on Page 17 of the draft minutes, it was stated that he made a motion following the resumption of the meeting in public session, but he had not participated in that portion of the meeting.

¹ The Authority's decision to close the meeting in such a manner was pursuant to Massachusetts' Governor Charlie Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Mr. Jones – to approve the minutes of the Members’ meeting in public session on February 17, 2020.

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

Mr. Malkin and Ms. Tierney abstained from the vote.

Report on COVID-19 Measures:

Mr. Davis said he wished to begin with a recap of measures being taken and planned regarding COVID-19, also known as coronavirus. Staff continue to monitor the situation and follow health recommendations from the Massachusetts Department of Public Health and the Centers for Disease Control and Prevention (CDC) to help slow the spread of COVID-19.

Mr. Davis said the health and safety of the Authority’s passengers and employees is the number one priority. Staff take equally seriously the Authority’s responsibility to be the Lifeline to the Islands; therefore, Mr. Davis stated, operations will continue until ordered to stop by a state or federal authority. While service cutbacks may be inevitable if crews experience illness or traffic demand takes a sharp decline, the Authority will continue to provide the essentials of life to Martha’s Vineyard and Nantucket.

Mr. Davis also provided the following updates:

- Vessel crews have been instructed to pay particular attention to surfaces most likely to be touch points such as tabletops, faucets and toilets as well as hand rails, as part of their cleaning regimens.
- Bus, parking lot, and terminal employees have been instructed to specifically disinfect all hand railings, credit card machines, ATMs, seat backs, counter tops, door handles, as well as restroom facilities. Buses are being cleaned at least once every four (4) hours; terminals at least three (3) times per eight-hour shift.

- The Authority is well-stocked with cleaning supplies and have ordered extra hand sanitizers and other supplies for customers to use while traveling. These efforts include installing stands with pop-up sanitizing wipes at each terminal and Purell dispensers on board the vessels.
- Best practices regarding health measures have been uploaded to the Authority's Learning Management System.
- Employees have been instructed to wash their hands frequently and use hand sanitizer.
- Most importantly, employees have been told that under no circumstances should they be coming to work while they are sick, for both their safety as well as the safety of the crew and passengers.
- Contingency plans are being developed to maintain service in the event that a significant number of our employees fall ill.

Furthermore, Mr. Davis stated that, although the Authority's operations are not ones that lend themselves easily to remote work, telecommuting procedures had been enacted at the Falmouth administrative offices. Preparations are also being made for the Authority's reservations center staff to respond to calls remotely. In the meantime, both facilities have been closed to the public until further notice, and those employees who do not normally work from those buildings are asked to avoid coming there unless absolutely necessary.

Mr. Davis said the Authority would need passengers' assistance to help slow the spread of COVID-19; namely, they are being asked to maintain good hygiene habits; to follow health officials' recommendations for social distancing when possible and not to congregate in groups; and to stay in their vehicles if they drive on the ferry. Mr. Davis noted that the vehicle capacities on the Authority's vessels had been lowered to ensure there is adequate space to allow everyone to freely exit their vehicle, per Coast Guard regulations, while the vessel is under way. Passengers are also asked to consider whether or not they need to travel and, if it is necessary, to take their trips outside of the morning and afternoon commutes, when passenger counts are typically higher.

Mr. Davis said the Authority has created a dedicated landing page on its website for updates related to the coronavirus (www.steamshipauthority.com/2019coronavirus) where customers should continue to check for updates, as well as on the Authority's social media channels, its e-News and local media outlets.

Additional Measures to be Considered Regarding COVID-19:

Mr. Davis said that, late last week, reservations through April 30, 2020, were “flagged” to waive change fees and cancellation penalties. While a significant increase in cancellations has not been observed in either the short-term or the long-term, Mr. Davis said it is necessary to plan for that occurrence.

Therefore, staff is recommending that ticket usage and refund limits be revised from the current one year from date of issue to two years from date of issue. Rules would still apply regarding advanced cancellation notice, but the change would allow the Authority’s customers the flexibility to use the ticket at a later time.

On the Nantucket route, the Authority provides, for a fee, driver services for both commercial and personal vehicles. Mr. Davis said staff is recommending that the service be suspended for the immediate future to prevent possible transference of the virus between customers and employees.

Mr. Davis noted that traffic patterns have, so far, been in line with expectations, and the situation needs to be closely watched. If any signs of a significant decrease in traffic are noted, or if the Authority sees a significant portion of its employees falling ill, schedule changes may be necessary. Therefore, Mr. Davis said staff is recommending that Members authorize the general manager, following consultation with the Members and Port Council members on the affected route(s), to execute any schedule modifications that are determined to be in the best interest of the Authority and traveling public. The changes could include, but not be limited to, delays or postponements of planned scheduled changes; delays or postponements of the resumption of the high-speed ferry service on the Nantucket route; and consolidation of trips.

Lastly, Mr. Davis noted that the Authority is not in a financial bind but that it traditionally is in a significant deficit during the winter and spring months. Specifically, the 2020 Operating Budget estimate is that, by the end of March, the Authority will have incurred a net loss of nearly \$15,000,000 million; by the end of April, the net loss would stand at nearly \$16,000,000. The Authority’s Enabling Act does not permit a “rainy day” fund, but it does authorize and empower the Authority to “(m)ake and enter into all contracts and agreements necessary or incidental to the performance of its duties.” Therefore, staff is recommending that the Members authorize the general manager and treasurer/comptroller to explore the establishment of a revolving line of credit should it become necessary to fund operations.

Mr. Jones said Mr. Davis' points were well taken and it was a lot to digest. He said it was hard to know in this situation how much risk everyone was in and how much of it was an overreaction. Mr. Malkin noted that experts were predicting exponential expansion, meaning the number of cases could increase very rapidly.

Mr. Ranney said it was important for Mr. Davis and his team to be as flexible as possible in this time given that things are moving so quickly. He said he was behind the staff and their recommendations 100 percent.

Ms. Wilson said she wanted the Members to be kept as up-to-date as they can and asked that any schedule changes be done in consultation with the mainland Members as well as the affected island Member.

Mr. Malkin said this was an unprecedented situation and the Authority has to do the best it can to educate people and to communicate with them while they are onboard. Mr. Davis said the Authority was working on creating signs to post at the transfer bridges and at the terminals and to change the onboard messaging as well.

Mr. Malkin noted that he had heard from members of the Vineyard medical community who were concerned about the limited number of facilities to treat patients, especially given the apparent trend of people returning to the Vineyard to stay in their summer homes and wait out the virus. He said the message needed to be spread that this was not a normal vacation time.

Ms. Wilson asked if staff was considering performing medical tests or exams before passengers could board the ferries, to which Mr. Davis stated that there currently was no authority for personnel to perform such tests. If it ever came to that point, the Authority would look to local public health agencies to perform the tests. At this point, the Authority is asking its customers that, if they feel ill, to consider whether their travel is necessary. Mr. Malkin noted that he had learned from the medical community that those patients with coronavirus do not always have a fever and that the infrared temperature guns are very inaccurate when used outside.

In response to a question from Ms. Tierney, Mr. Davis said he was anticipating securing a \$5,000,000 to \$10,000,000 line of credit, which would provide enough cash for approximately one month's worth of expenses.

In response to a question from Mr. Jones, Mr. Davis clarified that he was only seeking permission to explore the establishment of a revolving line of credit and would return to the Board with specifics before obtaining it.

IT WAS VOTED – upon a motion by Mr. Jones, seconded by Mr. Ranney – that the Members authorize the General Manager to 1) extend ticket usage and refund limits to two years from date of purchase; 2) suspend driver services on the Nantucket route until further notice; 3) modify schedules as necessary, in consultation with the Members and Port Council members on the affected routes; and 4) to explore establishing a line of credit to aid in funding the Authority’s operations.

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

Mr. Malkin noted he had asked Mr. Davis to skip the remaining items on the agenda given the COVID-19 situation. Mr. Jones agreed but said he wanted staff to start presenting a balance sheet as part of the Board’s monthly packet. Mr. Malkin noted he had intended to get into those matters when he joined the Board, but the coronavirus issue has taken precedence.

Plymouth & Brockton Bus License Agreement:

Mr. Davis said that the Authority had been approached at the end of February 2020 by Plymouth & Brockton Street Railway Co. regarding establishing service in Falmouth to T.F. Green Airport in Rhode Island, which would include dropping off and picking up passengers at the Woods Hole terminal. As part of the agreement, Plymouth & Brockton will present its proposed schedule to the Authority for review and approval to ensure that the new service is both compatible with the Authority’s operating schedules and does not conflict with the existing Peter Pan schedule.

John Cogliano, president of the bus line and one of its co-owners attending by telephone, said the company would love the opportunity to provide bus service to not only T.F. Green Airport, but also Logan International Airport, noting that the route to T.F. Green would be especially attractive given Falmouth’s location. In response to a question from Mr. Jones, Mr. Cogliano said ticketing would be

handled via the company's website or via a smartphone. Mr. Cogliano said he had also asked about the option to place a kiosk at the Woods Hole terminal; Mr. Davis noted that the ticket sellers on the Vineyard and Woods Hole currently sell Peter Pan bus tickets directly to the public.

Ms. Wilson said she liked the idea in concept, but she had concerns about additional congestion in the area, not only in regards to traffic down Woods Hole Road but with an additional use to the current and planned terminal buildings. She said she felt more logistics had to be worked out on the matter. Mr. Davis said the schedule would be set so that Plymouth & Brockton buses would arrive at times not currently used by Peter Pan and the additional bus service could serve to encourage more passengers to leave their cars on the island. Mr. Cogliano concurred, but Ms. Wilson asked if it might just take passengers off Peter Pan buses and not increase the overall number of people using the bus.

In response to a question from Mr. Malkin, Mr. Kenneally said the agreement does not specifically address the issue of the schedules other than the requirement that they be submitted to the Authority for review. He further stated that the Authority does not appear to have a written agreement for service with Peter Pan, so he is recommending that both companies work together to align their schedules. Mr. Kenneally noted that the license is the Authority's to grant and that, if either company wants to come to the Woods Hole terminal, it is subject to the approval of the Authority.

Ms. Wilson said she would like to know what the Falmouth Board of Selectmen thinks about the service if it will be running through town. She asked Mr. Cogliano the status of his request to establish a stop in Falmouth, to which he replied that conversations had begun with the Falmouth Economic Development Investment Corp., but further details needed to be worked out. In response to a further question from Ms. Wilson, Mr. Cogliano said the route would include stops in New Bedford and Fall River before arriving at T.F. Green; the route to Logan would include stops in Sagamore and Boston.

Mr. Ranney said he was all for providing more options to islanders, but without an agreement from Peter Pan, a schedule or an approval from the Town of Falmouth, he was hesitant to move forward. Mr. Malkin said, as it was a one-year agreement, the impact on traffic would not be known until the service begins. Mr. Jones said he agreed with that and that it was a fairly cut-and-dry matter to him, although he was in favor of waiting for the town to weigh in on the proposal before the Board votes.

IT WAS VOTED – upon a motion by Mr. Jones, seconded by Ms. Wilson – to table the Plymouth & Brockton Street Railway Co. license request for one (1) month.

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

Change Order No. 65 to Contract No. 16-2017,
Woods Hole Ferry Terminal Reconstruction – Waterside:

Mr. Davis said the change order was related to work performed by waterside contractor Jay Cashman Inc. to relocate the catwalks and trestles on Slip No. 3 while work continued on the middle slip, Slip No. 2. Mr. Davis noted that the funds would be paid out of the Capital Improvement Fund, which can only be used to pay for capital projects per the Authority’s Enabling Act.

Ms. Tierney asked if Cashman had not yet hit the contingency amount for the project; Mr. Davis confirmed that it had, but the amount was an estimate, not a hard cap.

Mr. Ranney noted that the work appeared to be an operational necessity; Mr. Davis said it was required to be able to use Slip No. 3 during construction as the shoreside personnel needed accessible routes to catch lines while berthing vessels in that dock.

Mr. Jones noted that, while he did not like change orders, in this case it seemed necessary. He noted he appreciated the materials provided to the Members in the packet, including the pictures and diagrams. He said he remains concerned about the costs of the project, but marine work is often difficult and expensive on any project.

Mr. Malkin said he understood that a lot of things were being found in the project that were not anticipated, which raised questions about the bid and contract for the project. He said he has questions but, like Mr. Jones, he does not see how the project could be stopped.

Ms. Wilson said she was surprised that whoever designed the project would not have been able to anticipate, and therefore budget for, these items. Mr. Davis said it not a question of Cashman’s inability to foresee the situation, but more a question of why it was overlooked during the design phase of the project. He said Cashman’s proposal was necessary to continue with the project but also to have safe and successful operations at the site.

Mr. Ranney noted that, while the project was becoming “Big Dig-esque,” there were a lot of unexpected things that would have to be dealt with to keep it moving forward and this was one of those things.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Mr. Jones – to authorize the general manager to execute Change Order No. 65 for Contract No. 16-2017, Woods Hole Ferry Terminal Reconstruction – Waterside, with Jay Cashman, Inc. at a total cost of \$225,462.16, as recommended in Staff Summary No. GM-741, dated March 12, 2020.

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

Public Comment:

Noah Asimow from the *Vineyard Gazette* asked clarifying questions regarding the change order, line of credit and schedule change matters. He also asked about traffic figures for the month; Mr. Davis replied that, for the first two weeks in March, traffic was essentially flat compared to the same time last year for both routes.

Robert Morris of Woods Hole said, if the Authority was to begin screening its passengers, that it should not be done in the village as those who cannot get on the boat would be left to wander around. Instead, he said the screening should

be done at the Authority's Thomas B. Lander Road parking lot. He further noted that the 2018 annual report was not finished.

Dukes County Commissioner Leon Brathwaite congratulated the Board on the positions it took today and said everyone is doing what they can to be safe.

Ms. Gentile asked about an earlier comment by Mr. Davis on limiting available vehicle space on the Authority's vessels; Mr. Davis replied that the space allocations were being limited so as to allow fewer vehicles to book on a vessel before it is considered "full."

Mr. Brennan asked why some of the precautions now being taken by the Authority were not taken sooner given the news in February that individuals from the island had been on board a cruise ship then believed to have housed an individual who tested positive for the coronavirus. He further asked about the signage and wipe dispensers at the terminals and the timing of their placement. Mr. Davis said the vessels did have dispensers before and, like many companies, the Authority was working on sourcing more. Mr. Brennan further noted that many commuters would never go into terminals and, therefore, would not see signs posted in there; Mr. Davis said additional signage was to be added to the transfer bridges and on board the vessel.

At approximately 11:51a.m. Mr. Malkin 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 February 18, 2020; 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 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 Authority's proposed time off plan in response to the COVID-19 pandemic. The public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called.

After the conclusion of the executive session, Mr. Malkin said the Board would not reconvene in public.

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Mr. Jones – to go into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on February 18, 2020; and to discuss the Authority’s strategy with respect to collective bargaining matters.

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
March 17, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. March 17, 2020 Meeting Memorandum, dated March 13, 2020.
2. Video and audio recording announcement.
3. Statement regarding conference call participation.
4. Minutes of the Board's February 18, 2020 meeting in public session (draft).
5. Staff Summary #L-496, Approval of the Proposed 2020-2021 License Agreement with Plymouth & Brockton Street Railway Company, dated March 13, 2020.
6. Staff Summary #GM-741, Woods Hole Terminal Reconstruction Change Order 65, Contract No. 16-2017, dated March 12, 2020.
7. 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 21, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of April, 2020, beginning at 10:14 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 (5) members were participating via Zoom videoconferencing: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert R. Jones of Barnstable (who participated via both telephone and videoconferencing at various points in the meeting).

Port Council Chairman Edward C. Anthes-Washburn of New Bedford was present, as were the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Shoreside Operations Alison A. Fletcher; and Director of Human Resources Janice L. Kennefick (who participated via Zoom videoconferencing).

Video and Audio Recording of Today's Meeting:

Mr. Malkin announced Steve Baty of All Media Productions was taking a video and audio recording of today's meeting in public session on behalf of Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was also making an audio and video recording of the meeting, and the following individuals were making audio recordings of the meeting: Rich Saltzberg (representing the *Martha's Vineyard Times*), Noah Asimow (representing the *Vineyard Gazette*) and Sam Houghton (representing WCAI).

Remote Participation by All Members:

Mr. Malkin announced that, in response to Governor Charles Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the

COVID-19 pandemic, all Board Members were participating remotely in the day's meeting because their physical attendances would be unreasonably difficult. All Board Members were participating in the meeting by the Zoom video conferencing app and all members were to be clearly audible to each other. As a result of the Members' remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Minutes:

IT WAS VOTED – upon Mr. Ranney's motion, seconded by Ms. Wilson – to approve the minutes of the Members' meeting in public session on March 17, 2020.

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

Port Council's Report:

Mr. Anthes-Washburn provided the following report on the Port Council's April 1, 2020 meeting:

- Discussion of operations and safety in light of COVID-19.
- Discussion of a recent federal stimulus package and the opportunities for the Authority to access federal funding.
- The impacts of the steep decline in traffic on the Authority's finances.

Report on COVID-19 Measures:

Mr. Davis reviewed some of the public-facing measures being taken by the Authority regarding COVID-19:

- Vessel crews are cleaning the vessel interiors during and in between trips, with particular attention being paid to surfaces most likely to be touch points such as tabletops, faucets, toilets and handrails.

- Additional vessel crews are assigned to perform deeper cleaning at night.
- Bus, parking lot and terminal employees have been specifically instructed to disinfect all hand railings, credit card machines, ATMs, seat backs, counter tops, door handles, and restroom facilities.
- Buses are being cleaned at least once every four (4) hours; terminals at least three (3) times per eight-hour shift.
- Stands with pop-up sanitizing wipes have been installed at each terminal and hand sanitizer dispensers are on board the vessels.
- Signage has been posted, including but not limited to:
 - Practice social distancing
 - Please remain in your vehicle on the freight deck
 - Advisory from the Nantucket Cottage Hospital and Martha's Vineyard Hospital
 - Flu Prevention Tips
 - Handwashing Tips and
 - A notice to all out of state customers to self-quarantine for 14 days
- Driver services have been suspended on the Nantucket route as to prevent possible transference of the virus from customers to employees

Other measures include:

- Information on best practices regarding health measures have been placed on the Authority's internal Learning Management System for its employees; additional materials are added to the system when relevant.
- Employees are instructed to wash their hands frequently, use hand sanitizer, and to practice social distancing.
- Vessel crews are assigned strictly to a vessel to minimize the risk of cross contamination.
- Vessel crews, before the beginning of their watch, are given a wellness check by a trained medical professional. This wellness check includes a questionnaire asking four questions:
 1. Have you experienced cold or flu-like symptoms such as cough, fever, sore throat, respiratory illness or difficulty breathing in the past 14 days
 2. Have you had close contact with or cared for a person infected with COVID-19?
 3. Have you traveled or been in close contact with someone who has traveled to an affected geographical area in the past 14 days?
 4. Do you have or think you may have a fever?

- The medical professionals then obtain a blood oxygen reading and a temperature reading. Crewmembers either are then given clearance to report to work or are sent home.
- Shoreside personnel are given the wellness questionnaire, which they need to complete and provide their supervisor to be given clearance to report to work or they are sent home.
 - Most importantly, employees have been told under no circumstances should they be coming to work while they are sick, for their own safety, the safety of their crewmembers and for the safety of passengers.
 - If any employee comes to work sick, they will be sent home, even if it means having to cancel a scheduled trip to help prevent the spreading of the virus to other people. Mr. Davis stated he has every confidence that the Authority will continue to provide essential service to the islands throughout this time.

Additionally, Mr. Davis said telecommuting procedures have been enacted at the Authority's administrative offices; the Authority's reservations center staff is being equipped to respond to calls remotely should the need arise; both buildings have been closed to the public; and employees who do not normally work from those buildings have been asked to avoid coming there unless absolutely necessary.

A dedicated landing page has been established on the Authority's website for coronavirus updates (www.steamshipauthority.com/2019coronavirus); customers are asked to look there, as well as on the Authority's Facebook and Twitter pages, the monthly e-News and local media outlets, for updates.

Ms. Wilson asked if the Authority had enough masks for its employees, to which Mr. Davis replied sourcing the masks had proven challenging. The Authority worked with Nantucket Cottage Hospital to obtain some personal protective equipment ("PPE") in case crews have to respond to an emergency situation while transporting a COVID-19 positive patient off the island, and staff continue to work to source paper and cloth masks. Mr. Davis noted the procurement of masks was likely to be an ongoing issue for the immediate future.

Mr. Davis noted the Authority has established modified schedules for the near future as it continues to monitor traffic patterns. He said there had not been a rash of cancellations thus far and, in the near term, customers are moving their travel plans further into the year if they are not canceling outright. Mr. Davis said the reduced schedules will be put into place through May 14, 2020, which coincides with what would have been the end of the spring schedule, adding he believes there is sufficient vehicle capacity on the vessels to warrant that schedule. Mr. Malkin asked if bookings begin to pick up in that time would

the Authority be able to add boats back to the schedule, and Mr. Davis said it would be able to meet the demand should it increase.

Regarding the Authority's fleet, Mr. Davis said the return of the *M/V Iyanough* to service has been postponed at least until May 14, 2020 due to low demand by riders. The *M/V Sankaty* and *M/V Katama* are both available to be put into service immediately should the need arise. Repairs to the *M/V Island Home* have been suspended, and the remaining work will take about a week's time to complete. The overhaul repairs for the *M/V Governor* will take three to four weeks before the vessel could be placed in service. The *M/V Nantucket* is in dry dock at Thames Shipyard in New London, Connecticut; after the vessel is refloated, more work is anticipated while the vessel is berthed at the facility. While the Authority might be able to save some money by running smaller boats, Mr. Davis said he felt the need to socially distance while on board indicated the larger vessels would be more appropriate.

Ms. Wilson noted it would be appropriate for the staff to communicate with the Members any additional schedule changes as they occur.

Regarding the Board's Meeting Schedule:

Mr. Malkin said, with the Authority under so much pressure, he would like the Board to start having weekly meetings to receive short updates on operations rather than have Mr. Davis need to speak individually to the Members. He said he would help him to have these meetings and to hear what other Members have to say as the COVID-19 situation unfolds.

Mr. Ranney said he was worried about the time it would take away from the staff to prepare for the meetings, but as long as they were short he was in agreement. Ms. Wilson added that it may be a more productive way to disseminate information. Mr. Jones said he was fine, but he would not want to arbitrarily cut the meeting short if it would be worthwhile to meet for a longer period of time.

Mr. Malkin said he would prefer the meetings stay at fifteen (15) minutes and no longer than 30 minutes; upon agreement from the Members, he said the meetings would continue to be scheduled at 10 a.m. on Tuesdays, with the next one scheduled for April 28, 2020.

Families First Coronavirus Response Act:

Mr. Kenneally said that, on March 18, 2020, the federal government passed the Families First Coronavirus Response Act, which became effective April 1, 2020. The Act provides for two (2) weeks of sick leave in addition to ten (10) weeks of family medical leave for eligible employees. He said packets have been handed out to approximately thirty-six (36) employees. He said he does not have a running tally of how much had been spent on these benefits thus far, but it can be provided to the Board at a future date.

Ms. Kennefick noted that twenty-seven (27) employees are currently receiving benefits under the program under one (1) of the eligible categories. In response to a question from Ms. Wilson, Ms. Kennefick said the majority of the employees were out under a physician's orders.

Inability to Use Capital Funds Toward Operational Purposes:

Mr. Davis said, in response to a prior inquiry by the Members, he had asked the Authority's bond counsel for an opinion as to whether the Authority could use the proceeds from the 2020 Series A bond sale to fund operations. On April 10, 2020, Ms. Claudia J. Matzko, senior counsel at Locke Lord LLP, provided the Authority with a written opinion that stated, in short, "there are no circumstances under which the Authority can permissibly use bond proceeds for operating costs."

Mr. Malkin said he had asked for this opinion and Mr. Rozum's presentation because he found it difficult to understand how it was the Authority could not stop its projects and use that money for operations. Mr. Rozum then shared a presentation detailing the cascading of funds proscribed by the Enabling Act and the limitation of two (2) months of operating cash that can be held in the Operations Fund. Mr. Rozum then showed a graphic of the Authority's credit card receipts and the sharp decline they took in late March to illustrate the challenges in funding the operations budget.

Ms. Wilson noted certain funds are dictated by the Enabling Act to be capped at certain amounts and others were not and asked for clarification on the funds and their limits. Mr. Davis stated the Operations Fund, Sinking Fund and Reserve Fund were capped by law; the Replacement Fund was capped pursuant to a Board vote approximately twenty-two (22) years ago; and the Bond Redemption Fund had no limitations placed on it.

Potential Salary Adjustments for Nonunion Personnel:

Mr. Malkin said he asked for this to be on the agenda so Members could discuss if, in light of the cutbacks on trips, layoffs, curtailing repairs and other cost-saving measures, there should be other personnel cuts to consider. He noted similar moves had been made in nonpublic entities and while he knew many staff members had been working very hard and great progress had been made throughout the organization, it was a topic to explore. He said he knew the discussion could be destabilizing to employees, but he said he would rather the Members have a frank discussion about it relative to what could be done in all areas of the organization to cut costs.

Mr. Ranney asked for clarification on which employees were covered in the nonunion group; Mr. Davis stated that it was almost everyone who worked in the Administration Office, plus terminal managers and agents, maintenance supervisors, reservation staff supervisors and employees in the MIS Department. The majority of the Authority's employees were represented by one of eight bargaining units. Mr. Malkin asked how many people were nonunion; Mr. Davis said approximately ninety-five (95), of which around forty percent (40%) were front-line employees. Mr. Kenneally said the Authority currently employed around five-hundred (500) people as of the beginning of March and Mr. Davis noted that one hundred and fourteen (114) had been laid off or furloughed, which does not include a number of seasonal employees who had not been hired back.

Ms. Tierney said she would like to receive a list of all employees making in excess of between \$75,000 and \$100,000 with an estimate on how many hours each had been working per week since the onset of COVID-19. She noted that the topic might be better covered in Executive Session; Mr. Malkin said such a session could be held following next week's meeting and asked Mr. Davis to provide the information to the Members.

Mr. Jones said it was a bigger topic than just gathering the pay rates and that it may include a determination of which employees are considered front-line "necessities." He said he did not like to discuss cutting payrolls and affecting people's livelihoods, although sometimes that must be done, but he would want all the information available to know he was doing the right thing. Mr. Malkin agreed and asked the Members to send whatever questions they had to Mr. Davis so the proper information could be gathered prior to next week's meeting.

Mr. Ranney said that, generally speaking, the frontline employees should be getting raises, not pay cuts, especially due to the increased risk now involved with their jobs due to COVID-19.

Ms. Tierney said she wanted to make sure that everyone was taking a share of the pain in light of other cost-cutting measures in place.

Mr. Davis said he wanted to be sure that Members understood that around twenty percent (20%) of the nonunion group had already been furloughed and that those who were still working were being asked to pick up more work, which has affected all facets of the organization.

Adjustment of Reservation Policy:

Mr. Davis said staff was requesting a temporary amendment to the Authority's current vehicle cancellation policy to afford the traveling public more flexibility with their future travel plans and give them more options. The change, if approved, would affect the Authority's "Customer Policies and Procedures Handbook – Part E Reservations - Subpart 6 Canceling Vehicle Reservations" to extend the time for which reservations are valid to two (2) years from the date of issue rather than one (1) year.

Mr. Davis said extending the vehicle reservations in this manner would afford customers the opportunity to retain their bookings beyond 2020. They could then place them in 2021 on either the same reservation dates or on dates as close to their current reservation dates as possible. Staff recommends that the policy revert to its one-year standard during next year's Headstart and General Public Opening in January 2021.

Mr. Malkin asked what impact the policy change would have on cash flow; Mr. Davis said it would provide flexibility while, at the same time, helping to prevent a "run on the bank" in terms of refunded cancellations.

Ms. Wilson asked how many reservations this might entail. Messrs. Davis and Rozum shared a chart showing advanced reservation numbers by month for 2020 compared to 2019 and showed that, so far, there has not been a rash of reservations for summer activity, although reservation numbers remain below what occurred in 2019.

Mr. Ranney said he did not think it was a big deal and that it would help customers whose plans were affected through no fault of their own.

IT WAS VOTED – upon a motion by Ms. Tierney, seconded by Mr. Ranney – that the Members authorize staff to amend Subpart 6 of Part E – Reservations of the Authority’s “Customer Policies and Procedures Handbook” to extend the timeframe in which vehicle reservation can be made to two (2) years from the issue date; the policy would revert to the original one-year timeframe upon the Headstart and General Internet Openings in January 2021, as recommended in Staff Summary #SO-2020-02, dated April 14, 2020.

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

Results of Operations:

Mr. Davis said that, during the month of February 2020, the Authority carried more passengers (up 6.3%), automobiles (up 4.9%) and trucks (up 4.1%) than it had in February 2019. In the first two (2) months of the year, the Authority similarly had increases in all three (3) categories (up 6.4%, 4.1% and 2.3%, respectively) compared to 2019.

Mr. Davis said that, in the month of February, the Authority had a net operating loss of \$5,252,000, which was \$378,500 more than expected in the 2020 operating budget. Total income for the month was \$4,244,000, while total expenses were \$9,495,495. The year-to-date net operating loss was \$10,928,000, which was \$447,000 more than budgeted.

During the month, the Authority had no trips canceled for mechanical reasons on either the Vineyard or Nantucket routes, Mr. Davis noted.

Mr. Ranney asked what the Authority was paying for fuel, to which Mr. Davis replied \$1.15 a gallon. Mr. Ranney asked if there was any way to lock that in given the extremely low prices due to the COVID-19 situation, but Mr. Davis said the fuel hedges were already locked in through the third quarter of 2021.

Ms. Tierney asked if that meant that the Authority was not realizing the savings associated with the low fuel prices; Mr. Davis said the hedge program limited the Authority's maximum exposure and that it was realizing the cost savings associated with low fuel costs. In response to a question from Ms. Wilson, Mr. Davis said the hedge premium was typically \$0.15 to \$0.17 per gallon.

Update on the Woods Hole Reconstruction Project:

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

- Work continues to finish the landside foundation for the Slip No. 2 transfer bridge and the southern portion of the sheet pile bulkhead cap.
- Lawrence Lynch Corp. completed the landside utilities work.
- The electricians continued to work on the passenger platform and other site electrical work.
- The canopy glass subcontractor was installing the glass canopy roof.
- The concrete workers and ironworkers installed the rebar for the transfer bridge foundation and the sheet pile cap and poured the concrete for those structures.
- The fuel oil system is being installed by the fuel oil contractor.

Mr. Davis said upcoming activities include the final grading of the landside area by Lawrence Lynch; ongoing installation work of the fuel oil system; electrical work; and the installation of the canopy glass. Mr. Davis noted that ninety-seven (97) community emails had been sent out thus far on construction progress.

Mr. Cloutier then shared recent photographs from the site.

Ms. Wilson noted she had received complaints about extremely bright lights from the site and asked if that was connected to the construction activity. Mr. Cloutier said a temporary light had been set up in the vicinity of Slip No. 3 and that, after the Authority received a complaint from a nearby business, the light was moved.

Ms. Wilson asked about water accumulating in the canopy due to its "V" shape; Mr. Cloutier said the water goes into a trough and drains through the columns, every other one of which has a storm drain inside.

Mr. Davis said design work on the terminal building has been halted. Mr. Malkin asked when the occupancy permit for the temporary terminal building

was to expire; Mr. Davis said it was a five-year permit and that, since the Authority did not occupy the building until December 2017, it was his position that the permit should last until December 2022. However, the state building inspector was taking a different position, so the issue was one that has yet to be addressed.

Update on Vessel Dry Docks and Repairs:

Mr. Amundsen then provided an update via a PowerPoint presentation on vessel dry dock and repair projects. Regarding the *M/V Nantucket* dry dock at Thames Shipyard in New London, Connecticut, Mr. Amundsen said the project was currently projected to cost \$1,105,643, slightly less than the \$1,292,027 contract cost. Regarding the *M/V Iyanough* dry dock at Fairhaven Shipyard, Mr. Amundsen said the work involved was projected to cost \$684,635, approximately \$247,858 more than projected due to a variety of change orders.

Mr. Malkin asked if the maintenance and engineering department was able to get a better handle on projected costs due to improvements in its department; Mr. Amundsen said that improvements to the planned maintenance on each vessel meant that the Authority was able to submit more detailed specifications to the shipyards prior to repair periods. However, he said when the vessels are in the shipyards, problems that can only be discovered when the vessel is out of the water can still occur.

Ms. Tierney inquired as to the status of the *M/V Katama*, and Mr. Amundsen said the Authority has a dry dock contract for June with Senesco Marine LLC. He said that the Authority has also requested a one-year extension of the vessel's Certificate of Inspection ("COI") due to the present COVID-19 situation; the Coast Guard has said it would consider a six-month extension. Meanwhile, the Authority is proposing alternate payment terms to Senseco given the Authority's finances, and he said no response has been received yet.

Oak Bluffs Pier Repairs

Mr. Amundsen then discussed the needed repairs at the Oak Bluffs terminal, stating that the Authority was sourcing the materials that would be needed for the project. He noted the total cost of the project was estimated to be approximately \$500,000, and the total budget for pier repairs for the year was \$750,000.

Ms. Tierney asked where the Authority would find the money to pay for this project, and Mr. Davis replied that some of the Federal Transit Administration funds may be available for the project. Ms. Tierney asked if it was safe to use the pier for foot traffic, and Mr. Amundsen said it was. Ms. Tierney then asked if the Authority could defer the project and have Oak Bluffs service only walk-on passengers given the current financial situation. Mr. Davis said that would not be an efficient use of the Authority's vessels, but he, too, was concerned about the available cash flow for the project. He also said he understood how important the port was to the towns of Oak Bluffs and Edgartown. He said the Authority builds its schedules in such a way that all traffic could run through Vineyard Haven in case of inclement weather, so operationally one port would be sufficient.

Mr. Malkin noted the Vineyard communities want to be ready for visitors when people are ready to come, and the Oak Bluffs terminal is one of the Vineyard's gateways to travelers. If the Authority was not a state-mandated entity, he said he would be looking at different ways to cut costs, but as it is a public agency, he said, the Authority was required to provide the Oak Bluffs service. To not do so would be detrimental to Vineyard Haven as well as Oak Bluffs, he said.

Ms. Tierney said she strongly disagreed, stating the primary goal of the Authority should be its financial stability so that it can provide for the transport of goods and services to the islands. She said the \$500,000 is not cash that has to be spent this year and, as there is another port on the island, it was not a prudent use of funds especially given the uncertainty in traffic levels for the summer season.

In response to a question from Mr. Ranney, Mr. Davis confirmed the costs of repairs would come from operational funds, not capital funds. Mr. Ranney asked what the financial and operational impacts would be to the Authority of doing the work; Mr. Davis said until bids are opened on May 7, 2020, he could not say with certainty how much the work would cost. However, the operating costs for the terminal are approximately \$140,000 a month, he said. Mr. Ranney said, given that, making back those operational costs each month should be the target to determine if the terminal should open at all.

Mr. Malkin said Oak Bluffs attracts more day trippers than Vineyard Haven and the Authority has an obligation to serve the island's business community, which depends on that traffic. Ms. Wilson said the two (2) ports are very close together and, while her constituents understand the trouble associated with having all traffic move through a single port, she would support holding off on the work for a short period.

Mr. Malkin said it appeared unlikely the pier would be open by Memorial Day, and Ms. Wilson asked if there was a “quick fix” that could be done to get the pier at least partially functional for the summer. Mr. Davis said there would not be much time to get the work done properly and the Authority would have to pay extra for two (2) mobilizations by whatever company won the bid.

Mr. Malkin said he was also concerned that, by not putting the work out to bid, it sent a message that the Authority cannot serve its customers to the normal level of service and that could discourage travelers from going to the island. Mr. Ranney said not doing the work was more expensive than doing it, as the pier’s condition would only deteriorate. He said the Board should look at it as an ongoing maintenance project that has to be done yearly and that, in his opinion, the full repair should be done.

Mr. Davis said the Board did not need to vote now and it could wait until after the bids were received to decide definitively on the project.

Status of HMS Recommendations:

Mr. Davis said, given the pandemic and the Authority’s financial situation, all implementation activities regarding the HMS Consulting recommendations had been paused indefinitely. Once the pandemic subsides and the Authority is on more certain financial ground, he said staff would resume those initiatives.

Regarding the addition of a chief operating officer, Mr. Davis noted that, pursuant to the Authority’s by-laws, he serves with that title. Regardless, he said that staff will continue to examine how the management structure should be going forward so that it operates in as efficient and detailed manner as possible.

Mr. Malkin said that, whatever the job title was, he thought the Authority should issue an advertisement to fill the position by the end of June or early July. Mr. Jones said he could see the need, citing the ability of the town manager in Barnstable to be able to delegate items to the assistant town manager, and that he was still looking to see a completed revision of the Authority’s organizational chart. Mr. Davis said he understood the importance of the position, but a lot of new hires had been made in the last year who were still getting up to speed and a lot of operational changes were in the process of being made. He said he also worried about the message being sent of hiring a new senior staff member while furloughs and salary reductions were also being discussed. Mr. Davis said he believed the focus in the short term should be addressing the Authority’s current needs and, once that settles, the position can be considered. Ultimately, however, he said it was the Board’s decision.

Mr. Jones said he thought the position should be one of the last things to be tackled in light of the current situation. Ms. Wilson agreed but also said so much work, including information that flows to the Members, goes through the general manager's position that it represents a weak link. She said she would like to build in some redundancy or protection so that, if something happens to any one individual, others can be available to fill the gap.

Mr. Ranney said he felt it was a discussion that should be kept open and that it was important for the Authority to reevaluate itself and its structure, but in the midst of COVID-19 it was not the right time, to which Ms. Tierney concurred.

Mr. Kenneally said he encouraged the Members to contact any of the senior staff members at any time as they all work to support Mr. Davis and they all work together. He said that the Members should not feel that the staff was unavailable to them and they should reach out so the staff can do their best to support the Members and help them make the best decisions they can.

Mr. Malkin thanked Mr. Kenneally for expressing that and added that he understood how much Mr. Davis works, which is why he wanted to bring it up given the volume of decisions that are made through his office. He said it was not the most effective way to run an organization, which was reflected in the HMS Consulting report, but said he would want to keep the conversation open and do what is best for the Authority.

Ms. Tierney said Mr. Davis has a really tough job that has been made incredibly harder and that, while they may disagree, she did not want him to feel this discussion was a reflection on the quality of his work. She said Mr. Davis has done "yeoman's duty" on many levels to keep the Authority operational and has kept his sense of humor throughout.

Proposed Memorandum of Understanding
With the Cape Cod Regional Transit Authority
Relative to Prospective Federal and State Disbursements:

Mr. Davis said, similar to past years and following recent discussions with the Cape Cod Regional Transit Authority ("CCRTA"), the Authority was seeking to enter into a Memorandum of Understanding regarding grant funds from the Federal Transit Administration ("FTA"). In addition to the "standard" formula funding received from the FTA via the CCRTA, which acts as the "designated recipient" of the funds for the region, the Authority was also in line to receive

funds from the recently passed Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”).

Under the proposed memoranda, the CCRTA will pay grant funds to the Authority under both the FTA program, which is expected to be approximately \$2,400,000, and the CARES Act, which is expected to be \$9,859,884.

CCRTA Administrator Thomas Cahir noted Mr. Davis and the Authority had been great partners with the CCRTA in helping to bring more funding to the region through the FTA program. He further stated that, while developing a timeframe for the delivery of federal funds is always challenging, he has asked the FTA for an expedited review due to the Authority’s financial challenges and he was hopeful that the funds should be delivered within three to five weeks. Several Members thanked Mr. Cahir for trying to get the funds expedited.

IT WAS VOTED – upon a motion by Ms. Wilson, seconded by Mr. Ranney – that the Members authorize the General Manager to execute a memoranda of understanding with the Cape Cod Regional Transit Authority concerning grant funds from the Federal Transit Administration related to the Authority’s 2019 reporting activities to the National Transit Database and its eligibility for funds under the recently passed CARES Act, as proposed in Staff Summary #GM-744, dated April 17, 2020.

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

Proposal to Restart Preseason Promotion for High-Speed Ticket Books:

Mr. Davis stated that, at its February 18, 2020 meeting, the Board had authorized the annual twenty percent (20%) discount on the sale of high-speed passenger electronic ticket books for the period March 23, 2020 through April 5, 2020. However, due to the onset of COVID-19, sales of the ticket books were less than half of their average (1,410 books sold versus 3,286 average from 2012-

2019). Although the return of the *M/V Iyanough* remains uncertain, Mr. Davis said staff is proposing the sale be restarted for a short period of time, approximately two (2) weeks, prior to the vessel’s eventual return to service. The resumption will allow more customers the opportunity to take advantage of the promotion, as well as to highlight the vessel’s return to service.

Mr. Ranney noted he had heard from many customers that they missed out on their opportunity to purchase the ticket books as they were unaware of the sale or thought it had been postponed due to COVID-19, so he said the Authority could see some large numbers from the sale.

Mr. Jones noted the estimated cost of the promotion was approximately \$90,000 given the discount offered and stated that, while he thought the cost was worth it, the point should be made. Mr. Davis noted the sale built up customer loyalty, especially as there are other companies offering the same service and as the Authority does not offer the service year-round.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Ms. Wilson – that the Members authorize a 20% discount on the price of all electronic passenger ticket books for the high-speed ferry for a short period of time as determined by the general manager prior to the resumption of service on the *M/V Iyanough*, as proposed in Staff Summary #COMM 2020-02, dated April 15, 2020.

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

Preliminary Version of Staff’s Proposed 2021 Operating Schedule:

Mr. Davis then presented the preliminary version of the Proposed 2021 Operating Schedule for informational purposes only. He noted that the schedule was essentially the same as the approved schedule for 2020, although that schedule was being modified in light of the loss of demand due to COVID-19.

Mr. Davis said, pursuant to the Enabling Act, the schedule would be advertised in local newspapers for a period of time before the staff would present the final version to the Port Council and Board for approval, pending any adjustments made in light of public comment. He noted that, for the winter and spring schedule, staff would expect to send the bulk freight reservation packages out to shippers in late June. Mr. Jones noted the Authority would have to be aware of the potential need to curtail trips given the uncertainty in the marketplace due to COVID-19.

Proposal to Establish a Revolving Line of Credit:

Mr. Rozum then presented the terms of a \$10,000,000 line of credit the Authority had discussed with Cape Cod Five Cents Savings Bank for the purpose of providing liquidity to pay operating expenses. The line of credit's terms are for the period of April 22, 2020 until April 22, 2025, with a variable interest based on the Wall Street Journal Prime Rate less 0.25 percentage points with a minimum rate of 3.000% per annum. Additionally, the revolving loan's outstanding principal balance must be \$0.00 for a period of thirty (30) consecutive days in any twelve (12) month period.

Mr. Jones asked how the Authority came up with the terms of the line of credit, to which Mr. Rozum replied that the bank specified the terms. Cape Cod Five is one of the the Authority's largest banking partners and other banks the Authority contacted were unresponsive, he said.

Mr. Jones said he did not like that the sum had to be paid off annually and that, in the first year of the term, the Authority would probably use the line of credit more than any other time. Mr. Jones said he would recommend attempting to renegotiate that point to provide the Authority more flexibility. Ms. Tierney said the provision is called a "seasonal cleanup" and that the bank should be willing to waive it given the circumstances. She further asked if there was an opportunity to convert the line of credit into a term loan to provide the Authority even more flexibility as to the repayments; Mr. Rozum said he would address both points with the bank and put the item back on the agenda for a future meeting.

Change Order No. 81 for Contract No. 16-2017,
Woods Hole Ferry Terminal Reconstruction – Waterside:

Mr. Davis said the change order was related to the obstructions encountered while driving seven (7) monopiles within the new Slip No. 2 and its

efforts to remove, relocate and drive the piles to their required depths. Between late December 2019 and the first week of February 2020, Jay Cashman Inc. relocated and redrove these seven (7) monopiles and incurred additional time and material costs. In mid-February 2020, Cashman submitted its change order requests with the attached letter seeking \$270,430 for its additional time and material costs. The Authority was successful in negotiating a reduced sum of \$185,000 for the cost associated with the additional time and material costs.

Mr. Malkin asked if the Authority had the ability to know how much the project was going to cost at this point; Mr. Cloutier said the cost estimate for the waterside work was \$55,000,000. He said that the bid was designed so underwater obstructions such as these would be change orders, as it was unknown at that time what kind of obstructions might be found.

Mr. Ranney said he was concerned that the Board was getting change orders for work that had already been done, putting the Members in the position where they had no chance to discuss them before spending the money. Mr. Cloutier said the information related to this change order was gathered while driving piles, making it difficult to gather a full picture of the necessary change. Mr. Ranney agreed this was an exception but, in general, the change orders are coming to the Board too late in the process for meaningful debate.

Ms. Tierney said she had asked for an independent review of the Cashman contract and appropriateness of the change orders paid and that she would no longer approve any change orders for the project. She said the Authority is not pushing back hard enough on the change orders, which she called "sinful."

Mr. Ranney said he did not believe this change order could have been anticipated, but he did have problems with some of the others that had been presented. Ms. Tierney said driving up the cost via change orders seems to be Cashman's mode of operation and that, by the time the project is done, their cost will eclipse that of the highest bidder on the project.

Mr. Davis said the obstructions would have been encountered regardless of who had the contract, but agreed there were items that needed to be brought forward to the Board quicker. In the case of these monopiles, he said the obstructions were encountered while they were 120 feet in the air and the decisions to pull them out and reposition them had to be made immediately.

Ms. Wilson asked if more obstructions were likely to be found; Mr. Davis said he did not know. However, he said during the next construction season there will be an area on the south slip that has a rock ledge and the impact of the ledge on the project is unknown. Mr. Cloutier said a team had surveyed the

area where the monopiles were to be placed before the project was bid. Ms. Wilson said it sounded like there had been opportunities to see these obstacles before pile driving began and, as the project moves to the south, it would make sense to get someone who has a specialty in this area to do additional surveying so as to minimize delays.

Mr. Jones said he appreciated everyone's frustration but noted marine construction was a complicated, costly process. He said Cashman had an excellent reputation for good, quality work.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Mr. Jones – to authorize the General Manager to execute Change Order No. 81 for Contract No. 16-2017, Woods Hole Ferry Terminal Reconstruction – Waterside, with Jay Cashman Inc. at a total cost of \$185,000, as recommended in Staff Summary No. GM-742, dated April 14, 2020.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Malkin	35 %	
Ms. Wilson		10 %
Ms. Tierney		10 %
Mr. Ranney	35 %	
Mr. Jones	10 %	_____
TOTAL	80 %	20 %

Change Order No. 82 for Contract No. 16-2017,
Woods Hole Ferry Terminal Reconstruction – Waterside:

Mr. Davis said that, during the excavation of the new Slip No. 2, Jay Cashman Inc. personnel encountered significantly higher than expected quantities of steel piles, wood piles, concrete and timber sheeting, which caused the removal process to be slower and more difficult than originally forecasted. To remove the dense concentrations of these materials, Cashman mobilized a Liebherr 880 dredge plant with heavy digging buckets and a team of divers. The time to complete the removal of these additional materials caused the relevant schedule to be extended by an additional twenty (20) days.

Per the construction contract, the cost of removal and disposal of such items is calculated on a per-item price. Cashman submitted a change order request seeking payment of \$397,213, including the cost of the dredge plant and

dive team in excess of \$200,000, Mr. Davis said. The Authority was successful in negotiating a reduced sum of \$347,000 for the cost associated with the removal and disposal of these additional materials.

Ms. Wilson asked how deep the material was under the sea floor, to which Mr. Clouter stated it was seventeen (17) feet deep. Ms. Wilson asked if its presence was a surprise; Mr. Cloutier said it was not, but the quantity of the material was unexpected.

Mr. Malkin asked what would happen if the Members were to vote not to accept the change order, and Mr. Davis said that the Authority would then be in breach of contract. Ms. Wilson said the change orders on the project were “bad news” and that, while she understood there are aspects to the work that are unpredictable, other items seem to have been foreseeable. Ms. Wilson said the items are coming to the Board for a “rubber stamp” vote and that there has to be a better way to handle the process.

Mr. Ranney said, to him, it was a similar matter to the prior change order, in that it was an unknown situation that had to be dealt with.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Mr. Jones – to authorize the General Manager to execute Change Order No. 82 for Contract No. 16-2017, Woods Hole Ferry Terminal Reconstruction – Waterside, with Jay Cashman Inc. at a total cost of \$347,000, as recommended in Staff Summary No. GM-743, dated April 14, 2020.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Malkin	35 %	
Ms. Wilson		10 %
Ms. Tierney		10 %
Mr. Ranney	35 %	
Mr. Jones	<u>10 %</u>	<u> </u>
TOTAL	80 %	20 %

Regarding the Scheduled Executive Session:

Mr. Malkin asked if the executive session scheduled following the meeting could be deferred given the length of the public session; Mr. Davis said it could be moved until the meeting scheduled for April 28, 2020.

Public Comment:

Mr. Saltzberg asked how the Authority would handle a large sum of money granted to it by the state given the provisions of the Enabling Act; Mr. Davis said if it received a lump sum, that would be a matter to determine, but it would also be a consideration if the Authority would access any funds over a period of time and not all at once.

Mr. Saltzberg then asked if the Oak Bluffs terminal repair estimates were made based on visual observation of the pilings and, if so, there was a possibility of hidden decay. Mr. Davis said the estimates were based on an engineering report that included the use of divers to dig around the mudline to thoroughly examine the piles.

Wallace Stark asked at what point the Authority would default on its bond payments and how such a default would affect future bond borrowing. Mr. Davis said that an interest payment on the bonds was due in September and that the money had already been transferred into the Authority's Sinking Fund. Should there be a year when the Authority did not have sufficient funds for bond payments, the Authority would make a certification to the commonwealth, which would make the payment on the Authority's behalf.

Mr. Malkin then praised the Authority's frontline staff and all the employees for the terrific job they have been doing in light of very challenging circumstances. He said that the Authority's job is to serve the islands and its visitors and that it will look forward to the time when the state starts to reopen.

At 2:29 p.m., Mr. Malkin said he would entertain a motion to adjourn.

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

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
April 21, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. April 21, 2020 Meeting Memorandum, dated April 17, 2020.
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Minutes of the Board's March 17, 2020 meeting in public session (draft).
5. Minutes of the Port Council's April 1, 2020 meeting in public session (draft dated April 16, 2020).
6. Memo from General Counsel Terence G. Kenneally regarding Eligibility and Payments under the Families First Coronavirus Response Act (FFCRA), dated April 7, 2020.
7. Staff Summary #GM-745, Permissible Uses of Bond Proceeds, dated April 18, 2020.
8. Staff Summary #SO-2020-02, Proposed Temporary Policy Change to Canceling Vehicle Reservations, dated April 14, 2020.
9. Business Summary for the month of February 2020.
10. Power Point presentation, Woods Hole Terminal Reconstruction Update, dated April 21, 2020.
11. Power Point presentation, Vessel Dry-Dock and Repair Projects, undated.
12. Power Point presentation, Oak Bluffs Terminal Pier Repairs, undated.
13. Staff Summary #GM-744, Memoranda of Understanding with Cape Cod Regional Transit Authority, dated April 17, 2020.
14. Staff Summary #COMM 2020-02, Review of Pre-Season Promotion for High-Speed Ticket Books and Authorization to Reopen Promotion, dated April 15, 2020.
15. Staff Summary #SO-2020-01, Preliminary Draft of 2021 Operating Schedule, dated April 15, 2020.
16. Staff Summary #A-648, Proposed Line of Credit Resolution, dated April 15, 2020.

17. Staff Summary #GM-742, Woods Hole Terminal Reconstruction Change Order 81 for Contract No. 16-2017, dated April 14, 2020.
18. Staff Summary #GM-743, Woods Hole Terminal Reconstruction Change Order 82 for Contract No. 16-2017, dated April 14, 2020.

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

The Meeting in Public Session

May 5, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 5th day of May, 2020, beginning at 10:00 a.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. All five (5) members participated via Zoom video conferencing: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford (who joined the meeting during discussion of the preliminary April traffic figures); Robert F. Ranney of Nantucket (who participated via telephone and not video); and Robert R. Jones of Barnstable (who joined during discussion of the Oak Bluffs terminal project).

The following members of management were also present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen (who participated via Zoom videoconferencing); and Director of Human Resources Janice L. Kennefick.

Video and Audio Recording of Today's Meeting:

Mr. Malkin announced that Steve Baty of All Media Productions was taking a video and audio recording of today's meeting in public session on behalf of Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio and video recording of the meeting; Noah Asimow (representing the *Vineyard Gazette*) indicated he was making an audio recording of the meeting.

Remote Participation by All Members:

Mr. Malkin announced that, in response to Governor Charles Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all Board Members were participating remotely in the day's meeting because their physical attendances would be unreasonably difficult. All Board Members were participating in the meeting by the Zoom video

conferencing app and all members were to be clearly audible to each other. As a result of the Members' remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Report on COVID-19:

Mr. Davis stated that the passenger traffic for April ended up being approximately 16% of expectations, or down 160,000 passengers overall; automobile traffic was 23% of expectations, or down 25,000 automobiles overall; and truck traffic was 40% of expectations, or down 10,000 units. Although the month's finances had not closed, Mr. Davis said he anticipated that projected revenues would be approximately \$5,000,000 below projections, not including revenues from other sources.

Through May 4, 2020, Mr. Davis said traffic numbers had slightly increased, but there were no significant movements and that, overall, the Authority was still far off expectations.

Regarding advance reservations, the Authority has seen an increase of approximately 5,000 vehicle reservations for the month of May as of May 4, 2020, but the 21,180 total was still far below the same timeframe for 2019 (45,990). This reservation decrease continues through the summer months, although Mr. Davis noted the decreases compared to last year were smaller in subsequent months, with the numbers of reservations in September and early October almost equal to that of 2019. Mr. Davis said there have been cancellations but that, overall, reservation activity has been in positive territory in recent days.

Ms. Tierney asked Mr. Davis if he had projected how the Authority's finances will perform if traffic stays at May's levels and the Authority does not receive any additional governmental funding. Mr. Davis said staff have considered a number of different scenarios and that, in the scenario Ms. Tierney described, the Authority would incur a loss of \$60,000,000 by the end of the year. Other scenarios show a gradual increase in traffic, which result in less of a loss. Ms. Tierney asked when the Authority would run out of operating cash at its current burn rate; Mr. Davis said, with the approximately \$8,000,000 the Authority was due to receive from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, its cash reserves would last through approximately July 31, 2020. The \$10,000,000 made available through a line of credit would extend that date to approximately Labor Day.

Mr. Malkin asked what business model would allow the Authority to continue to operate under these circumstances without receiving additional

funding. He asked that the issue be discussed at a future meeting. Ms. Tierney said her major concern was how the Authority could maintain barebones service to both islands under these conditions.

Regarding the Oak Bluffs Pier:

Mr. Davis noted that the bid package for the Oak Bluffs pier repairs had been issued and the Authority had heard concerns from several vendors who would normally bid on such a project. Specifically, Mr. Davis said that the vendors were concerned about the scope of work and the timeframe for the delivery specified in the bid package.

One potential alternative was to issue a revised construction schedule, which would entail doing only those repairs that would make the pier accessible for automobiles and pickup trucks. Mr. Davis said the driving force behind the change was the timeframe to order pile caps for the project, which had a longer lead-time than other materials. Although the change would necessitate adjustments to the schedules to move truck traffic to Vineyard Haven, Mr. Davis said he believed it was the only way to make the June 22, 2020 opening date.

Mr. Davis noted that he had conversations with Angela Grant, the administrator at the Vineyard Transit Administration, about running shuttle bus service from Vineyard Haven to Oak Bluffs for those passengers wishing to travel to the other terminal. Mr. Davis said Ms. Grant had said it should not be a problem to do so, which would help bring foot traffic to Oak Bluffs.

Mr. Malkin asked if the work was done in this fashion whether or not the spring repairs would have to be redone once the entire pier was completed or if there would be additional repairs. Mr. Davis said the work would not have to be redone, but the overall project would be less efficient, as there would be a second round of mobilization costs and some of the decking would have to be pulled up a second time. Mr. Malkin noted that limiting the scope of the project now would also help the Authority's finances. Mr. Davis said the Authority had already purchased the materials, and Mr. Amundsen said the critical portion of the project was the labor costs. The proposal represents roughly an eighty percent (80%) reduction in the overall scope of work, Mr. Amundsen added.

Ms. Wilson asked if the reason the entire project could not be completed was the availability of materials or the overall timeframe. Mr. Davis said the piles would be available in time to do the entire project in the specified timeframe, but the pile caps require a longer lead-time.

Ms. Tierney asked if any change orders were anticipated for the project, and Ms. Wilson additionally asked if the timeframe for the material delivery was realistic. Mr. Davis said it was a matter of how soon the piles and caps could be cut and treated. He also said that some materials might ship earlier than anticipated if they are ready ahead of schedule.

Ms. Wilson asked what the cost difference was to do the project in two phases, to which Mr. Amundsen replied that the Authority had not received any bids so he could not answer that question. Once the bids were received, it would be possible to offer a more informed answer to that question, he said. Ms. Wilson said she was concerned, as she did not know how this part of the project fits into the overall scope of the work.

Ms. Tierney asked if the cash projections Mr. Davis cited earlier included the Oak Bluffs repairs, to which Mr. Davis replied they did.

Mr. Malkin said he supported going forward with the limited repair to get the Oak Bluffs terminal up and running as soon as possible.

Treasurer's Report:

Mr. Rozum said that, following the prior discussion on the line of credit, Martha's Vineyard Savings Bank had offered a proposal, as had Cape Cod Five Cents Savings Bank. Both institutions were able to move the twelve (12)-month "seasonal clean up" period to eighteen (18) months. Cape Cod Five also lowered the minimum interest rate to two and three-quarters percent (2.75%), while Martha's Vineyard Savings Bank was offering two and a half percent (2.5%). Based on the two offers, Mr. Rozum said he was recommending Martha's Vineyard Savings Bank based upon the lower minimum rate and current rate, but he noted that both banks were very responsive and easy to work with.

IT WAS VOTED – upon Ms. Tierney's motion, seconded by Mr. Jones – to authorize the General Manager to execute the line of credit with Martha's Vineyard Savings Bank as proposed.

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

IT WAS VOTED – upon Mr. Jones’ motion, seconded by Mr. Ranney, to authorize Mr. Kenneally, as the Clerk of the Authority, to certify the vote on behalf of Ms. Tierney, the Authority’s Secretary.

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

Modifications to the Authority’s Operating Schedules:

Mr. Davis said staff was considering modifications to the operating schedules in light of the recent uptick in traffic demand. Until this week, the Vineyard run was being served by the *M/V Woods Hole*, which was running seven (7) days a week, and the *M/V Martha’s Vineyard*, which was running five (5) days a week. However, as the weekend trips were becoming more in demand, Mr. Davis said the *M/V Martha’s Vineyard* would start to run seven (7) days a week as well, with up to four (4) round-trips per day.

On the Nantucket run, the third trip of the *M/V Gay Head* was being run more often than not, so adding the third trip on a permanent basis was also being considered.

Mr. Davis said he would be recommending further schedule adjustments to the Board in upcoming weeks, along with a proposal for Memorial Day weekend.

Submitted Public Comments:

Mr. Davis said, following last week's meeting, Mr. Driscoll had received two (2) questions from the public per Mr. Malkin's request.

The first was from Nat Trumbull of Woods Hole, who submitted the following:

“Have SSA staff or the Steamship Authority Board already communicated with town leaders of the five port towns the higher than usual possibility that the SSA will need to come to them for shortfall funding at the end of 2020, as per the Enabling Act? Is the SSA Board able to indicate already now the probability of such a shortfall this year? High, likely, unlikely, highly unlikely, etc.? Without advance planning, the towns could be in a terrible position to respond if the Steamship Authority has not communicated with town leaders in advance about the possibility of a budget shortfall.”

Mr. Davis responded that notifications were made to the appointing authorities of each Member and that several of them had offered to write letters of support for state funding assistance.

Jonathan Goldman of Woods Hole submitted the following:

“Given the rapidly changing impacts on ridership, on budgetary deficits, and even pursuit of serious ‘bailout’ sustenance funding, how is the SSA adapting its plans and dealines (*sic*) for the re-development of the port in Woods Hole? In specific what are your immediate plans for the current timeline regarding the existing ticket office and will online/mobile ticketing be prioritized to reduce the need for an already overdesigned plan?

“(H)ow will the current crisis re-orient your immediate and long term plans regarding the temporary status of the current ticket office and when will online/mobile ticketing be prioritized to limit ticketing workers, and crew from interaction with the public?”

Mr. Davis said the Woods Hole project was paid for out of capital funds, which is why work was able to continue. He said there had been no work done on the building design since the onset of the COVID-19 situation. He said the Authority would be discussing the status of the temporary terminal building with the state building inspector.

Regarding the Board's Next Meeting:

Mr. Malkin said he wanted to discuss the Authority's profitability from passenger traffic and how it could compensate for those losses going forward.

Mr. Malkin asked if the Board would need to have a special meeting to award the contract for the Oak Bluffs pier repair; Mr. Davis said the deadline for the bids was to be extended to Monday, May 11, 2020, so the Board could consider the award at its next weekly meeting, scheduled for Tuesday, May 12, 2020.

At 10:49 a.m., Mr. Ranney ended his participation in the meeting.

Public Comment:

Mr. Asimow asked which bank the Authority chose for its line of credit; Mr. Davis said it was Martha's Vineyard Savings Bank. In response to a further question from Mr. Asimow, Mr. Davis said the Authority reached out to several banks it did business with to obtain proposals. It originally had not reached out to Martha's Vineyard Savings Bank out of a concern that the line of credit could hamper the bank's ability to assist the local community, but bank officials stated it was not an issue and wanted to submit a proposal.

Mr. Asimow asked if June 22, 2020 was a "best-case scenario" for completion of the Oak Bluffs pier work; Mr. Davis said, until the bids were received, it remained the target date.

At approximately 10:53 a.m., Mr. Malkin said he would entertain a motion to adjourn.

IT WAS VOTED – upon Mr. Ranney’s motion¹, seconded by Mr. Jones – to adjourn the meeting.

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

¹ Reporter’s note: Mr. Ranney made the motion prior to his departure from the meeting; the motion remained on the floor during Public Comment.

**Documents and Exhibits Used at the
May 5, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. May 5, 2020 Meeting Memorandum, dated May 4, 2020.
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Advance Reservation Activity by Month, All Routes, as of May 4, 2020.

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

The Meeting in Public Session

May 12, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 12th day of May, 2020, beginning at 10:02 a.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. All five (5) members participated remotely: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert R. Jones of Barnstable. Mr. Jones participated via speakerphone; the rest of the Members did so via Zoom videoconferencing.

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

Video and Audio Recording of Today's Meeting:

Mr. Malkin announced Steve Baty of All Media Productions was taking a video and audio recording of today's meeting in public session on behalf of Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio and video recording of the meeting; Noah Asimow (representing the *Vineyard Gazette*) and Rich Saltzberg (representing the *Martha's Vineyard Times*) indicated they were making an audio recording of the meeting.

Remote Participation by All Members:

Mr. Malkin announced that, in response to Governor Charles Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all Board Members were participating remotely in the day's meeting because their physical attendances would be unreasonably difficult. All Board Members participated in the meeting by the Zoom video conferencing app or by speakerphone and all members were clearly audible to each other. As a

result of the Members' remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Comments by the Members:

Mr. Ranney said the Authority was created with a mandate to serve the islands of Martha's Vineyard and Nantucket and that the representatives of both islands have long enjoyed a solid working relationship, as has the Board and management. All Authority employees work hard, he said, often going unnoticed and underappreciated. The Members walk a fine line between pursuing the interests of their communities, working diplomatically with each other, and maintaining their fiduciary duty to the Authority and keeping a watchful eye on its finances. Mr. Ranney said he was "shocked and offended" by some of Mr. Malkin's comments to the media and other public bodies regarding the Authority's operations. Mr. Ranney said that he has never seen, heard or felt anything other than true professionalism from the staff. He said he has sat in on annual audits and read financial statements and questioned decisions and budgets and never seen any evidence of wrongdoing before signing his name to the reports. He said the only fault he has found in staff is their "unrelenting dedication" to follow the Board's direction, which he said is hardly cause for alarm or to formulate negative press.

Mr. Ranney said that, during these unprecedented times, the Members need to work together more than ever, and Mr. Malkin's recent comments regarding the 2019 financial statements put the Board in a damning light while propagating the appearance of impropriety. He said those mistruths have maligned not only the dedicated staff but have cast a shadow over the entire Board, including Mr. Malkin himself, by implying complicity in a nefarious fiscal scandal that does not exist. To come on the Board as a new member and suggest impropriety without a hint of one and without a working knowledge of the Authority only serves to fuel divisive public speculation and make it harder to gain and maintain public trust.

Ms. Tierney added that Mr. Malkin's statements that the Authority's audited ledgers were "nowhere to be found" was a "gross, wanton misrepresentation of the facts" and said that, regardless of the status of the certified year-end financial statements, the Members at all times have available to them the most up-to-date information regarding the Authority's financial situation. She said Mr. Malkin's comments undermine the good work that the Board and the Authority have been doing. She noted the Authority's audited financial statements are rarely completed by April 1 and the delays are due to legitimate accounting purposes. She further noted that the Town of Chilmark,

where Mr. Malkin serves on the Board of Selectmen, has posted its audited financial statements anywhere between four (4) and six (6) months after the start of the year with a budget much smaller than that of the Authority's.

Ms. Tierney said she felt Mr. Malkin's statements represent an opportunity to question the economics of the Authority and show a lack of knowledge on his part of its operations. She said she feels it is necessary for the Board to send a strong message that the other Members do not share his point of view.

Ms. Tierney said she was "beyond disturbed" at how Mr. Malkin represented her position regarding the Oak Bluffs pier repairs to the Dukes County Commissioners, saying that his comments represented her views "grossly and inaccurately." Ms. Tierney said Mr. Malkin could have easily referred to the minutes of that meeting rather than offer his own commentary on the vote. She noted that, even when he tried to correct his inaccuracy with the *Martha's Vineyard Times*, he again mischaracterized her position, which was that the Authority should analyze every expenditure given the COVID-19 pandemic.

Lastly, Ms. Tierney said she was "beyond horrified" at the light Mr. Malkin had placed on Messrs. Davis and Rozum, saying that she has at no time questioned their commitment to the Authority, their work ethics or their integrity, which is beyond reproach.

Ms. Wilson said she agreed with both Mr. Ranney and Ms. Tierney and that if there was ever a time for the Board to be as efficient and united as possible it was now. That the Members were being sidelined by this issue is "unfortunate," she said.

She said she has come to understand that the auditing process is about providing copious amounts of data to the outside auditing firm as they undertake their review of the year's finances and not any reflection on the availability of that information.

She also said she found Mr. Malkin's comments regarding the Oak Bluffs repairs "very troubling" as it gave the Authority's port communities the wrong information. The Members have shared responsibilities, shared obligations and shared interests, and she said they should go forward from here and do better.

Mr. Malkin apologized to Ms. Tierney and Wilson for misstating their position in his comments. He also said he heard the Members' comments very loud and clear and appreciated the constructive criticism. He said that he has learned that the portrayal of things he says or infers can get out of control very quickly, and he at no time intended to suggest that financial data was "hidden."

His concerns stemmed from the Authority's cash position and its need for more revenues, but he said he appreciated the "schooling" and looked forward to working well with the Board and management going forward.

Report on COVID-19:

Mr. Davis provided the following updates regarding the Authority's response to the COVID-19 pandemic:

- As of May 11, 2020, passenger traffic was approximately twenty-five percent (25%) of expectations for the month; automobile traffic was approximately forty percent (40%) of expectations; and truck traffic was approximately fifty percent (50%) of expectations. Mr. Davis shared a graphic showing the seven-day moving average of passengers, automobiles, small trucks, and large trucks showing that, in all four (4) categories, the trends were moving upward although they remain behind the 2019 benchmarks.
- The Authority recently expanded its schedule to run the *M/V Martha's Vineyard* seven (7) days a week instead of five (5) days a week. The vessel will be able to run seven (7) trips a day and will berth nightly in Vineyard Haven, which will allow the early-morning off-island trip to resume. On the Nantucket route, the *M/V Gay Head* will now be triple-crewed and is scheduled to run three (3) trips a day. The *M/V Sankaty* will also be added to the schedule starting May 21, 2020.
- As of May 11, 2020, the Authority was approximately \$1,500,000 ahead of its projected cash position due to more receipts coming in with expenses holding steady.

Mr. Rozum then shared information regarding the Authority's credit card receipts, which he said averaged nineteen percent (19%) of budget for the month of April 2020, although they trended upward toward the end of the month. So far in May 2020, credit card receipts have averaged forty-five percent (45%) of receipts for last year, he said, which is another positive trend although there is a concern whether or not it will be a sustained increase or only a temporary spike in traffic and revenue.

Mr. Davis said the Authority was monitoring whether or not the revenue from vehicular traffic was enough to cover the direct operating costs of the vessels without the revenue from walk-on passenger traffic. So far it is, he said, but the Authority also has to cover its nonoperating costs as well.

Mr. Davis said the Authority would continue to monitor traffic demands and make incremental changes to the schedule to not fall behind in terms of demand, but also to not expand the schedule beyond the Authority's ability to cover its costs.

Mr. Rozum also noted future bookings for July and August are not seeing material changes from week to week and said it seems many of the Authority's customers are waiting to see what the phased reopening plans are for the state before deciding whether they will travel.

Ms. Wilson asked if the Authority sought the opinions of the Vineyard towns or Nantucket regarding its schedules or their concerns regarding travel. Mr. Davis said the Authority did early on in the pandemic and the Authority has continued to prioritize shipments of food and medicine to the islands and make room for ambulances headed off-island as needed.

Ms. Tierney asked if the additional trips could be added sooner than Friday, to which Mr. Davis said that was the earliest possible date due to crewing constraints.

Treasurer's Report:

Mr. Rozum said he had submitted the necessary documentation to the Cape Cod Regional Transit Authority for the Authority's Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding and said he would keep the Board apprised of its status.

Contract 09-2020, Oak Bluffs Structural Pier Repairs:

Mr. Davis said that, at the Board's meeting on April 21, 2020, the Board instructed him to obtain bids to repair or replace approximately thirty-five (35) structural piles on the Oak Bluffs pier. Following the meeting, specifications were issued and advertised and bids from nineteen (19) prospective contractors were requested.

During the bidding process, several questions were received, various addenda issued and the immediate scope of the project was reduced to repairing and replacing thirteen (13) structural piles on or before June 22, 2020, with the remaining twenty-two (22) structural piles delayed until after the summer months.

Three (3) bids were received by the Authority, the lowest of which was Coastal Marine Construction LLC of Canton, Mass., in the amount of \$267,524.

Mr. Jones said the reduced scope of the work is what he called for several meetings ago and that, while it is not the ideal way to handle the project, it is the best way forward.

Ms. Tierney asked, given the Authority's experience with the Woods Hole Terminal Reconstruction Project, what provisions were in the contract for change orders. Mr. Davis noted the materials had already been purchased by the Authority and that, in conversations with the recommended vendor, they are confident they can complete the project on time and on budget. Ms. Tierney said she did not want to see a lot of change orders coming through for the project. Mr. Amundsen said the Authority performed an extensive survey prior to the issuance of the bid documents and he has a strong feeling that change orders will be minimal due to the exactness of the specification. Ms. Tierney said she would like to see the contract limit the number of change orders possible for the work; Mr. Amundsen said that the reduction of the specification would minimize the need to such a degree unless something unforeseeable occurred.

Ms. Wilson asked why there was such a wide discrepancy between the three (3) bids; Mr. Davis said two (2) bidders sent personnel to Oak Bluffs to inspect the pier, which may have better informed those bids. Ms. Wilson said she could imagine a scenario in which damage that is more extensive being discovered and asked about the confidence in the specifications. Mr. Davis said the contract included a clause for \$10,000 a day in liquidated damages to provide an incentive for an on-time finish to the project.

Ms. Wilson asked if the Board was required to take the lowest bid; Mr. Davis said they were unless a lower bid was determined to come from a firm that was not an "eligible and responsible" bidder. Mr. Davis further stated that the company had, under a different name, reconstructed part of the Oak Bluffs pier in the late 2000s.

Mr. Malkin said he shared Ms. Wilson's concerns, but said the Board would have to accept the bid at face value. Mr. Amundsen noted if the original scope of work was prorated to its current scope then the projected budget is more in line with Coastal Marine Construction's bid than the others.

IT WAS VOTED – upon Mr. Jones’ motion, seconded by Mr. Ranney – to authorize the General Manager to award Contract No. 09-2020, Oak Bluffs Structural Pier Repairs, to the lowest eligible and responsible bidder, Coastal Marine Construction LLC of Canton, Massachusetts, for the total contract price of \$267,524, as recommended in Staff Summary #MO 2020-03, dated May 11, 2020.

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

Regarding the Authority’s Meeting Schedule:

Mr. Malkin said he felt the Board should stop meeting on a weekly basis and return to its monthly meeting rotation as it has become clear to him that the issues of traffic and revenue are outside of the Members’ control. He said he appreciated the modeling that the Members have been provided by staff, but he was comfortable at this point returning to a monthly meeting cycle. Mr. Jones suggested twice a month, which Ms. Tierney agreed with; Mr. Ranney said he would follow the wishes of the Members, but noted the strain that preparing for these meetings puts on the staff. Mr. Davis said he knows the Members wish to be informed and that, in addition to his daily email updates, any of them can call him with questions.

Public Comment:

Francine Agnoli asked the Members to consider extending the off-season excursion rates given the fact that many Vineyard residents have had to postpone off-island trips due to the pandemic. Mr. Malkin and Ms. Wilson both said they were receptive to the idea and asked that it be placed on a future agenda for consideration.

Mr. Saltzberg asked if the bid package for the Oak Bluffs pier included any upgrades to meet state or local code requirements; Mr. Davis said as it is a “repair in kind” and not an upgrade to the current infrastructure, none would be necessary.

Carrie Gentile from the *Falmouth Enterprise* asked about the Authority’s discussions with the state regarding its finances. Mr. Davis said staff continue to have discussions with the Massachusetts Department of Transportation and Department of Administration and Finance regarding the Authority’s finances and that he remains encouraged by those discussions. He further stated the CARES Act funding, along with the line of credit, should provide enough operating funds for the rest of the summer, and any increase in traffic will help stretch those funds further.

Then, at 11:17 a.m., Mr. Malkin entertained a motion to go into executive session to discuss the Authority’s strategy with respect to potential litigation matters because a public discussion of these matters may have a detrimental effect on the Authority’s negotiating and bargaining positions. These matters include:

- Potential for litigation with Senesco Marine LLC regarding Contract No. 02-2020, Overhaul and Dry Dock of the *M/V Katama*.

Mr. Malkin stated the public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. After the conclusion of the executive session, the Board would not reconvene in public.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Wilson, to go into executive session to discuss Authority’s strategy with respect to potential litigation matters.

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
May 12, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. May 12, 2020 Meeting Memorandum, dated May 11, 2020.
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Advance Reservation Activity by Month, All Routes, as of May 11, 2020.
5. Staff Summary #MO 2020-03, Oak Bluffs Structural Pier Repairs, dated May 11, 2020.

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

The Meeting in Public Session

May 19, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 19th day of May, 2020, beginning at 10:00 a.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. All five (5) members participated via Zoom videoconferencing: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert R. Jones of Barnstable.

Port Council President Edward C. Anthes-Washburn was also present, as were the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier, Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; and Health, Safety, Quality and Environment Manager Angela M. Sampson.

Video and Audio Recording of Today's Meeting:

Mr. Malkin announced that Steve Baty of All Media Productions was taking a video and audio recording of today's meeting in public session on behalf of Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio and video recording of the meeting; Noah Asimow (representing the *Vineyard Gazette*) and Rich Saltzberg (representing the *Martha's Vineyard Times*) indicated they were making an audio recording of the meeting.

Remote Participation by All Members:

Mr. Malkin announced that, in response to Governor Charles Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all Board Members were participating remotely in the day's meeting because their physical attendances would be unreasonably difficult. All

Board Members participated in the meeting by the Zoom video conferencing app or by speakerphone and all members were clearly audible to each other. As a result of the Members' remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Minutes:

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Mr. Ranney, to approve the minutes of the Board’s meeting in public session on April 28, 2020.

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

Port Council’s Report on its May 6, 2020 Meeting:

Mr. Anthes-Washburn said the Port Council’s discussions included the following items:

- The latest measures regarding COVID-19 and its effects on business.
- The actual impact of COVID-19 to the April finances versus expectations.
- An update on future reservation activities.
- CARES Act funding.
- Potential assessments to the port communities in the event of a year-end deficit and the ongoing discussions with the Executive Office of Administration and Finance in that regard.
- The possibility of a working group made up of Port Council and Board Members to further examine the finances of COVID-19 and its impacts.

Regarding the Board’s Schedule:

Mr. Davis noted that, at the last Board meeting, the Members had expressed a desire to move to biweekly meetings instead of weekly meetings. In looking at the calendar, the biweekly meeting would coincide with the monthly

meeting of the Port Council, so he asked if the Members would consider being a part of that meeting instead of having a Board meeting on June 2, 2020 and a Port Council meeting on June 3, 2020; the Members agreed.

Report on COVID-19:

Mr. Davis provided the following updates regarding the Authority's response to the COVID-19 pandemic:

- Vessel crews continue to do an exceptional job of cleaning the vessel interiors during and in between trips, paying particular attention to surfaces most likely to be touch points such as tabletops, faucets and toilets as well as handrails.
- Additional crews are assigned to perform deeper cleanings at night.
- Terminal employees also have been doing an exceptional job of cleaning at least three (3) times per shift.
- Buses are being cleaned at least once every four (4) hours.
- The Authority continues its efforts to source hand sanitizer; unfortunately, replacement cartridges for the dispensers continue to be back ordered. Stands with pop-up sanitizing wipes have been sourced and units installed at each terminal and onboard the vessels.
- In coordination with Ms. Sampson, maintenance personnel are preparing stands for liquid hand sanitizer that could be sourced without a dispensing cartridge.
- Signage has been posted that includes, but is not limited to:
 - Practice social distancing;
 - Please remain in your vehicle on the freight deck;
 - Advisory from the Nantucket Cottage Hospital and Martha's Vineyard Hospital;
 - Flu Prevention Tips;
 - Handwashing Tips;
 - A notice to all out of state customers to self-quarantine for fourteen (14) days; and
 - Mandatory Mask notice.
- On the Nantucket route, drive-on, drive-off services have been suspended as to prevent possible transference of the virus from customers to employees.
- Information on best practices regarding health measures continues to be uploaded to the Learning Management System for employees.
- Vessel crews, before the beginning of their watches, are given a wellness check by trained medical professionals.
- Shoreside personnel are given the wellness questionnaire, which they

- need to complete and provide to their supervisor to be given clearance to report to work or are sent home.
- Employees continue to be told that under no circumstances should they be coming to work while they are sick, for their own safety, the safety of their crewmembers and for the safety of our passengers. If any employee comes to work sick, they will be sent home – period.
 - Updates continue to be posted on the Authority’s dedicated landing page (www.steamshipauthority.com/2019coronavirus) as well as on its Facebook and Twitter pages, its eNews and through local media outlets.

Mr. Ranney said that, regarding the drive-on drive-off services, he has heard from a lot of trucking companies whose business model depends on it and they are finding it difficult to operate without the service, so the quicker it can return for freight, the better. Mr. Davis said staff are working on procedures to handle that so it can be restarted soon.

Ms. Tierney asked if someone had been charged with reviewing the reopening guidance and rules established by the state to make sure the Authority is in compliance; Mr. Davis said it was under review to determine if anything had to be changed but, in general, it seemed that the Authority was following those protocols as stringently, if not more so, as the state recommended. Ultimately, he said he would be responsible for their implementation, with the staff’s assistance.

Mr. Davis said the Authority continues to monitor traffic patterns to determine if schedule modifications are warranted. A number of factors are considered in this process, including the level of vehicle reservations and commodities being transported; passenger accessibility; the ability to socially distance while onboard; and the need to provide access for emergency services. Currently, the schedule extends to May 26, 2020, he said.

On the Vineyard route, the *M/V Woods Hole* and *M/V Martha’s Vineyard* are operating with a triple crew, which allows for up to seven (7) round trips per day by each vessel. The *M/V Island Home* will return to service on May 21, 2020.

On the Nantucket route, the *M/V Eagle* and *M/V Gay Head* are operating with a triple crew, which allows for up to three (3) round trips per day. The *M/V Iyanough* is scheduled to return to service on May 21, 2020, for the Memorial Day weekend; on that same day, the *M/V Sankaty* will also be added to the schedule.

At this time, based on advance bookings, Mr. Davis said he anticipates that, once the *M/V Island Home* and *M/V Sankaty* are added to the operating

schedule, that level of service will be maintained through the remainder of the spring schedule, which ends June 16, 2020.

Mr. Davis said, regarding April traffic, passenger traffic was down eighty-four percent (84%), or nearly 160,000 versus last year; automobiles carried were down seventy-seven percent (77%), or nearly 25,000 versus last year; and trucks carried were down fifty-eight percent (58%), or nearly 10,000 versus last year.

For May, as of May 14, 2020, passenger traffic was down seventy-three percent (73%), or nearly 75,000 versus last year; automobiles carried were down sixty percent (60%), or nearly 10,000 versus last year; and trucks carried were down forty-four percent (44%), or nearly 4,000 versus last year, Mr. Davis said.

Mr. Rozum then shared a series of charts regarding advance reservation activity and credit card receipts. Ms. Tierney asked if future updates could include the number of cancellations in addition to the net new reservations; Mr. Rozum said he would provide that information.

Mr. Davis said, concerning the Authority's revenue projections, that up to fifty-five percent (55%) of the Authority's annual revenue is generated from June to September each year, which in 2020 was projected to total \$64,000,000 out of a total \$118,000,000 for the year. If the summer performs as projected, the Authority would end the year at essentially a break-even point, Mr. Davis said; if the rest of the year performs at seventy-five percent (75%) of projections, meanwhile, the Authority would end the year roughly \$35,000,000 short of projections. Mr. Davis said revenues and expenses would continue to be monitored carefully and be included in regular conversations he has with the Massachusetts Department of Transportation and the state's Executive Office of Administration and Finance. Mr. Davis said the Authority's immediate cash needs had been mitigated somewhat by the CARES Act funds, but cash flow continues to be monitored.

Mr. Davis said recent conversations with state officials have focused on the procedural end of how the Authority would certify its deficit to the state, as well as the Authority's Enabling Act, its funds and their operations. Mr. Davis said staff was working on a schedule of cash projections for the state.

In response to a question from Ms. Wilson, Mr. Davis said there were ongoing discussions about a provision in the Enabling Act that, on its face, would require the Authority to maximize its borrowing potential before certifying a deficit to the state.

Mr. Jones asked about the status of the Authority accessing the Federal Reserve's municipal liquidity program; Mr. Davis said the Authority could not do that directly so there would be some procedural question with the state as to that process. Mr. Davis further stated that there was at least one potential federal bill that would include funding for transit agencies, and there had been mention of allowing agencies to use funds previously limited to capital expenses and apply them to operating costs.

Results of Operations:

Mr. Davis then reviewed the results of the March 2020 business summary, which shows the Authority carried fewer passengers (down 35.4%), automobiles (down 33.2%) and trucks (down 22.5%) than the same month the prior year. Through the first three months of the year, the Authority was similarly down in passenger traffic (down 8.9%), automobile traffic (down 9.9%), and truck traffic (down 7.2%) compared to the same period in 2019.

Mr. Davis said the Authority's total income for March 2020 was approximately \$4,158,000 and the total expenses were approximately \$9,659,000, for a net operating loss for the month of \$5,501,000, approximately \$1,140,000 more than anticipated in the 2020 operating budget. Year-to-date figures through March 2020 were approximately \$13,779,000 in income and \$28,621,000 in expenses for a net operating loss of \$14,842,000, which was \$1,587,000 more than budgeted.

During the month of March 2020, the Authority's vessels made a combined 1,307 trips, of which two (2) were canceled for mechanical reasons on the Vineyard route and zero (0) were canceled for mechanical reasons on the Nantucket route, he said.

Woods Hole Terminal Reconstruction Project Update:

Mr. Cloutier stated that marine contractor Jay Cashman Inc. has continued its work and done so in a safe manner by limiting the number of subcontractors on site to allow for safe distancing. Therefore, progress is behind the pace set last year, but Mr. Cloutier said he supports their efforts to keep their employees safe and healthy.

Mr. Cloutier then shared a PowerPoint presentation with recent photographs from the site.

Mr. Jones asked when all three (3) slips would be available for use, and Mr. Cloutier said no later than the Fourth of July, adding that the project is currently running three (3) to four (4) weeks behind schedule. Mr. Cloutier said work would begin soon on the final grading and asphalt work at the site, after which the stonework and railings on the passenger platform and around the slip will be installed.

Ms. Wilson asked about the design for the park that will be located on the northern edge of the property near the intersection of Railroad and Luscombe avenues. Mr. Cloutier said the design was well in progress; Ms. Wilson asked whether the designs will be shared publically while they were in progress rather than when they were done. Mr. Davis said there was still bulkhead work in that area to address and that, once that work is done, the concepts can be shared.

Mr. Malkin asked if any change orders were in the pipeline that the Members should be aware of, and Mr. Cloutier said he keeps a log of all the change orders and would update that to share with the Members. Ms. Tierney asked if the cost of any operational changes due to COVID-19 were to be passed on to the Authority, and Mr. Cloutier said no.

Mr. Malkin inquired about the recent incident in which a transfer bridge cable snapped in Vineyard Haven; Mr. Davis said when the investigation is done, the results would be shared with the Board.

Mr. Davis added that the Authority has now sent out one hundred (100) community email updates regarding the project.

Ms. Wilson asked if there were any “hidden obligations” regarding the design of the terminal building, noting that the pause in the design work afforded the Authority the opportunity to make changes, if possible. Mr. Davis said the bonds that have been issued thus far have pertained only to the marine portion of the project, but he said the ability of the Board to make changes would depend on the scope of what was proposed. He further stated that the Authority still needed to discuss with the state building inspector the pending expiration of the temporary terminal building’s occupancy permit.

Vessel Dry Dock and Repair Project Updates:

Mr. Amundsen shared a PowerPoint presentation on the dry dock work on the *M/V Nantucket*, which was at Thames Shipyard. He noted that the project’s contract price was \$1,292,027 and that, after contract credits and change orders, the updated cost was projected to be \$1,658,031.

Mr. Jones asked about the source of the funds to pay for the project; Mr. Davis said it was the operating budget. Mr. Davis further stated that the cost of the dry docks was very significant to the Authority's operations and that their size was one reason why it was difficult to cut expenses to match decreased revenues due to COVID-19, as the work would need to be done regardless.

Ms. Wilson noted that it was very important for the preventative maintenance work to be done on the vessels given the age of the Authority's fleet. She asked if the *M/V Governor* was in service; Mr. Davis said it was currently laid up at the Authority's Fairhaven vessel maintenance facility due to low traffic demands. After the work on the *M/V Nantucket* was completed, Mr. Davis said staff would determine if the *M/V Governor* was needed and, if so, how much work had to be done before the vessel could enter service.

Mr. Ranney thanked Mr. Amundsen for his presentation and said he appreciated the knowledge and background he brought to the Authority.

Oak Bluffs Pier Repairs Update:

Mr. Davis said the contractor was on-site as of the prior day and the *M/V Katama* had been brought from Fairhaven to transport the needed equipment to the terminal. He said work has already begun and the piles were delivered and being stored at one of the Authority's facilities in Falmouth. The lumber for the pile caps is now expected to be delivered on June 2, 2020, six (6) days sooner than its original delivery date. Mr. Amundsen said he expected that pilings would start to be driven in one (1) week.

Mr. Davis noted the Vineyard Transit Authority had been running shuttle service from the Authority's Vineyard Haven terminal to Oak Bluffs. He said a proposal had been received by Seastreak LLC to run passenger service to Oak Bluffs at a cost of up to \$11,000 per day for its smaller vessels and up to \$17,000 per day for a larger vessel. In light of the Authority's operating plans, Mr. Davis said he did not anticipate enough of a surge in passenger traffic to justify the service and its associated costs.

Review of License Agreement with Freedom Cruises:

Mr. Davis said he had been approached by Freedom Cruise Line Inc.'s president, Jack Sheeran, about waiving Article 10(i) of its license agreement, which allows the Authority to terminate the agreement for cause if there is an interruption in service for any reason for a period of thirty (30) consecutive days.

Mr. Davis said, like the Authority, Freedom has had to modify its operations in light of COVID-19 and planned to start its operations in late June 2020. Mr. Davis said he was of the opinion that the provision should be waived given the unusual circumstances facing the company.

Mr. Sheeran said the company was working on a plan for social distancing but, due to the size of his vessels, it would be more difficult to achieve. The company has a plan for cleaning and disinfecting the vessels once service resumes. Mr. Sheeran noted that his service attracts predominantly day-trippers and that, with nothing open on either Cape Cod or Nantucket, there was almost no demand for the service.

IT WAS VOTED – upon Mr. Ranney’s motion, seconded by Ms. Wilson – to authorize the general manager to waive the enforcement of Article 10(i) of the Authority’s license agreement with Freedom Cruise Line Inc. for the duration of the state of emergency declared by Governor Charles D. Baker on March 10, 2020, as recommended in Staff Summary #L-497, dated May 18, 2020.

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

Regarding Inter-Island Ferry Service:

Mr. Davis then noted Hy-Line Cruises had inquired as to whether or not Seastreak LLC could perform the inter-island service until Hy-Line began to offer it again. Seastreak General Manager John Silvia said he spoke with Hy-Line President R. Murray Scudder Jr. and Seastreak would be willing to accept Hy-Line tickets on its vessels, but not sell any of their own. Mr. Davis further noted that the arrangement would be limited to Seastreak’s regularly scheduled trips only and until Hy-Line is back in service.

Mr. Ranney stated that he did not see that the service would have a very high demand, but he appreciated the coordination between the companies.

Treasurer's Report:

Mr. Rozum said preliminary April 2020 financial data showed the Authority had experienced a decrease in revenue of approximately \$5,600,000. Operating expenses were also down approximately \$1,700,000, resulting in a net operating loss of \$5,300,000, about \$3,900,000 higher than expected.

Regarding the 2019 audit, Mr. Rozum said several issues had caused its completion to be delayed, including the rollout in 2019 of a new accounting system, the onset of COVID-19 and associated staff furloughs, and the use of a new mortality table for municipal employees, which the Authority was informed about on April 22, 2020. Mr. Rozum said the auditing firm had the documents they needed and his staff was continuing to provide supporting information as requested. He noted that a representative from RSM stated other companies were running into similar delays.

Mr. Ranney thanked Mr. Rozum for his hard work in this regard and said Mr. Rozum was doing an incredible job, especially given the circumstances.

Mr. Malkin asked Mr. Rozum when the financials were expected to be finished; Mr. Rozum said he believed they would be completed by the end of May 2020.

Possible Extension of Off-Season Excursion Rate:

Ms. Wilson noted that the question of the extension of the off-season excursion rate had been raised at a prior meeting and asked for an update. Mr. Davis said staff was looking at what could be done in that regard without having to make extensive changes to the programming in its reservation system. Based on staff's analysis of typical excursion activity, it was estimated that the Authority would experience a loss of \$250,000 in revenue if the lower rate were extended through June. That figure would vary, however, depending on the actual demand and the time frame for the extension.

Ms. Wilson asked if it would be more efficient to offer the lower rate for a fixed number of trips rather than a fixed length of time, and Mr. Davis said it would be quicker and easier to extend the time frame for all eligible customers. Ms. Tierney suggested June 21, 2020, as an end date, giving travelers a little more than one (1) month to take advantage of the lower rate.

Ms. Wilson said if there is space on the boats that goes unfilled, the Authority realizes no revenue, so if this can entice more people to travel it would still be a net positive for the company.

IT WAS VOTED – upon Mr. Jones’s motion, seconded by Mr. Ranney – to extend the off-season excursion rates until June 21, 2020.

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

Old or New Business:

Mr. Jones asked the Board to direct staff to write a letter directly to the Authority’s employees thanking them for their hard work during a difficult time. Mr. Driscoll said he would work on such a letter and send it to the Members for their review.

Public Comment:

Mr. Saltzberg asked if the previous projection of a \$60,000,000 deficit at the end of the year still held or if had been updated with a new figure. Mr. Davis said that figure represented his “glass half empty” projection and that, if the low levels of traffic continue, it was still a possibility. He further stated that the four (4) months of summer represent such a large part of the Authority’s operating budget that those figures will be the most illuminative as to the overall financial picture.

Mr. Saltzberg asked what records still exist from the last time the Authority made an assessment against the port communities; Mr. Davis said he was able to locate a spreadsheet from a manual ledger kept at the time with the calculations on the deficit, but he had been unable, as of yet, to obtain whatever certification was made to the Commonwealth at that time. Mr. Saltzberg asked if the records might have been disposed of when the Authority relocated its

general offices from Woods Hole to Falmouth; Mr. Davis said any records that still existed at that time were kept.

Mr. Saltzberg asked Mr. Amundsen for more details on what was done to the freight doors on the *M/V Nantucket* during dry dock; Mr. Amundsen said that a condition assessment was performed before the doors were removed, then they were blasted and coated, and some structural steel and gaskets were replaced. Mr. Saltzberg further inquired as to the *M/V Island Home* and past issues with that vessel's grid coolers being damaged; Mr. Amundsen said the coolers had been taken off during its most recent shipyard period and the insulation replaced prior to the vessel's undocking.

Francine Agnoli thanked the Members for extending the off-season excursion rate and providing a much-needed benefit to island residents.

Mr. Asimow asked if the Authority had heard anything definitive from the state as to its likely deficit; Mr. Davis said he was continuing to have productive discussions with the state's Executive Office of Administration and Finance. Recent discussions had centered on the language regarding the certification of a deficit in the Enabling Act and trying to identify what the deficit would be.

Then, at 11:49 a.m., Mr. Malkin entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property; to discuss the Authority's strategy with respect to collective bargaining matters, and with respect to potential litigation matters because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions. These matters include:

- Potential for litigation with Senesco Marine LLC regarding Contract No. 02-2020, Overhaul and Dry Dock of the *M/V Katama*;
- The potential for the purchase, exchange, lease or value of real property located at 0 Thomas B. Landers Road, Falmouth, Massachusetts;
- The potential for the purchase, exchange, lease or value of real property located at 0 Research Road, Falmouth, Massachusetts;
- The potential for the purchase, exchange, lease or value of real property located at 509 Falmouth Road, Mashpee, Massachusetts; and
- Anticipated Negotiations with the Unions (Teamsters Union Local 59, SEIU Local 888 and MEBA) of all the Authority's represented employees regarding the potential continuation of health insurance benefits for furloughed employees due to the COVID-19 virus pandemic.

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

session is being called. After the conclusion of the executive session, the Board would not reconvene in public.

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

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
May 19, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. May 19, 2020 Meeting Memorandum, dated May 18, 2020.
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Minutes of the Board's April 28, 2020 meeting in public session (draft).
5. Minutes of the Port Council's May 6, 2020 meeting in public session (draft dated May 18, 2020)
6. Advance Reservation Activity by Month, All Routes, as of May 17, 2020.
7. Advance Reservation Activity by Month, All Routes, as of May 10 and May 17, 2020.
8. Traffic Statistics Comparison – 2020 vs. 2019 using a 7-day moving average.
9. Percent of Credit Card Receipts by Date using a 7-day moving average.
10. Business Summary for the month of March 2020.
11. PowerPoint presentation, Woods Hole Terminal Reconstruction Project, May 19, 2020.
12. PowerPoint presentation, vessel dry dock and repair projects, May 19, 2020.
13. Staff Summary #L-497, Approval of Waiver of Article 10(i) of the License Agreement with Freedom Cruise Line Inc., dated May 18, 2020.
14. Statement to be read prior to going into executive session.

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

The Meeting in Public Session

June 3, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this third day of June, 2020, beginning at 9:05 a.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. Three (3) members participated via Zoom videoconferencing: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; and Robert R. Jones of Barnstable. Secretary Moira E. Tierney of New Bedford and Robert F. Ranney of Nantucket were absent.

The Authority's Port Council also met jointly with the Authority Members at this meeting. Six (6) Port Council members were present: Chairman Edward C. Anthes-Washburn of New Bedford (who joined the meeting during discussion of actions taken to date regarding COVID-19); Vice Chairman George J. Balco of Tisbury; Secretary Eric W. Shufelt of Barnstable; Mark H. Rees of Fairhaven (who joined the meeting during discussion of possible increases to the schedule) Nathaniel E. Lowell of Nantucket; and Robert V. Huss of Oak Bluffs. Robert S. C. Munier of Falmouth was absent.

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

Video and Audio Recording of Today's Meeting:

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

Remote Participation by All Members:

Mr. Malkin announced that, in response to Governor Charles Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all Board Members and Port Council Members were participating remotely in the day's meeting because their physical attendances would be unreasonably difficult. All Board Members participated in the meeting by the Zoom video conferencing app or by speakerphone and all members were clearly audible to each other. As a result of the Members' remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Management Report – COVID-19:

Mr. Davis said the health and safety of the Authority's employees and ridership has been of utmost concern during this period. Since the Board and Port Council last had their respective meetings, one Authority employee has tested positive for COVID-19. As a result, the Authority arranged with the Town of Nantucket and Barnstable County to provide testing for employees who potentially had been exposed to the affected employee. Mr. Davis said seventy-five (75) employees were tested, and all the results were negative for COVID-19.

Mr. Davis said the incident highlighted the Authority's concerns with regard to any kind of outbreak that might happen among its workers and how challenging such an event would make it to man vessels and terminals. Mr. Davis further noted that, after this incident, an employee of Seastreak LLC assigned to the Oak Bluffs Terminal also tested positive for COVID-19; the facility was subsequently sanitized, and employees assigned to that location were instructed to be tested. Mr. Davis said he understood that those tests were also negative for COVID-19. Both incidents underscore the need for everyone to continue to follow best practices with regard to wearing cloth face coverings, maintaining social distance, and frequent hand washing.

Mr. Davis also reviewed other recent activities by the Authority:

- Vessel crews continue to do an exceptional job of cleaning the vessel interiors during and in between trips, paying particular attention to surfaces most likely to be touch points such as tabletops, faucets and toilets as well as handrails.
- Additional crews are assigned to perform deeper cleanings at night.
- Terminal employees also have been doing an exceptional job of cleaning

- at least three (3) times per shift. Clear acrylic shields have also been installed at all locations to further protect employees.
- Buses are being cleaned at least once every four (4) hours, and capacity has been reduced to twenty (20) passengers per bus.
 - The Authority continues to look for best practices to improve its cleaning efforts, including purchasing a number of electrostatic sprayers to be added to the cleaning options. Mr. Davis said he hoped they would be in the Authority's possession later this month.
 - Enough reusable cloth face masks have been obtained to give each employee a supply of five (5), which equates to a week's work schedule.
 - The Authority is working on updates to its eFerry mobile ticketing program, which debuted on the fast ferry route in November and, hopefully, it will be in use on the traditional ferries soon.

Mr. Davis, noting that operating schedules have been modified to meet traffic demands since the onset of the pandemic, said the *M/V Island Home* was brought into service on the Vineyard route starting May 21, 2020, which meant that three (3) vessels were now serving the route. The Nantucket route continues to be served by the *M/V Eagle*, *M/V Sankaty*, and *M/V Gay Head*. Mr. Davis said the *M/V Iyanough* was brought back into service for Memorial Day weekend, but the ridership numbers were not very encouraging, so the service was suspended. He said he anticipates the *M/V Iyanough* being back in service again starting June 17, 2020, the start of what would have been the Authority's summer schedule. Mr. Davis noted that the Board had previously approved the restarting of the preseason sale for high-speed ticket books, and the sale was currently under way.

Regarding May 2020 traffic, Mr. Davis stated passenger traffic was down approximately sixty-eight percent (68%), automobile traffic was down forty-six percent (46%), and truck traffic was down thirty-five percent (35%). While those numbers were more encouraging than April 2020, Mr. Davis said they were far lower than what would be expected for this time of year.

Mr. Rozum then shared several charts showing advanced reservation activity by month as of May 31, 2020 and as of May 24, 2020; a comparison of traffic statistics between 2019 and 2020 using a seven-day moving average; a percentage of credit card receipts between 2019 and 2020 by date using a seven-day moving average; advanced reservation activity by month; and daily vehicle reservation activity for May 2020 compared to May 2019.

Regarding future schedules:

Mr. Malkin said he had spoken with Mr. Davis about space availability on the Vineyard route and his concern that the Authority was missing an opportunity to grow its revenue by limiting its schedules. He said he has heard of an “inordinate” number of people who were unable to get reservations for vehicles and that, while staff have been helpful, he is concerned that there is not enough vehicle space to meet the increasing demand. Mr. Malkin further said Mr. Davis had indicated the schedule would open up on June 17, 2020, but he wondered if it made sense to open the full summer schedule as of July 1, 2020, in time for the July 4th holiday to see if the Authority could realize further revenue gains as a result and that, if demand was not present, the Authority could reduce its schedule.

Mr. Davis said he was aware that, prior to the *M/V Island Home* returning to the schedule, the Authority had fallen behind demand in terms of its service levels on the Vineyard route, but with that vessel coming online the issue seems to have been rectified. He said the last trips of each night, which have been marked as “unscheduled,” have rarely needed to be run, which indicates the reservation issue is one of lack of preferred travel times, not the lack of overall space. Mr. Davis said he was hopeful the Authority could stay ahead of demand and the next few weeks would prove telling as Governor Baker was expected to announce reopening plans for the state.

Regarding the Fourth of July, Mr. Davis said the week was already designated as reservation-only, so there should be no issues with a standby line. He also said that, with a few more weeks of data in hand, staff could examine the viability of putting another vessel on the Vineyard run. However, other factors may limit the ability of the Authority to add a vessel; namely, the availability of the third slip in Woods Hole and the repair schedules of the vessels not currently in service. Mr. Rozum added that customers could be encouraged to use the Authority’s waitlist feature to improve their sailing times.

Mr. Malkin said if Jay Cashman Inc. could not be finished by July 1, 2020, he suspected the Authority might be forced to stop the work regardless of their progress. He said he was still worried about not having enough capacity for the holiday weekend and that, as the Commonwealth rolls out its reopening plans, not having enough capacity to match the increase in traffic would be a disincentive for people to travel.

Mr. Huss noted it might be difficult to reduce the operating schedule after expanding it and said it remained unclear if it was a problem of not being able to travel at popular times versus not having enough capacity.

Mr. Davis said staff would review the issue, but noted that, if service did increase and vehicle reservations did not, it would be another negative financial impact on the Authority. He further noted the Authority was now within forty (40) car spaces of its original schedule, and the schedule proposed to start June 17, 2020, would similarly be close to the original schedule.

Mr. Jones noted it was a balancing act, and bringing on bigger boats also meant larger operating expenses.

Mr. Davis said the *M/V Governor* was currently in repair, but it would be available at the end of the month. If reservation activity indicated an increase in demand, he said he was not opposed to bringing the vessel online if it makes financial sense to do so.

Regarding COVID-19 testing:

Ms. Wilson asked how the Authority was going to handle ongoing testing issues related to COVID-19, noting that several employees had approached her about whether or not they could be tested. She said she knew it was expensive and a logistical challenge, but Ms. Wilson said she and Mr. Davis had discussed whether it made sense to engage someone who could do medical work in-house and potentially save some money. Mr. Davis said staff were investigating the possibility, including whether or not it could be reimbursable by the federal government. He said he expected to have enough information within the next week to determine if that was the appropriate decision to make.

Public Comment:

Noah Asimow from the *Vineyard Gazette* asked how, if the Authority's vessels were running at or near capacity, the Authority could still be facing deficits. Messrs. Malkin and Davis replied that it was because of the ongoing shortfall in walk-on passengers and day-trippers going to the islands.

Mr. Saltzberg asked for an update on the projected \$60 million shortfall as of the end of the year; Mr. Davis said that figure was derived in mid-April as a worst-case scenario. He said there were thousands of different models that could be used to come up with a projection, but the next few weeks could provide valuable in terms of forecasting how summer traffic may or may not rebound.

Then, at approximately 9:50 a.m., upon a motion from Mr. Lowell and a second from Mr. Shufelt, the six (6) Port Council members in attendance unanimously **voted** to adjourn the joint meeting in public session.

Mr. Malkin said he would also entertain a separate motion to adjourn from the three (3) Board members in attendance.

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

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

A TRUE RECORD

ERIC W. SHUFELT, Port Council Secretary

A TRUE RECORD

MOIRA E. TIERNEY, Authority Board Secretary

**Documents and Exhibits Used at the
June 3, 2020 Meeting in Public Session of the
Port Council and Board of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 3, 2020 Meeting Agenda, Posted June 1, 2020.
2. Advance Reservation Activity by Month, All Routes, as of May 31, 2020.
3. Advance Reservation Activity by Month, All Routes, as of May 24 and May 31, 2020.
4. Traffic Statistics Comparison – 2020 vs. 2019 using a 7-day moving average.
5. Percent of Credit Card Receipts by Date Using a 7-Day Moving Average.
6. Advanced Reservation Activity by Month Comparison – 2020 vs. 2019.
7. Daily Vehicle Reservation Activity Comparison – May 2020 vs. May 2019, Using a 7-Day Moving Average.

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

The Meeting in Public Session

June 16, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 16th day of June, 2020, 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 (5) members participated via Zoom videoconferencing: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford (who arrived at 10:05 a.m.); Robert F. Ranney of Nantucket; and Robert R. Jones of Barnstable.

Port Council President Edward C. Anthes-Washburn and Member George Balco were also present via Zoom, as were the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; and Woods Hole Terminal Reconstruction Project Manager William J. Cloutier.

Video and Audio Recording of Today's Meeting:

Mr. Malkin announced Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session on behalf of Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio and video recording of the meeting; Noah Asimow (representing the *Vineyard Gazette*) and Rich Saltzberg (representing the *Martha's Vineyard Times*) indicated they were making an audio recording of the meeting.

Remote Participation by All Members:

Mr. Malkin announced, in response to Governor Charles Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all Board Members were participating remotely in the day's meeting because their physical attendances would be unreasonably difficult. All Board Members participated in the meeting by the Zoom videoconferencing app or by speakerphone and all members were clearly audible to each other. As a

result of the Members' remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Executive Session:

At 10:06 a.m., Mr. Malkin entertained a motion to go into executive session to discuss potential litigation matters 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:

- Potential for litigation with Senesco Marine LLC regarding Contract No. 02-2020, Overhaul and Dry Dock of the *M/V Katama*; and
- Anticipated Negotiations with the Unions (Teamsters Union Local 59, SEIU Local 888 and MEBA) of all the Authority's represented employees regarding the potential continuation of health insurance benefits for furloughed employees due to the COVID-19 virus pandemic.

Mr. Malkin stated the public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. After the conclusion of the executive session, Mr. Malkin said the Board would reconvene in public.

IT WAS VOTED – upon Ms. Tierney's motion, seconded by Ms. Wilson – to discuss potential litigation matters and to discuss the Authority's strategy with respect to collective bargaining matters.

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

Return to Public Session:

At 10:27 a.m., the meeting reconvened in public session.

Video and Audio Recording of Today's Meeting:

Mr. Malkin announced Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session on behalf of Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio and video recording of the meeting; Noah Asimow (representing the *Vineyard Gazette*) and Rich Saltzberg (representing the *Martha's Vineyard Times*) indicated they were making audio recordings of the meeting.

Minutes:

IT WAS VOTED – upon Ms. Wilson's motion, seconded by Mr. Ranney, to approve the minutes of the Board's May 5, 2020 meeting in public session.

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

Port Council's Report on its June 3, 2020 Meeting:

Mr. Anthes-Washburn said the Port Council's discussions included the following items:

- The April 2020 business summary and questions related to the Authority's cash position;
- The 2021 budget policy statement, which the Port Council voted to recommend to the Board after discussion of how best to prepare for next year in light of the uncertainty caused by COVID-19;
- The Plymouth and Brockton Bus Co. proposal to run service from Woods Hole to T.F. Green Airport in Cranston, Rhode Island, which Mr. Anthes-Washburn said was recommended in concept although there remain several outstanding questions; and
- Establishing a subcommittee to review the Enabling Act and recommend amendments to it that would allow the Authority to maintain a larger cash reserve and, therefore, be able to be more nimble in cases such as the COVID-19 pandemic.

Ms. Wilson noted the Board had previously discussed the Plymouth and Brockton service and had questions regarding how this service would fit in with the existing service from Peter Pan, but otherwise thought it was a good idea. Mr. Anthes-Washburn said that was similar to the Port Council's line of discussion as well and that their vote was in support of the concept, not any particulars that still needed development.

Report on COVID-19:

Mr. Davis provided the following updates regarding the Authority's response to the COVID-19 pandemic:

- The Authority continues to adjust its schedule in response to travel demand. Initially, fewer than forty-five percent (45%) of the originally scheduled trips were operated; the current schedule, which was to end this day, has service levels at approximately seventy percent (70%) of the originally scheduled trips being operated. Beginning tomorrow, June 17, 2020, the Authority's schedule will be at approximately ninety-five (95%) of its originally scheduled trips. Mr. Davis said he anticipates tomorrow's level of service will continue throughout the summer.
- For the first two weeks of June 2020, passenger traffic was approximately forty-eight percent (48%) of expectations, automobile traffic was at approximately seventy-eight percent (78%) of expectations, and truck traffic was at eighty-five percent (85%) of expectations.
- Vessel crews continue to do an exceptional job of cleaning the vessels' interiors during and between trips, paying particular attention to "high-touch" surfaces such as tabletops, faucets and toilets and handrails. Likewise, terminal employees have also been doing an exceptional job of cleaning their facilities.
- Additional crews are assigned to perform deeper vessel cleanings at night.
- Buses are being cleaned at least once every four (4) hours.
- Bus capacities have been reduced to fifty percent (50%) of their ratings. The *M/V Iyanough* has, likewise, been limited to fifty percent (50%) of its capacity as the staff evaluates the vessel's capability for social distancing.
- The Authority continues its efforts to source hand sanitizer; unfortunately, replacement cartridges for the dispensers continue to be back ordered.

- The Authority continues its efforts to expedite its orders for electrostatic sprayers as an additional sanitizing tool.
- Signage has been posted on board vessels, buses and at terminals.
- On the Nantucket route, drive-on, drive-off services remain suspended to prevent possible transference of the virus from customers to employees.
- Information on best practices regarding health measures continues to be uploaded to the Learning Management System for employees.
- Vessel crews, before the beginning of their watches, are given a wellness check by trained medical professionals.
- Shoreside personnel are given the wellness questionnaire, which they need to complete and provide to their supervisor to be given clearance to report to work or are sent home.
- Employees continue to be told that under no circumstances should they be coming to work while they are sick, for their own safety, the safety of their crewmembers and for the safety of our passengers. If any employee comes to work sick, they will be sent home – period.
- Updates continue to be posted on the Authority’s dedicated landing page (www.steamshipauthority.com/2019coronavirus) as well as on its Facebook and Twitter pages, its eNews and through local media outlets.

Mr. Rozum then shared several charts showing advanced reservation activity for the weeks ending June 7, 2020, and June 14, 2020; daily directional traffic estimates through June 14, 2020; and credit card activity through June 14, 2020. Ms. Wilson asked if the reservation data included all forms of activity, including creating and changing reservations; Mr. Rozum said the data represented only new reservation activity.

Ms. Wilson said she had heard from employees who reported an inability to be tested for COVID-19 if they felt it was necessary. Mr. Davis said there have been circumstances where employees have felt the need to be tested, and those tests have been coordinated through local public health agencies. Any employee is free to utilize the drive-through testing centers offered by Cape Cod Healthcare should they choose, and a list of testing sites has also been posted on the Learning Management System.

Mr. Davis said the Authority continues to see a general upward trend in activity and reminded the Members that it sees between fifty percent (50%) and fifty-five percent (55%) of its annual revenue between June and September. As summer continues, he said, the Authority would get a clearer picture of where its finances stand.

Mr. Davis also stated staff continues to have productive conversations with the Commonwealth's Executive along with the Commonwealth's Executive Office for Administration and Finance on the Authority's finances. Since the Authority's immediate cash needs have been mitigated, discussions have turned toward the mechanisms that will be used to certify a deficit to the state should that become necessary.

Ms. Wilson asked about the current deficit projections; Mr. Davis said they would continue to be updated as time moves on and that different estimates will be prepared based on varying levels of traffic.

Mr. Malkin asked if there had been discussions with the state as to an appropriation to cover the shortfall versus an assessment of the port communities. Mr. Davis said there had been and that, should the deficit be of such a level that the state does not have to borrow funds to pay it, it was possible that no assessment would be required.

Results of Operations:

Mr. Davis then reviewed the results of the April 2020 business summary, which shows the Authority carried fewer passengers (down 83.8%), automobiles (down 76.6%) and trucks (down 57.8%) than the same month the prior year. Through the first four months of 2020, the Authority was similarly down in passenger traffic (down 35.3%), automobile traffic (down 30.7%), and truck traffic (down 22.5%) compared to the same period in 2019.

Mr. Davis said the Authority's total income for April 2020 was approximately \$2,603,000 and the total expenses were approximately \$8,088,000, for a net operating loss for the month of \$5,485,000, approximately \$3,980,000 more than anticipated in the 2020 operating budget. Year-to-date figures through April 2020 were approximately \$15,505,000 in income and \$37,419,000 in expenses for a net operating loss of \$21,913,000, which was \$5,567,000 more than budgeted.

During the month of April 2020, the Authority's vessels made a combined seven hundred and seventy (770) trips, of which zero (0) were canceled for mechanical reasons on either the Martha's Vineyard or the Nantucket routes, he said.

Woods Hole Terminal Reconstruction Project Update:

Mr. Cloutier said it was hoped Slip No. 2 (the middle slip) would be operational by July 1, 2020, and said finishing work was now under way on a number of items. He said progress was, in general, moving along quite well.

He then shared a PowerPoint presentation with recent photographs from the site.

Ms. Wilson asked about the lighting at the site and whether or not passing boaters or those otherwise near the site would be bothered by the lights at night. Mr. Cloutier said the passenger canopy would have both up lighting and direct-down lighting when they are operational and small LED lights in the railings on the perimeter. Mr. Davis noted those lights were already operational, and Ms. Wilson said they might be the cause of the complaints that had been relayed to her. Mr. Cloutier said he had not heard any complaints and noted the up lighting was on a timer and would be off at night. The down lighting was for use only on the trips when the passenger walkway was in use.

Mr. Malkin asked about the coating on the tiles that had to be removed; Mr. Cloutier said it was a film from the manufacturing process and would be removed with power washers.

Mr. Davis added the Authority has now sent out one hundred and five (105) community email updates regarding the project.

Vessel Dry Dock and Repair Project Updates:

Mr. Amundsen said there were no vessels currently in dry dock, although maintenance personnel were preparing for the *M/V Katama* to proceed to dry dock the week of June 22, 2020. He noted the *M/V Gay Head* is in Fairhaven for a generator overhaul following a failed diode, and work was scheduled to be complete June 24, 2020. Additionally, the *M/V Nantucket* replaced the *M/V Eagle* after a supply fan failed on the *M/V Eagle*; the replacement work was recently completed and the vessels were scheduled to return to their original routes on June 17, 2020.

The *M/V Iyanough* is returning to service on June 17, 2020, and the next vessel to be worked on in Fairhaven will be the *M/V Governor*, which will undergo a Coast Guard inspection before being made available as a standby vessel, Mr. Amundsen said.

Mr. Davis noted the *M/V Nantucket* had recently left its dry dock and subsequent repair period and is operating within normal parameters.

Oak Bluffs Pier Repairs Update:

Mr. Amundsen said the pier work is complete and that the project was completed on budget and on schedule. The pier is now suitable for passengers, cars, and light trucks, he said.

Mr. Amundsen then shared a photograph of Pile No. 2 and the concrete jacket that was placed around it as a precaution to ensure its strength. Mr. Amundsen said the pile encountered resistance while being driven, which necessitated the jacket.

Vineyard Haven Transfer Bridge Repairs:

Mr. Amundsen then shared a photograph and discussed the recent Vineyard Haven transfer bridge failure, which he said had been traced to a failure of the outer race within the bridge's sheave. It is unclear what the failure mechanism was, he said, but the repairs have been made and the bridge is now in good working order.

Mr. Jones asked how long a bearing like that lasts, and Mr. Amundsen said it could last quite a while with proper lubrication, which this bearing had. The failure was more likely stress-related, he said, noting the root cause analysis of the situation is still under way.

2021 Operating Schedules:

Mr. Davis said a public hearing was held June 11, 2020, on the proposed 2021 operating schedules and noted several Members attended the hearing. He said staff was continuing to gather information on the schedules, including public comments being submitted via email, and it was anticipated that staff would bring recommendations to the Port Council and Board at their July meetings.

Ms. Wilson said that, a year ago, the same conversations were going on, a report was issued, and the upshot was that Falmouth would just have to deal with it. As an effort to alleviate the effects of the early-morning boat on the community and to look for creative solutions, the long-range task force and the

Falmouth working group were created with the goals of initiating dialogue with the Vineyard communities so that their needs could be met while reducing the strain on Falmouth. Now, nearly a year later, Falmouth has appointed its representatives to the two (2) bodies, but there continues to be no dialogue on the issue. Ms. Wilson suggested a temporary suspension of the 5:30 a.m. freight boat to the Vineyard to spur discussion on solutions to the issues. She said the Authority has continued to run the boat for eight (8) years and it may be time to step back and evaluate the traffic situation on both the Vineyard and the mainland.

Mr. Malkin said it was an interesting idea and that he, too, was continuing to gather information in response to questions raised during the hearing. He said it would be part of the Board's discussion at its July meeting.

Mr. Davis said he understood Falmouth's frustrations, as the town acted quickly to name its representatives to the task force and working group. The island towns were preparing to do so when COVID-19 hit, and he said he believed the matter would be taken up soon at various island town meetings.

2019 Audited Financial Statements:

Mr. Rozum said the Authority's auditing firm, RSM, has the Authority's audit in partner review, which is one of the final stages in the auditing process. He said he did not expect any changes to the Authority's financial statements other than an increase of \$250,000 in operating revenue and an increase of \$500,000 in pension expenses due to a change in the applicable mortality table.

Mr. Davis said the audit would be presented to the entire Board following its completion and, given the attention it has received this year, he planned to have the full Board serve as the audit review committee instead of the customary practice of the current and past chairmen. Mr. Jones said he would be in favor of the full Board hearing the review.

2021 Budget Policy Statement:

Mr. Rozum then presented the 2021 budget policy statement, noting that, following the Port Council meeting, he added additional language to allow for flexibility due to the unknown effects of COVID-19. He said the Authority would use traffic figures from March 2019 through February 2020 as the baseline and then determine what adjustments would be necessary from there.

Ms. Wilson asked if the Authority’s insurance renewals had shown increased costs due to COVID-19, and Mr. Kenneally said the Authority was working with its insurance brokers and more information should be forthcoming within a few weeks. Ms. Wilson asked if any mention of a “pandemic insurance” had come up; Mr. Kenneally said it had not, but he would ask about it.

Ms. Wilson noted that, with the changes in business operations caused by COVID-19 and the need for employees to work from home, the Authority also had to be on top of its technology needs in the coming year.

Ms. Wilson asked what the focus of the Authority’s advertising program was; Mr. Driscoll said the bulk of the advertising program was focused on the high-speed service to Nantucket, especially on the fifty-dollar (\$50) same-day round-trip rate during the week. The rest of the advertising program is aimed at the day-tripper market, as passenger capacity is an area in which the Authority has room to increase its traffic. Mr. Driscoll noted that, with COVID-19, a lot of information had been put out about policies and procedures, but most of that had been done via social media on an unpaid basis. What little advertising will be done in 2020 would be along the lines of encouraging travel when it is safe to do so, he said.

Ms. Wilson asked if the Authority anticipated it would be able to offer electronic ticketing in the next year; Mr. Davis said the eFerry ticketing would resume on the high-speed service and should roll out on the traditional ferry service soon. The Authority was also working on developing a new website and/or mobile app, he said.

Mr. Malkin noted that the Authority’s website looks like a booking reservation site and that the new website should be more user-friendly for travelers seeking information.

IT WAS VOTED – upon Mr. Jones’ motion, seconded by Mr. Ranney, to approve the budget policy statement as proposed in Staff Summary #A-651, dated June 11, 2020.

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

Contract No. 02-2020,
Dry-Dock and Overhaul Services for the *M/V Katama*:

Messrs. Jones and Malkin noted they were pleased the matter had come to a resolution.

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Mr. Jones, to approve the settlement agreement with Senesco Marine LLC for the purpose of resolving the parties’ dispute arising out of Contract No. 02-2020, Overhaul and Dry Dock of the *M/V Katama*, as proposed in Staff Summary #L-497, dated June 13, 2020.

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

IT WAS VOTED – upon Ms. Tierney’s motion, seconded by Ms. Wilson, to authorize the General Manager to take all necessary and appropriate actions to deliver all purchased materials, parts, and equipment from Senesco LLC’s premises and deliver it to the contract’s next and only other eligible bidder, Thames Shipyard and Repair Co. of New London, Connecticut, and to further authorize the general manager to negotiate with Thames on lowering its contract price in light of owner supplied equipment being provided, as proposed in Staff Summary #L-497, dated June 13, 2020.

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

Public Comment:

In response to a question from Mr. Saltzberg, Mr. Amundsen said the generator failure on the *M/V Gay Head* was related to a failed diode on the alternator. The failure happened while the vessel was under way; it was subsequently taken out of service and proceeded to Fairhaven for repairs.

Mr. Saltzberg asked if the Authority had considered hiring an outside crisis team to help it deal with the financial effects of COVID-19. Mr. Davis said the Authority had capable members on its staff to provide those services. Mr. Saltzberg noted that the HMS Consulting report on the Authority had noted the Authority’s “hero culture” and asked if that was in play; Mr. Davis said he would be hard-pressed to see how spending money on a consultant would help the Authority’s financial situation.

Mr. Saltzberg asked if Mr. Davis had spoken with any of the island’s six (6) town administrators about the possibility of an assessment at the end of the year; Mr. Davis said Mr. Malkin had spoken with the county and Mr. Balco and Robert V. Huss of the Port Council had, likewise, spoken with their respective communities. Ms. Tierney noted that federal discussions were also ongoing about additional aid to the nation’s ferry companies.

Then, at 12:05 p.m., Mr. Malkin entertained a motion to adjourn.

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

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
June 16, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 16, 2020 Meeting Memorandum, dated June 15, 2020.
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Statement to be read prior to going into executive session.
5. Minutes of the Board's May 5, 2020 meeting in public session (draft).
6. Minutes of the Port Council's June 3, 2020 meeting in public session (draft dated May 18, 2020)
7. Advance Reservation Activity by Month, All Routes, as of June 7 and June 14, 2020.
8. Traffic Statistics Comparison – 2020 vs. 2019 using a 7-day moving average.
9. Percent of Credit Card Receipts by Date using a 7-day moving average.
10. Advance Reservation Activity by Month, All Routes, 2020 vs. 2019.
11. Daily Vehicle Reservation Activity, 2020 vs. 2019, May 1 – June 14, 2020, using seven-day moving average.
12. Business Summary for the month of April 2020.
13. PowerPoint presentation, Woods Hole Terminal Reconstruction Project, June 16, 2020.
14. Photo of concrete jacket surrounding a pile at the Oak Bluffs pier.
15. Photo of a bearing from the transfer bridge at Vineyard Haven.
16. Staff Summary #A-651, 2021 Budget Policy Statement, dated June 11, 2020.
17. Staff Summary #L-497, Approval of Settlement with Senesco Marine LLC, dated June 13, 2020.

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

The Meeting in Public Session

July 21, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st of July, 2020, 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 (5) members participated via Zoom videoconferencing: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert R. Jones of Barnstable.

Port Council President Edward C. Anthes-Washburn and Member George Balco were also present via Zoom, as were the following members of management: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll (who participated via Zoom); Director of Marine Operations Mark H. Amundsen; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier, Director of Human Resources Janice L. Kennefick; Port Captain Charles M. Monteiro, and Health, Safety, Quality and Environment Manager Angela M. Sampson.

Video and Audio Recording of Today's Meeting:

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

Remote Participation by All Members:

Mr. Malkin announced, in response to Governor Charles Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all Board Members were participating remotely in the day's

meeting because their physical attendances would be unreasonably difficult. All Board Members participated in the meeting by the Zoom videoconferencing app or by speakerphone and all members were clearly audible to each other. As a result of the Members' remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Comments by Mr. Malkin:

Mr. Malkin said, before the meeting began, he wanted to offer a word of thanks and recognition for the Authority's staff who are working in stressful situations with passengers and vehicles during the COVID-19 epidemic. He and the other Members noted their appreciation and thanks for their hard work under these conditions.

Minutes:

It was noted that the word "monopolies" had been written instead of "monopiles" in the April 21, 2020, minutes in public session. Mr. Driscoll said he would change before finalizing the minutes.

IT WAS VOTED – upon Mr. Jones' motion, seconded by Mr. Ranney – to approve the minutes of the Board's April 21, 2020, and May 12, 2020, meetings in public session, subject to the change of "monopolies" to "monopiles" in the April 21, 2020, edition.

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

Port Council's Report on its July 1, 2020 Meeting:

Mr. Anthes-Washburn said the Port Council's discussions included the following items:

- The May 2020 business summary;
- The 2021 Spring, Summer, Fall, and Winter Nantucket and Fall and Winter Vineyard Operating Schedules, which the Port Council voted to recommend to the Board for approval;
- The disposal of surplus property, which the Port Council voted to recommend to the Board for approval;
- Changes to the Medical Travel Policy, which the Port Council voted to recommend to the Board for approval; and
- The 2020 audited financial statements, which were completed the day prior to the Port Council meeting.

Mr. Anthes-Washburn also noted that the Port Council had voted to recommend that the Board form a subcommittee focused on amending the Enabling Act to allow for a reserve fund that could be used in cases such as the COVID-19 pandemic.

Report on COVID-19:

Mr. Davis provided the following updates regarding the Authority's response to the COVID-19 pandemic:

- The Authority continues to adjust its schedule in response to travel demand. The Authority's schedule is currently at ninety percent (90%) of scheduled trips on the Vineyard route during the week and one hundred percent (100%) of scheduled trips during the weekends. On the Nantucket route, the Authority is operating one hundred percent (100%) of scheduled trips for vehicle ferries, although running with smaller vessels has dropped vehicle capacity to ninety-two percent (92%) of expectations. The high-speed service is running four (4) of the scheduled five (5) trips, with the fifth trip added on Fridays and Sundays only. This service level is expected to continue until August 9, 2020.
- Based upon vehicle bookings, staff expects to run the full operating schedule from August 10, 2020 through Labor Day.
- Vessel crews continue to do an exceptional job of cleaning the vessels' interiors during and between trips, paying particular attention to "high-touch" surfaces such as tabletops, faucets and toilets and handrails. Likewise, terminal employees have also been doing an exceptional job of cleaning their facilities.
- Additional crews are assigned to perform deeper vessel cleanings at night.
- Buses are being cleaned at least once every four (4) hours.

- Bus capacities have been reduced to fifty percent (50%) of their ratings. The *M/V Iyanough* has, likewise, been limited to sixty percent (60%) of its capacity as the staff evaluates the vessel's capability for social distancing. Capacity on the *M/V Woods Hole* and *M/V Sankaty* have, likewise, been reduced.
- The Authority continues its efforts to source hand sanitizer; unfortunately, replacement cartridges for the dispensers continue to be back ordered.
- The Authority continues its efforts to expedite its orders for electrostatic sprayers as an additional sanitizing tool.
- On the Nantucket route, drive-on, drive-off services have resumed for trucks, provided the driver fills out a wellness questionnaire and the terminal workers are provided personal protective equipment, including seat and steering wheel covers. The service remains suspended for passenger vehicles to prevent possible transference of the virus from customers to employees.
- Information on best practices regarding health measures continues to be uploaded to the Learning Management System for employees.
- Vessel crews, before the beginning of their watches, are given a wellness check by trained medical professionals.
- Shoreside personnel are given the wellness questionnaire, which they need to complete and provide to their supervisor to be given clearance to report to work or are sent home.
- An order has been placed for a noncontact thermal body temperature screening system, which has been approved by the Centers for Disease Control and Prevention as a longer-term solution.
- Employees continue to be told that under no circumstances should they be coming to work while they are sick, for their own safety, the safety of their crewmembers and for the safety of our passengers. If any employee comes to work sick, they will be sent home – period.
- Updates continue to be posted on the Authority's dedicated landing page (www.steamshipauthority.com/2019coronavirus) as well as on its Facebook and Twitter pages, its eNews and through local media outlets.

Mr. Malkin noted that the Authority had issued new guidance to its employees on how to handle passengers who were not complying with the mask policy and asked if it had helped; Mr. Davis said he believed it had been helpful for the employees to know that management supports their efforts to educate people on the necessity of wearing a mask. The Authority does not have the ability to issue fines regarding mask usage, so employees are in a difficult position. The Authority is also asking Massachusetts State Police troopers who are detailed to the Authority to assist as well.

Mr. Malkin asked if the Authority has denied passage to anyone over mask usage; Mr. Davis said he was not aware of any. He also noted that buses now have a supply of disposable masks they can provide to customers if needed.

Ms. Tierney asked if bus drivers had been instructed to tell customers that under no circumstances can they board without written documentation from a medical provider; Mr. Davis said, per the terms of Gov. Baker's executive order, they cannot ask any follow-up questions after a customer claims a medical exemption to the mask policy.

Mr. Rozum then shared several charts showing advanced reservation activity for the weeks ending July 12, 2020, and July 19, 2020; advanced reservations activity as a percentage of the prior year through July 19, 2020; daily directional traffic estimates through July 19, 2020; traffic statistics comparison using a seven-day moving average through July 19, 2020; and credit card activity through July 19, 2020. Ms. Wilson asked if the reservation data included all forms of activity, including creating and changing reservations; Mr. Rozum said the data represented only new reservation activity.

Mr. Malkin asked if the graphs shown pointed toward a picture of cautious optimism for the Authority; Mr. Rozum said he believed they did, although that could change under any number of circumstances. Mr. Davis said, in his discussions with other ferry operators, the Authority is in a far better situation than many other companies. Mr. Rozum noted that, through July 20, 2020 passenger traffic was down about thirty-one percent (31%), car traffic was roughly flat and trucks were down five percent (5%) compared to the budget. Mr. Davis said the drop in passengers is roughly in line with what had occurred earlier in the year, meaning at that rate the Authority would experience a loss of approximately one-hundred and fifty thousand (150,000) passengers for the month.

Mr. Davis said the Authority continues to have productive biweekly discussions with the Massachusetts Department of Transportation, along with the Commonwealth's Executive Office for Administration and Finance, regarding the Authority's financial condition. He also said Senators Cyr, Moran, and Montigny sponsored an amendment to the recent supplemental budget bill in which no assessment shall be made on the port communities as a result of costs or disruptions caused by COVID-19. Representative Fernandes then worked with the House on this amendment, and the amendment was included in the supplemental budget bill that was recently forwarded to the governor's office for review and approval.

Mr. Davis said everyone at the Authority is extremely gratified to see progress on the amendment to the supplemental budget bill, and he extended his thanks to the Authority's local legislative team for its ongoing support. He said the Authority stands ready to continue its conversations with Gov. Baker's Office of Administration and Finance team to answer any questions they may have on behalf of the governor during his review of the legislation.

Ms. Wilson and Mr. Malkin both said the progress on the supplemental budget deal was good news for the Authority and its port communities. Mr. Davis said the Authority continues to work with its federal delegation as well on stimulus bills that might include language regarding ferry operators.

Ms. Wilson said that, while the state assistance will give the Authority "breathing room" on its finances this year, it may not receive similar assistance next year even if losses are attributed to COVID-19, so the Authority must be flexible in its business model going forward. Mr. Davis said flexibility will be on top of his mind as staff prepares the proposed 2021 budget. Mr. Malkin said he would like the Board to have a formal discussion on that point at a future meeting.

Mr. Malkin also said he would like the Board to send a thank you letter to the local legislative delegation and the governor for their work on the supplemental budget. Mr. Driscoll said he would draft a letter and send it to the Members for their feedback.

Results of Operations:

Mr. Davis then reviewed the results of the May 2020 business summary, which showed the Authority carried fewer passengers (down 67.9%), automobiles (down 45.7%) and trucks (down 34.5%) than the same month the prior year. Through the first five (5) months of 2020, the Authority was similarly down in passenger traffic (down 46.5%), automobile traffic (down 35.0%), and truck traffic (down 25.5%) compared to the same period in 2019.

Mr. Davis said the Authority's total income for May 2020 was approximately \$6,243,000 and the total expenses were approximately \$7,122,000, for a net operating loss for the month of \$878,000, approximately \$3,252,000 less than anticipated in the 2020 operating budget. Year-to-date figures through May 2020 were approximately \$21,748,000 in income and \$44,540,000 in expenses for a net operating loss of \$22,792,000, which was \$8,819,000 more than budgeted.

During the month of May 2020, the Authority's vessels made a combined 1,330 trips, of which four (4) were canceled for mechanical reasons on the Vineyard route and three (3) were canceled for mechanical reasons on the Nantucket route, he said.

Woods Hole Terminal Reconstruction Project Update:

Mr. Cloutier then shared a PowerPoint presentation with recent photographs from the site.

Ms. Wilson said she had heard of severe congestion when the Woods Hole Oceanographic Institution had vessels docked at its facility and the Authority had vessels leaving or approaching Slip No. 3, to the point where boaters waiting to get into Eel Pond reported being scared or concerned for their safety. Mr. Cloutier said the new Slip No. 3 does extend farther out in the water, but it is located more to the south than the previous slip. Mr. Davis said the issue was raised during the Authority's Chapter 91 permitting process, where it was noted that vessels waiting for entrance into Eel Pond came in further than they needed to because, at the time, the Authority was not using Slip No. 3 as an operational slip. He said the Authority's vessels are cognizant of that and are using Slips No. 1 and 2 more often as a result, but there will naturally be times when there is a significant amount of marine traffic in the area.

Mr. Malkin asked for an update as to the project's timeline and cost to completion. Mr. Cloutier said Cashman plans to remobilize at the site on September 9, 2020, and complete Phase 4 by the middle of May 2021. The contract has approximately \$16,000,000 left on it, although Mr. Davis said he was aware of some change orders that would be coming to the Board regarding the gallows and fender system as well as a change to the design of the north bulkhead due to obstructions that were encountered while driving sheet pile.

Mr. Malkin said he would like an update as to the terminal building so the Board could make a decision on that one way or another; Mr. Davis said he anticipated bringing a change order from BIA.studio to that effect to the Board in August.

M/V Katama Dry Dock Update:

Mr. Amundsen shared a PowerPoint presentation on the dry dock of the M/V Katama at Thames Shipyard, which includes an overhaul of the auxiliary

generator, alternator and other engine controls, as well as steel replacement and a new cutlass bearing.

Status of Implementation of HMS Consulting Recommendations:

Mr. Davis said, prior to the onset of COVID-19, the Authority had been working on the implementation of a Safety Quality Management System (“SQMS”). It had recently been decided that, despite the pandemic’s ongoing affects, the project was important enough to continue so that the momentum that had been gained would not be lost. The Authority’s vendor on the project, SMS LLC, is working on a proposal to restart the project and extend the timeline due to the four (4) month shutdown that occurred due to COVID-19. Mr. Davis also said the Authority would extend its training plans on the SQMS due to the time of year, but that overall the project would get back on track. He said the current plan calls for the SQMS to be completed and audited in 2021.

Regarding the other projects stemming from the HMS Consulting report, the strategic planning project remains on hold, he said, and the engineering resources project is under internal review as is the organizational structure.

Mr. Jones asked who would be authoring the SQMS study; Mr. Davis said it would be SMS LLC, which was awarded the contract in August 2019. Mr. Jones said he hoped that, when it was done, the Members would be able to access the report and the new manuals.

Proposed Nantucket Winter, Spring, Summer, and
Fall and Martha’s Vineyard Winter and Spring 2021 Operating Schedules:

Mr. Davis said, while the staff are still reviewing the comments from the June 11, 2020, public hearing regarding the summer and fall 2021 operating schedules on the Vineyard route, there had been no public comments offered on the remaining schedules. Therefore, to allow for the commencement of the bulk shipper reservation process, he was asking the Board to approve the 2021 winter, spring, summer, and fall operating schedules for the Nantucket route and the 2021 winter and spring schedules for the Vineyard route. Mr. Davis noted the Port Council had recommended approval at its July 1, 2020, meeting.

Mr. Malkin said he had reviewed everything he could find on the subject since 1995 and noted there had been little change on the positions from either side of this issue. He said he was fine with today’s vote, but there may be some commonalities that could be found when it came to the summer and fall

schedules, although he also said he did not feel further delay of that vote would change any positions.

IT WAS VOTED – upon Mr. Jones’ motion, seconded by Ms. Wilson – to approve the 2021 winter, spring, summer, and fall schedules on the Nantucket route and the 2021 winter and spring schedules on the Martha’s Vineyard route as recommended in Staff Summary #SO-2020-02, dated July 17, 2020.

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

Update on High-Speed Ticket Book Sales:

Mr. Driscoll provided an update on the second opening of the promotional sale of high-speed passenger ticket books, which ran from June 8, 2020, through June 21, 2020. During that time, the Authority sold an additional 997 ticket books, for a total sold during the 2020 pre-season promotion of 2,407 ticket books. While still below the average number of ticket book sales from 2012-2019 of 3,286, the second round of the sale increased this year’s sales by 71%, Mr. Driscoll said.

In total, this year’s sale generated \$475,312 in revenue for the Authority at a cost of \$118,828 due to the discount offering. The second round of the sale generated \$203,020 in revenue at a cost of \$50,755 due to the discount offering, Mr. Driscoll said.

Proposed Feasibility Study for
Solar Panels at Thomas B. Landers Road:

Mr. Davis said he was initiating a feasibility study for the installation of solar panels at the Authority’s Thomas B. Landers Road parking lot. Since the lot opened in June 2015, he said the Authority had been approached from time

to time about placing solar panels at the property. Following a review of similar projects by the Authority's procurement officer, it was noted that there was a provision in the Massachusetts General Law that allowed these projects to proceed without a Request for Proposals; however, Mr. Davis said he felt it would be a more transparent process to issue one.

Mr. Davis said he had entered into a contract with Jones Lang LaSalle Americas Inc. to perform due diligence as to the feasibility of the Thomas B. Landers Road site for solar development. Mr. Davis said he wanted to proceed on the project while additional credits were still available from the state for solar projects, and also noted the project would help lower the Authority's energy footprint while also developing a new source of revenue. In response to a question from Mr. Jones, Mr. Davis said the cost of the study was \$50,000, but there would be another rate for the company to work with the Authority to prepare the RFP, should staff choose to continue to retain them

Ms. Wilson asked if the Authority was closing off potential opportunities for itself if it engaged with Jones Lang LaSalle in this manner and not as a potential bidder on the project; Mr. Davis said the RFP process would help ameliorate that concern.

Update to the Medical Travel Policy:

Mr. Davis said, following a customer complaint about not being able to receive preferential boarding while attempting to leave the Vineyard to pick up a loved one who was hospitalized in Boston, it was discovered that the Authority's policy as written does not cover this situation as the individual needing medical attention was not in the car. To address the situation, it was proposed that the Medical Travel Policy be amended to expand its availability from solely individuals seeking medical treatment to those individuals' immediate family members or caregivers who are responsible for transporting them off island or on island. Mr. Davis said he felt the adjustment to the policy would alleviate family members' concerns during stressful times.

Mr. Davis noted that the Port Council voted to recommend approval at its July 1, 2020, meeting.

IT WAS VOTED – upon Mr. Jones’ motion, seconded by Ms. Wilson, to approve amendments to the Authority’s Medical Travel Policy as proposed in Staff Summary #L-498, dated July 17, 2020.

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

Proposed Modifications to Centerplate’s Agreement:

Mr. Davis said Centerplate’s Regional Vice President Peter A. Schoener met with staff and inquired whether the Authority would consider restarting food concession services onboard its ferries. After internal discussions and in light of the ongoing COVID-19 pandemic, the Authority has decided not to restart food concession services onboard its ferries. As a result of the Authority’s decision and Centerplate’s acknowledgement of the Authority’s concerns, Centerplate, which is experiencing unprecedented financial difficulties as a result of the pandemic, has requested relief from its 2020 contractual obligations under its food concession contract as follows:

1. Waiver of minimum guaranteed concession fees;
2. Waiver of commission fees;
3. Extend the contract’s term by one (1) calendar year;
4. Suspend the depreciation and amortization of Centerplate’s on-board equipment; and
5. All profits and/or losses to remain with the Authority during the “recovery phase,” defined as the period of time until business activity at the Authority “on an annualized basis is within 95% of the business activity” before March 10, 2020.

Mr. Davis said the Authority was generally in favor of these proposals except for the fifth item, as there were no firm plans to reopen concessions this year at all so the issue was not ripe for a decision. Mr. Davis noted the Authority and Centerplate had a long history together and that, other than its rental car contract, this was the only contract of the Authority’s that had minimum

guarantee provisions in them. He also noted the cessation of concessions was at the Authority's direction instead of Centerplate's operational decision.

IT WAS VOTED – upon Ms. Wilson's motion, seconded by Mr. Ranney, to approve the following as proposed in Staff Summary #L-499, dated July 20, 2020:

- 1. Waiver of minimum guaranteed concession fees;**
- 2. Waiver of commission fees;**
- 3. Extend the contract's term by one (1) calendar year, to December 31, 2023; and**
- 4. Suspend the depreciation and amortization of Centerplate's on-board equipment.**

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

Treasurer's Report:

Mr. Rozum provided preliminary June traffic figures, noting that passengers were down forty-two percent (42%), automobiles were down approximately fifteen percent (15%) and trucks were down approximately six and one-half percent (6.5%). Preliminary revenue numbers are down approximately \$3,200,000. The net income for the month is forecast for approximately \$1,600,000, he said.

Mr. Rozum also said the 2019 audited financial statements had been delivered to the Authority by RSM LLP on June 30, 2020, which showed the Authority had a net income of \$113,147. Mr. Rozum said once a date was finalized for the Board to hold an audit review, he would let the Members know.

Mr. Davis said the projections for the Authority's year-end deficit were now approximately \$20,000,000 to \$25,000,000 given the results of operations to date. In response to a question from Mr. Jones, Mr. Davis said the latest projections showed the Authority's cash flow to be sufficient to sustain operations until the end of the year without having to tap the line of credit, but

that does not include monies that should be transferred to the Sinking Fund for debt payments due in March 2021.

At 11:53 a.m., Ms. Tierney left the meeting.

Disposal of Surplus Property:

Mr. Davis said the Authority was seeking to dispose of surplus property in accordance with the Authority's Procurement Policy. The biggest items to be disposed of were four (4) Compressed Natural Gas ("CNG") buses that were serving the Authority's Hyannis shuttle runs until the sole CNG filling station on the Cape closed without notice. Mr. Davis said the Authority was working with the Metrowest Regional Transportation Authority on a purchase agreement for the four buses, as that agency still uses the technology. The four (4) CNG buses were appraised collectively at approximately \$70,000, he said.

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Mr. Ranney, to authorize the General Manager to arrange for the disposals of the surplus property as detailed at the best possible commercial terms and monetary recovery in accordance with the terms and conditions of the Authority’s Procurement Policy, as proposed in Staff Summary #GM-747, dated July 17, 2020.

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

Old or New Business:

Ms. Wilson asked about a purchase order in the Board's packet to DHK Architects for "house doctor" services and asked what the term meant. Mr. Davis said it was an industry term for the work required to review certain bid documents, in this case the HVAC system at the Vineyard Haven terminal.

At 12:01 p.m., Ms. Tierney rejoined the meeting.

Mr. Davis noted the Authority had received a letter from the Dukes County Commissioners asking that a mandatory mask order be enacted on board its vessels. Mr. Davis said the Authority was following the governor's order in this regard. Ms. Malkin said he had also reiterated that point to them as well.

Mr. Jones said he was concerned about the new Woods Hole/Falmouth Noise & Traffic Mitigation Group and the Long-Term Vineyard Transportation Task Force and their respective missions. Authority Counsel Steven M. Sayers had mentioned that the noise and traffic group would be approaching the Massachusetts Department of Transportation about speed limit issues and problems on Woods Hole Road, which he said raised red flags about the group's authority to make such overtures to a state agency. He reviewed other concerns he had about the groups and asked for a definition of what the groups' authority was now that the Board had created two public bodies by creating these groups.

Ms. Wilson said Mr. Sayers has been very careful to mind the Open Meeting Law in each session. Also, the Falmouth representatives to the Working Group had been attending from the group's inception, but the Vineyard representatives had only recently been named, which she said was "unfortunate." She said she hoped the Vineyard representatives would come to the meetings with an open mind and not just draw conclusions based on anecdotal evidence.

Mr. Malkin said he had fielded similar questions to Mr. Jones' about the groups' missions and what each was expected to deliver and when they would deliver it. He said he was unsure if these were discussion groups or more formal groups that required attendance and formal meeting notices and the like. He said it would be helpful for the members of each group to be provided with a brief document outlining what they are expected or authorized to do and what was expected of their tenure on the groups.

Mr. Kenneally said, following the Board's vote in October 2019 to create these bodies, he reached out to the state Attorney General's Office for an opinion on whether or not they were public bodies under the Open Meeting Law. Eventually the state did respond with the opinion that they were public bodies and are subject to the Open Meeting Law, just as the Authority Board was. He also noted that some of the parameters of the groups were to be set by the groups themselves once they started meeting regularly.

Mr. Malkin said he still did not know what the charter of the groups was and what they exactly would be doing; Mr. Davis said the Board was the ultimate authority of the Authority and these two boards were advisory only. Mr. Kenneally said the groups could talk about whatever issues they saw fit and

bring their recommendations to the Board as to how to deal with the specific problems before them.

Public Comment:

In response to a question from Mr. Saltzberg, Mr. Amundsen said a fissure was discovered in the jet room of the *M/V Iyanough*, which was repaired at the Authority's Fairhaven maintenance facility. The crack occurred in the attachment of the vessel's frame to its fiberglass shell, and the cause for it is under investigation.

In response to a further question from Mr. Saltzberg, Mr. Amundsen said the mesh barriers at the back of the *M/V Gay Head* did not have a particular name, but it serves as a barrier between the freight deck and the back of the vessel. They are inspected regularly by the vessel captain and the port captain.

Dukes County Commissioner Leon Brathwaite said West Tisbury recently underwent a similar solar study as the Authority but did not hire consultants for the work and he thought the Authority should explore the issue itself. Regarding the working group and task force, Mr. Brathwaite said the Board could declare them advisory committees with specific duties, which is how he saw himself as a member of the Long-Range Planning Taskforce.

Bob Morris noted that he did not feel Mr. Malkin got a complete answer on his question about the Woods Hole Terminal Reconstruction Project. He also said he hoped the solar project was not a way for the Authority to get value out of an unproductive asset when said asset should be sold. He also said he did not think the Authority should allow someone with an interest in bidding on future work the opportunity to do analysis before the bids are issued.

Mr. Saltzberg then asked Messrs. Davis and Rozum how they had arrived at the updated projections for the year-end deficit; Mr. Davis said they were based on five (5) months of actual traffic and a projection for the rest of the year's performance based on that performance. He said the projection was just that as no one knew how, or if, traffic would fare for the rest of the year.

At approximately 12:40 p.m., Ms. Tierney left the meeting.

At 12:41 p.m., Mr. Malkin entertained a motion to go into executive session 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:

- Anticipated Negotiations with the Unions (Teamsters Union Local 59, SEIU Local 888 and MEBA) of all the Authority’s represented employees regarding the potential continuation of health insurance benefits for furloughed employees due to the COVID-19 virus pandemic.

Mr. Malkin stated the public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. After the conclusion of the executive session, Mr. Malkin said the Board would not reconvene in public.

IT WAS VOTED – upon Ms. Wilson’s motion, seconded by Mr. Jones – to enter into executive session to the Authority’s strategy with respect to collective bargaining matters.

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
July 21, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. July 21, 2020 Meeting Memorandum, dated July 17, 2020 (revised July 20, 2020).
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Minutes of the Board's April 21, 2020 meeting in public session (draft).
5. Minutes of the Board's May 12, 2020 meeting in public session (draft).
6. Minutes of the Port Council's July 1, 2020 meeting in public session (draft dated July 15, 2020)
7. Advance Reservation Activity by Month, All Routes, as of July 12 and July 19, 2020.
8. Advance Reservation Activity by Month, All Routes, 2020 vs. 2019.
9. Daily Vehicle Reservation Activity, 2020 vs. 2019, May 1 – July 19, 2020, using seven-day moving average.
10. Traffic Statistics Comparison – 2020 vs. 2019 using a 7-day moving average.
11. Percent of Credit Card Receipts by Date using a 7-day moving average.
12. Business Summary for the month of May 2020.
13. PowerPoint presentation, Woods Hole Terminal Reconstruction Project, July 21, 2020.
14. PowerPoint presentation, *M/V Katama* Dry Dock.
15. Staff Summary #SO-2020-02, 2021 Operating Schedule, dated July 17, 2020.
16. Staff Summary #COMM 2020-03, Review of Pre-Season Promotion for High-Speed Ticket Books, dated June 25, 2020.
17. Staff Summary #GM-746, Proposed Feasibility Study for Solar Panels at Thomas B. Landers Parking Lot, dated July 17, 2020.
18. Staff Summary #L-498, Proposed Amendments to the Authority's Medical Travel Policy, dated July 17, 2020.

19. Staff Summary #L-499, Approval of Waiver of Several Provisions within Food Concession Contract No. 06-2017 with Boston Culinary Group d/b/a Centerplate, dated July 20, 2020.
20. Staff Summary #GM-747, Disposal of Surplus Property, dated July 17, 2020.
21. 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

July 28, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 28th of July, 2020, beginning at 9:30 a.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. Four (4) members were present and participated via Zoom videoconferencing: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Robert F. Ranney of Nantucket; and Robert R. Jones of Barnstable. Secretary Moira E. Tierney of New Bedford was absent.

The following members of management were also present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll (who participated via Zoom); Assistant Treasurer Courtney Oliveira; and Internal Audit Manager Kelly Conrad.

Video and Audio Recording of Today's Meeting:

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

Remote Participation by All Members:

Mr. Malkin announced, in response to Governor Charles Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all Board Members were participating remotely in the day's meeting because their physical attendances would be unreasonably difficult. All Board Members participated in the meeting by the Zoom videoconferencing app or by speakerphone and all members were clearly audible to each other. As a

result of the Members' remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Treasurer's Report:

Mr. Malkin said the main purpose for the day's meeting was to review the audited 2019 financial reports with the Members. The following representatives of RSM LLP, who were all participating in the meeting via Zoom, then introduced themselves: Partner Dan Bonnette, Assurance Manager Tanya Coker-Fergusson, Director Technology Risk Advisory Michael Healy and Technology Risk Supervisor Christopher Hughes. The auditors then shared a PowerPoint presentation on the Authority's 2019 audited financial statements, a copy of which is attached to these minutes as Appendix A, and the highlights of which are as follows:

- The audit was performed in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Accounting Standards issued by the comptroller of the United States.
- The Authority was subject to both a standard audit and a single audit pursuant to Uniform Grant Guidance.
- The following significant matters were addressed during the audit:
 - Internal accounting and financial reporting controls, including IT
 - Financial reporting – assessment of disclosures
 - Accounts receivable and proper revenue recognition
 - Reporting of residual net position balances
 - Property, plant and equipment additions and impairments, including assessment of assets placed in service
 - Proper cut-off of accounts payable and accrued expenses
 - Self-insured health plan obligations
 - Litigation and other contingencies
 - Management override of controls
 - Uniform Grant Guidance (UGG) compliance – Port Security Grant Program
 - Subsequent events
 - Impact of COVID-19 and assessment of going concern considerations
- RSM is required to communicate various matters to the Board Members, which were reviewed as part of the presentation and include the following:

- **Adoption of, or change in, accounting policies:** Mr. Bonnette noted this item was “kind of a mess” in 2019 as several significant new standards had to be implemented by the Government Accounting Standards Board. Some of those were delayed due to COVID-19, while others were modified, which eliminated certain potential impacts to the Authority.
- **Basis of accounting:** the financial statements were prepared on the assumption that the Authority will continue as a going concern. Despite the onset of COVID-19, the auditors concluded there was not substantial doubt about the Authority’s ability to continue as a going concern for a reasonable period of time.
- **Audit adjustments and uncorrected misstatements:** a total of nine (9) were detailed in the presentation.
- **Significant issues discussed with management:** The mortality tables initially used within the actuarial report for the Authority’s pension plan were superseded prior to issuance. The updated actuarial report resulted in an increase in the total pension liability of \$2,064,383. Additionally, new accounting pronouncements from Governmental Accounting Standards Board (GASB) were made during the year, one of which would have resulted in significant changes to the financial statement presentation. GASB identified a serious flaw with the standard, however, and ultimately delayed its implementation.
- **Letter communicating significant deficiencies and material weaknesses in internal control over financial reporting and guidance:** Two (2) significant deficiencies in internal control over compliance were identified and one (1) finding related to compliance was identified during the testing of federal awards. Recommendations for best practices were communicated to the Authority, and none of the issues rose to a level of a matter required to be reported to the Board.

Mr. Jones thanked the RSM representatives for a thorough presentation and said he appreciated their knowledge of the Authority and their ability to pinpoint issues with ease.

Mr. Malkin asked if, in RSM’s discussions of the Authority’s internal controls, everything seemed to be appropriate and if they were satisfied with the overall operations, or if there were any issues that might be problematic and need attention. Mr. Bonnette stated that RSM had identified several recommended improvements in a management letter to the Authority, but none of them were considered significant or of material defect. As an example, one

item required adjustment of a past financial schedule due to the amortization of bond premiums, but that did not result in a material issue.

Mr. Malkin said many of the items in the letter concerned costs of more than \$100,000 and asked if the size of those was an issue; Mr. Bonnette said no, and added the items were recurring issues and reversing them resulted in a small net change in the Authority's position.

Mr. Malkin asked if the Authority's "bad debt write-off" policy was acceptable to the auditors; Mr. Bonnette said yes, as the Authority's allowance in that regard was very low. Mr. Malkin said he welcomed the auditors' statements and that the 2020 financials would be ready by the March 31, 2021, deadline.

Ms. Wilson noted that, when they first opened their presentation, RSM described the Authority as being under a certain status by virtue of receiving federal funds and asked for clarification on that point. Mr. Bonnette said if an agency receives more than \$750,000 in federal grant money per year, it triggers a requirement for a "single audit," or a uniform grant guidance audit, in which RSM applies a more granular review of the funds in question. He noted this was the first time in three (3) years that the Authority had received enough grant funding to require such an audit.

Ms. Wilson asked if there were issues over the past five (5) years that could help her put the audit into context, as this was the first she had ever reviewed. Mr. Bonnette said the Authority has been a very clean and crisp organization for a long time. He said the audit process was on time for a number of years but it was "hit by a bus" when former Treasurer/Comptroller Gerard M. Murphy left the organization on December 31, 2018. That event also coincided with the implementation of a new accounting system, which is a major undertaking, and then the onset of COVID-19 this year slowed the overall process. He said he feels the audit process is back on sound footing moving forward.

Mr. Ranney thanked the auditors for their time.

Mr. Davis thanked the audit team for their time and said COVID-19 has made the overall process much more difficult than normal.

Contract No. 10-2020, Supply and Deliver
Two (2) EMD 12V645 E6 EMD Diesel Propulsion Engines:

Mr. Davis said the Authority intends to purchase EMD diesel engine parts and spares suitable for service in two (2) EMD 12-710-G7B engines for the *M/V Martha's Vineyard*. The Fairhaven maintenance staff will use the EMD parts to overhaul two (2) of the vessel's EMD 12V645 E6 engines during its scheduled repair cycle.

The total contract price of \$366,659.44 includes core charges totaling \$78,678.88, which will be credited back to the Authority once the cores are returned. After receiving the core credit, the final cost of Contract No. 10-2020 will be \$287,980.56. The 2018 Operating Budget cost estimate was \$317,000.00.

Mr. Jones asked if this was specific to the *M/V Martha's Vineyard* engines and if none of the parts were being saved for spares. Mr. Davis concurred and said that the hours on the engines dictated the need for replacement.

Ms. Wilson asked when the Authority issued its request for proposals, and Mr. Davis responded it was July 6, 2020, with a bid opening on July 21, 2020. He said there is generally a regional representative who supplies equipment for different areas of the country, so there is, in effect, only one company that offers these parts.

IT WAS VOTED – upon a motion by Ms. Wilson, seconded by Mr. Jones – to authorize the General Manager to award Contract No. 10-2020 to the lowest eligible and responsible bidder, Marine Systems Inc. of Chesapeake, Virginia, for a total contract price of \$366,659,44, as proposed in Staff Summary #MO 2020-04, dated July 24, 2020.

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

Negotiations for the Renewal of the Lease with the
Town of Falmouth for the Woods Hole Back Parking Lot:

Mr. Davis noted that the five-year agreement with the Town of Falmouth regarding the parking lot adjacent to the Authority's Woods Hole terminal was set to expire on December 31, 2020. Given the development of COVID-19, staff and town officials discussed and agreed to a one-year extension of the agreement to give both parties time to review the lot's operation and any attendant issues that have developed during the term of the lease. Said amendment would extend the lease through December 31, 2021. Mr. Davis said the Falmouth Select Board voted to recommend approval of the extension at its meeting on July 27, 2020.

IT WAS VOTED – upon a motion by Ms. Wilson, seconded by Mr. Jones – to authorize the General Manager to execute an amendment to the lease agreement dated October 27, 2015, entered into by and between the Town of Falmouth and the Steamship Authority, concerning the Woods Hole back parking lot, which will extend the term of the lease to December 31, 2021, with no other changes to the terms.

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

Old and New Business:

Mr. Davis said he received word on Friday that Governor Charlie Baker had signed the supplemental budget bill, including the amendment concerning the Authority's year-end deficit. Mr. Davis said the support of the governor was much appreciated and thanked the Authority's legislative team for their support. Mr. Malkin asked that the port communities be made aware of that as well. Mr. Driscoll noted he would include the governor in the thank you letter discussed by the Board at its prior meeting.

Public Comment:

Mr. Saltzberg asked what work was done to the engines of the *M/V Martha's Vineyard* during its midlife refurbishment; Mr. Davis said no work was done to the engines during that project. Mr. Saltzberg asked if the engines suffered any damage from the blackouts the vessel suffered; Mr. Davis said they did not.

At 10:33 a.m., Mr. Malkin entertained a motion to adjourn.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Mr. Jones – to adjourn the meeting in public session.

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
July 28, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. July 28, 2020 Meeting Memorandum, dated July 27, 2020.
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Presentation by RSM LLP, Report to the Authority's Board Members – 2019 Audit, dated July 28, 2020.
5. Woods Hole, Martha's Vineyard and Nantucket Steamship Authority, Financial Statements as of and for the Years Ended December 31, 2019 and 2018, Required Supplementary Information (Unaudited), Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2019, and Single Audit Reports in Accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
6. Staff Summary #MO 2020-04, Contract No. 10-2020, Supply and Deliver Spare Parts for Two (2) EMD 12v645 E6 EMD Diesel Propulsion Engines, dated July 24, 2020.
7. Staff Summary #L-500, Negotiations for the Renewal of the Lease with the Town of Falmouth for the Woods Hole Back Parking Lot, dated July 27, 2020.

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

The Meeting in Public Session

August 18, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met on August 18, 2020, beginning at 10:02 a.m., in the first-floor meeting room (Room 103) of the Authority's administrative offices, located at 228 Palmer Avenue, Falmouth, Massachusetts. All five (5) members participated via Zoom videoconferencing: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert R. Jones of Barnstable.

Port Council Vice Chairman Robert V. Huss of Oak Bluffs and Member George J. Balco of Tisbury were also present via Zoom. The following members of management were also present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; Health, Safety, Quality and Environment Manager Angela M. Sampson and Counsel Steven Sayers (who participated via Zoom).

Video and Audio Recording of Today's Meeting:

Mr. Malkin announced Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session on behalf of Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio and video recording of the meeting.

Remote Participation by All Members:

Mr. Malkin announced, in response to Governor Charles Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all Board Members were participating remotely in the day's meeting because their physical attendances would be unreasonably difficult. All

Board Members participated in the meeting by the Zoom videoconferencing app or by speakerphone and all members were clearly audible to each other. As a result of the Members' remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Minutes:

IT WAS VOTED – upon a motion by Ms. Wilson, seconded by Ms. Tierney – to approve the minutes of the Board’s May 19, 2020, meeting in public session.

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

Port Council’s Report on its August 5, 2020 Meeting:

Mr. Huss said the Port Council’s discussions included the following items:

- An update on COVID-19, which indicated the Authority was running at approximately 90% of its published schedule. An ongoing issue is face mask enforcement, as some people will put masks on when a crew member walks by and then take them off immediately thereafter.
- The June 2020 business summary;
- The 2021 Summer and Fall Vineyard Operating Schedules, which the Port Council voted to recommend to the Board as presented.
- The potential for solar canopies at the Thomas B. Landers Road parking lot.
- The new eFerry ticketing program.
- A discussion about concessions sales on the vessels, which continued to be shut down due to COVID-19.

Mr. Huss noted the Port Council had previously voted to recommend an idea by Mr. Balco to form a subcommittee focused on amending the Enabling Act to allow for a reserve fund that could be used in cases such as the COVID-

19 pandemic. Mr. Huss said both he and Mr. Balco thought it would be advantageous to do so in case of a future event like COVID-19. He said it appears the idea has been put off a little, but hopefully it can happen at some point soon.

Report on COVID-19:

Mr. Davis provided the following updates regarding the Authority's response to the COVID-19 pandemic:

- As of August 10, 2020, the Authority has been operating its originally approved schedules on both the Vineyard and Nantucket routes, with the exception of the high-speed service, which is running four (4) of the scheduled five (5) trips. The fifth trip has been added on Fridays and Sundays only. This service level is expected to continue until September 8, 2020.
- Vessel crews continue to do an exceptional job of cleaning the vessels' interiors during and between trips, paying particular attention to "high-touch" surfaces such as tabletops, faucets and toilets and handrails. Likewise, terminal employees have also been doing an exceptional job of cleaning their facilities.
- Additional crews are assigned to perform deeper vessel cleanings at night.
- Bus capacities have been reduced to fifty percent (50%) of their ratings. The *M/V Iyanough* has, likewise, been limited to sixty percent (60%) of its capacity as the staff evaluates the vessel's capability for social distancing. Capacity on passenger ferries have, likewise, been reduced, taking into account weather conditions and the number of interior seats.
- The Authority continues its efforts to source hand sanitizer; unfortunately, replacement cartridges for the dispensers continue to be back ordered.
- The Authority received its order for electrostatic sprayers as an additional sanitizing tool.
- Information on best practices regarding health measures continues to be uploaded to the Learning Management System for employees.
- Vessel crews, before the beginning of their watches, are given a wellness check by trained medical professionals.
- Shoreside personnel are given a wellness questionnaire, which they need to complete and provide to their supervisor to be given clearance to report to work or are sent home.
- Employees continue to be told that under no circumstances should they be coming to work while they are sick, for their own safety, the

safety of their crewmembers and for the safety of our passengers. If any employee comes to work sick, they will be sent home – period.

- Updates continue to be posted on the Authority’s dedicated landing page (www.steamshipauthority.com/2019coronavirus) as well as on its Facebook and Twitter pages, its eNews and through local media outlets.

Mr. Rozum then shared several charts showing advanced reservation activity for the weeks ending August 9, 2020, and August 16, 2020; advanced reservations activity as a percentage of the prior year through August 16, 2020; daily directional traffic estimates through August 16, 2020; traffic statistics comparison using a seven-day moving average through August 16, 2020; and credit card activity through August 16, 2020.

Mr. Malkin asked if there had been any further work on mask usage given Mr. Huss’ report. Mr. Davis said the Authority continues to advise its employees and customers of face covering policies on a daily basis, but it continues to be a challenge, as is attempting to enforce social distancing. He said the Authority is getting a high level of compliance, but not universal compliance, and staff continue to work on enforcing the mandates. Ms. Tierney asked if the Authority had the ability to ban customers from the Authority’s vessels if they were found to be violating the policy, calling it “outrageous” that customers thumb their nose at it. Mr. Davis said he would have Mr. Kenneally look into the matter, noting that the Authority does not have the ability to fine people and that, if a customer claims they have a medical exemption, the governor’s order prohibits them from asking any further questions.

Results of Operations:

Mr. Davis then reviewed the results of the June 2020 business summary, which showed the Authority carried fewer passengers (down 42.2%), automobiles (down 14.7%) and trucks (down 6.5%) than the same month the prior year. Through the first six (6) months of 2020, the Authority was similarly down in passenger traffic (down 45.2%), automobile traffic (down 29.8%), and truck traffic (down 21.8%) compared to the same period in 2019.

Mr. Davis said the Authority’s total income for May 2020 was approximately \$10,865,000 and the total expenses were approximately \$8,266,000, for a net operating income for the month of \$2,599,000, approximately \$1,465,000 less than anticipated in the 2020 operating budget. Year-to-date figures through June 2020 were approximately \$32,613,000 in income and \$52,806,000 in expenses for a net operating loss of \$20,193,000, which was \$10,284,000 more than budgeted.

During the month of June 2020, the Authority's vessels made a combined 1,987 trips, of which zero (0) were canceled for mechanical reasons on the Vineyard route and twelve (12) were canceled for mechanical reasons on the Nantucket route, he said.

M/V Katama Dry Dock Update:

Mr. Amundsen shared a PowerPoint presentation on the recent activities as part of the dry dock of the *M/V Katama* at Thames Shipyard, which includes the installation of a new port rudder and stock, new propellers, a new anchor windlass, and the blasting and coating of the main deck. The original contract price of \$788,507 had encountered \$350,255 in change orders for a total price of \$1,138,762.

Mr. Malkin asked if some of the change order items should have been anticipated; Mr. Amundsen said it was difficult to know the extent of the work needed until the vessel was in dry dock. As the Authority's vessels continue to age, Mr. Amundsen said more costs related to either coatings or steel replacement would be seen in future projects.

eFerry Mobile Ticketing Demonstration:

Mr. Davis said the Authority has used various ticketing programs in the past few years to provide customers on our high-speed ferry with a mobile ticketing option. Initially, these efforts led to limited acceptance as the Authority sought to overcome the challenges of scanning smartphones and other devices outside in the elements.

Mr. Davis said some of the attempts included a customer-activated "Show n' Sail" where the traveler triggered a one-time use animated image, which was visually verified by the Authority's employee while the customer was boarding, and the activation of a barcode that would then be held to the scanners for verification. Both attempts had their drawbacks, which led to the most recent evolution of using near-field communication ("NFC") tickets. The technology is similar to Apple Pay or Google Pay, as well as the Authority's current coupon book cards. This ticket type was introduced on the high-speed service last December, and since then work has been under way to bring the ticket to the traditional ferry service as well.

Messrs. Driscoll and Rozum then demonstrated the ticket's usage.

Mr. Jones asked if he could still pay cash for his tickets, and Mr. Rozum said yes, that the eFerry was adding, not removing, an option for its customers.

Proposed Nantucket Winter, Spring, Summer, and
Fall and Martha's Vineyard Winter and Spring 2021 Operating Schedules:

Mr. Davis said the staff was presenting its draft report on the proposed 2021 Summer and Fall Operating Schedules for the Martha's Vineyard route, which was prepared pursuant to Section 15A of the Authority's Enabling Act following a petition filed by fifty-eight (58) Falmouth residents.

In April and May 2020, the Authority advertised its proposed 2021 Operating Schedules for both routes. On May 29, 2020, a petition was received objecting to the proposed scheduling of the 5:30 a.m. trip from Woods Hole to the Vineyard, and a public hearing was held on June 11, 2020 to consider testimony. The Enabling Act requires the Authority to issue a report, either maintaining its original proposed schedules or making modifications to them, and explain the reason for that recommendation.

Mr. Davis quoted from the report and said:

There should be no mistake in anyone's mind that the SSA's paramount interest is to ensure that the islands of Martha's Vineyard and Nantucket are provided with adequate transportation of persons and necessities of life on a year-round basis. The island economies are and will continue to be strongly affected by the cost of their transportation service to and from the mainland, whether it is paid for entirely through passenger, freight or automobile rates or through a combination thereof. Either inadequate service or unnecessarily expensive service will jeopardize their future. Frequency and reliability of service are still the key to their stability and well-being. Accordingly, the interest of the islands is paramount and must be the overriding consideration in evaluating the SSA's proposed operating schedules.

Mr. Davis said the policy does not preclude attempts to identify reasonable steps that can be taken to address issues and concerns about freight and other traffic in the Authority's affected communities. In that regard, the Authority's Long-Range Vineyard Transportation Task Force (the "Task Force") was created. The Task Force is charged with working together with the mainland and island communities, along with public input, to attempt to identify reasonable steps that can be taken to address issues and concerns about freight and other traffic

in each of those communities on a long-term basis. This past fall, the Members approved the creation of the Task Force but, due to ongoing concerns regarding COVID-19, it was not until recently that Task Force representatives were designated by their respective communities.

Mr. Davis noted that the Port Council, at its August 5, 2020, meeting, voted to recommend the adoption of the proposed 2021 Summer and Fall Operating Schedules on the Vineyard route as presented, as well as the adoption of the Authority's report on the schedules as presented.

Ms. Wilson said she was very hopeful the Task Force and the working group tasked with local traffic mitigation options can make some headway on the issue. She said she was concerned about the tone of some of the letters from the Vineyard, including one that referenced the previous hearing and characterized it as a mean-spirited abuse of the public process. She said going into conversations about how to remedy the situation with that kind of attitude is not helpful, and she hopes selectmen on the Vineyard would take those concerns seriously.

The report itself notes no material changes to the relevant circumstances, and she said there has also been no change in how the Authority evaluates these questions. The underlying complaints remain the same – it's too early for that much traffic and noise – but there never is a discussion about how early is too early. A 5:30 a.m. departure means that traffic can arguably start picking up at 4:30 a.m., which means nearby residents would have to go to bed at 8:30 p.m. to get a good night's sleep. Ms. Wilson said the Authority was not giving any relief to residents about the issues that they are complaining about. She said she realizes that the size of the trucks on the 5:30 a.m. boat was reduced, but the amount of noise is clearly enough to still awaken a good number of people.

Ms. Wilson said the prevailing narrative is based on who tells the most compelling story, and so far it has been that the island needs the early boat due to its traffic demands. She wondered if it would really make that much of a difference to push that traffic to a later boat given the high level of traffic already on the island.

She asked what options there may be for a different assortment of boats that could allow the Authority to meet the same goals with fewer trips.

She said she would really like to see some changes made and said she would prefer the first boat be at 6:00 a.m. while that work was under way by the Task Force and Working Group.

Mr. Jones said he understood where the Falmouth residents were coming from and their request for service from New Bedford, which he said would take an awful lot to make happen. Mr. Jones noted there was a 5:30 a.m. boat from Hyannis and that people have, over the years, complained about the noise from the Authority's Nantucket route operations as well.

Mr. Jones said the noise is a "matter of life," having lived in Hyannis his entire life, and that all that can be done is to mitigate it as best as possible. According to the Enabling Act, the Authority's charge is to provide service to the islands. He said he understands everyone's frustration, but said the fact of the matter is that the Authority's service is where it is and has to be dealt with.

Mr. Ranney said he feels it is important to have a dialogue and that, while he does not know if there will be different outcomes, he is hopeful the Task Force will be able to bring people together and look for options.

Ms. Tierney said New Bedford service needs to be considered, as the city might have been on the hook for a \$5,000,000 assessment but gets very little in revenue from the Authority. She said that option should not be discounted even though she recognized that the financial difficulties due to the pandemic should be paramount at this time. Ms. Wilson agreed and said it deserved serious consideration.

Mr. Malkin said, after reviewing data and past reports dating back to 1995, most of his points were covered by Mr. Jones. He did note the congestion in Woods Hole was greatly reduced by the elimination of guaranteed standby, which backed up traffic on holiday weeks for many miles. He also said, in 2019, of the 1,468 trucks that were on the 5:30 a.m. ferry, 1,137 were identified as food trucks. He said it's important to remember that just as the bridges are open to provide for the necessities of life, whether that be food or medicine or supplies for contractors or landscapers, the ferries need to be open as well.

IT WAS VOTED – upon a motion by Ms. Tierney, seconded by Mr. Ranney – to issue the Authority's report on the proposed 2021 Summer Operating Schedules for the Vineyard route as presented, and to approve the 2021 summer and fall operating schedules on the Vineyard route for the reasons set forth in the report, as proposed in Staff Summary #GM-749, dated August 12, 2020.

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

Review of the Accounting of
BIA.studio's Fees Under Its Contract:

Mr. Davis said, at the January 21, 2020 Board meeting, the Members requested a comprehensive review of BIA.studio's billing related to the reconstruction of the Woods Hole Terminal and the relocation of the Authority's general offices. Mr. Davis asked Counsel Steven Sayers to perform the review, and he joined the meeting over Zoom to discuss the results.

Mr. Sayers said the report largely speaks for itself, but said the largest portion of the increases have been from construction administration fees for the waterside work, which were unknown in 2015 when the contract was signed. Those fees are billed on an hourly basis and have not been as much as anticipated, so there has been some money left over.

The other additional fees are primarily attributable to the conditions required by the Falmouth Conservation Commission; namely, an environmental monitor, an eelgrass survey, and beach survey. Those services have been provided by a subcontractor, GZA Environmental, Mr. Sayers said.

Mr. Sayers said another large source of the additional fees have been the problems associated with achieving a compatible design for the terminal building, including looking at a number of different options after staff agreed upon the program requirements for the building. Ultimately staff proposed, and the Board voted to accept, a one-story terminal design to allow for more view from the Crane Street bridge.

Mr. Sayers said the contract has seen fifty-seven (57) change orders, many of which were "kitchen sink" orders with a variety of matters involved. He said the general sense he has from his review is that BIA.studio has treated the Authority fairly and has not increased its hourly rates as much as it is entitled. Some relatively minor accounting issues were discovered, but for the most part, the firm is complying with the contract terms.

Mr. Davis then reminded the Members that the Board had voted to approve the one-story terminal concept in the fall and that, when staff asked the Board to approve a change order for additional fees required to develop the design schematic, this review was requested. Now that it is done, assuming it is satisfactory to the Board, BIA.studio will revisit the timeline of the project and come to the Board with a change order to fund the schematic design and engineering process.

Following comments from Messrs. Malkin and Jones about the size and location of the building, Ms. Wilson said it seems that design concepts had been developed extensively before the community was engaged in dialogue, and that having community engagement earlier on would have enhanced the ultimate goal of spending the Authority's money wisely. Mr. Sayers said Mr. Davis has already agreed that future work will include public participation, but he disagreed with Ms. Wilson's characterization regarding past activities. He said BIA.studio principal Chris Iwerks was "put in a box" regarding the design and footprint of the building following the requirement that the terminal be dry flood proofed to 17 feet. He said the design that was presented to the community in October 2018 was consistent with public discussions on the building to that date, to the extent that Falmouth selectmen thanked the Authority for its community engagement, and that staff were surprised by the negative reaction given the public input in the process. He said hopefully that disagreement is in the past and that this concept can be the best way forward in a difficult location and a complex project.

Mr. Ranney noted the conversation had strayed from the topic as presented on the agenda and asked that the Board move forward.

Revisions to the Customer Policies and Procedures Handbook:

Mr. Kenneally presented a slate of updates and amendments to the Authority's published Customer Policies and Procedures Handbook that brought the document up-to-date with previously approved policies that were not incorporated. Those include:

1. Lifeline Cards and Ferry Pass Cards
2. Travel Policy for Medical Appointments
3. Prohibition on the use of e-cigarettes and vaping-related products
4. Extension of ticket usage and refund limits to two (2) years from date of purchase
5. Emergency transportation and preferential boarding policies.

The remaining changes were grammatical and formatting errors, Mr. Kenneally said. He added that the Port Council reviewed the proposed changes at its August 5, 2020 meeting and offered no additional substantive changes.

Treasurer's Report:

Mr. Rozum provided preliminary July traffic and financial figures, noting passenger revenue was down approximately \$1,700,000, automobile revenue was flat and truck revenue was down approximately \$100,000. He said the Authority was still projecting a \$20,000,000 to \$25,000,000 loss for the year but noted the Authority had been able to transfer enough cash to its sinking fund to pay for debt obligations that were coming due in September.

In response to a question from Mr. Jones, Mr. Rozum said the 2021 Operating Budget was being developed now and was using 2019 traffic figures as its baseline. Staff was developing a number of different options based on projected operating revenue projections. Mr. Rozum further noted that under its Enabling Act the Authority could not present a budget with a deficit.

Contract No. 06-2020,
Dry Dock and Overhaul Service for the *M/V Eagle*:

Mr. Davis said the *M/V Eagle* is scheduled to enter shipyard availability from October 21, 2020, to December 22, 2020, to undergo a required U.S. Coast Guard hull exam; rudder, propeller and shaft maintenance; coating maintenance on underwater and superstructure areas, installation of a new fire detection system; overhaul of bow and stern freight doors; and auxiliary generator and alternator overhauls.

Mr. Davis said the 2020 Operating Budget estimate for the work was \$1,026,795; the lowest eligible and responsible bidder, Thames Shipyard of New London, Connecticut, submitted a bid with a total contract price of \$1,917,691. The major discrepancies were as follows:

- Blasting and coating of the underwater hull of the vessel from \$92,000 to \$234,761, due in part to an increase in the areas to be blasted and coated.
- Blasting and coating of the topside and superstructure area from \$155,000 to \$355,350, again, due in part to an increase in the areas to be blasted and coated.
- Allowance for structural steel renewal from \$55,000 to \$207,300.

- Freight deck bow and stern door overhauls went from \$90,000 to \$168,000.
- Overhauls of the Nos. 1, 2 and 3 auxiliary engines and alternators from \$30,000 to \$205,456.
- Additional work to install a new fire detection system for \$199,100 and a new fuel oil purifier installation to \$95,207.

Mr. Amundsen noted the vessel is approaching thirty-five (35) years old and the Authority is at a critical point of protecting the structural steel and extending the life of the vessel. Mr. Amundsen further stated that, as the Authority moves into its SQMS process, it will meet higher safety standards and a greater attention to the specifications than in the past. Mr. Amundsen noted the budget for the work was developed fourteen (14) months ago and several new items also developed in that time.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Ms. Wilson – to authorize the general manager to award Contract No. 06-2020, Dry Dock and Overhaul Services of the *M/V Eagle*, to the lowest eligible and responsible bidder, Thames Shipyard of New London, Connecticut, for a total contract price of \$1,917,691, as proposed in Staff Summary #MO-2020-05, dated August 13, 2020.

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

Change Order No. 106 to Contract No. 16-2017,
Woods Hole Terminal Reconstruction Project – Waterside:

Mr. Davis noted the change order, totaling \$137,771.20, was for additional time and materials required to install the fender system on the monopiles in Slip No. 2. During the summer of 2019, tension chains on the monopiles in Slip #3 (northern slip) failed. The retained marine engineering firm, GZA GeoEnvironmental Inc. (“GZA”), investigated the cause of the failures and determined that the original impact range, which was calculated from data

collected in 2014, had changed. This design change required the use of larger chains and padeyes securing the chains to the monopiles and fenders.

Mr. Davis noted the issue primarily stemmed from the *M/V Sankaty*, which had its ballast system replaced after the calculations were made about the fender system's capabilities. Ms. Tierney asked if that was not a foreseeable result, and Mr. Cloutier said the calculations were made based on the information that was on hand about the boats at that time. Over five (5) years, the vessel specifications and charts changed enough to cause the design data for the fenders to change as well.

Ms. Tierney said it seems the issue should have been foreseeable and she remains concerned about the magnitude of the change orders on the project. She said she thought the Authority should have a review of the costs by someone not involved in the marine construction industry as part of the overall review of the change orders, especially as the contract is nowhere near complete. She said she does not have sufficient knowledge of the issue to vote on it.

Mr. Davis said the contract was awarded in December 2017 and that the new data on the vessels was developed in 2019. Mr. Malkin asked if that was the case, why Cashman did not act at that point. Mr. Davis said there was a prior change order to upgrade Slip No. 3, and he anticipates a similar change order to come for Slip No. 1. Mr. Davis further noted that both Mr. Cloutier and the Authority's Clerk of the Works, Steve LeBaron, review the change order requests thoroughly before they are submitted.

Mr. Ranney said it was important to note that the terminal has a 50-year lifespan and that it is important to get these items right now. A lot of things anticipated several years ago can change during the course of construction, and that if the change order is not approved it could have detrimental consequences.

Mr. Jones said, in his experience with marine construction, change orders are part of the deal and that he has faith in the system that these are all appropriate.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Mr. Jones – to authorize the General Manager to execute Change Order No. 106 for Contract 16-2017, Woods Hole Ferry Terminal Reconstruction – Waterside, with Jay Cashman Inc. at a total cost of \$137,771.20, as proposed in Staff Summary No. GM-748, dated August 12, 2020.

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

Nantucket Emergency Dredging:

Mr. Davis said the Authority received a complaint in June 2020 from one of its customers concerning the depth of water under certain tidal conditions next to its terminal building in Nantucket. The complaint stated that the customer was compelled to delay the unloading of its hopper barge filled with stone because the customer's tug and barge ran the risk of grounding in the shallow waters off the terminal. As a result of receiving this complaint, the Authority engaged a marine consulting firm to conduct a bathymetric survey of the berth off the eastern bulkhead at its terminal building in Nantucket.

Mr. Davis said the engineering and environmental firm, GEI Consultants Inc. (GEI), was engaged to evaluate the results of the survey and to provide its recommendations on remedial measures to address the berth off the Nantucket terminal. GEI has provided the Authority with its proposal for design and permitting associated with the proposed maintenance dredging of the berth off its terminal building in Nantucket. GEI has also conferred with the Massachusetts Department of Environmental Protection, which reviewed the proposed immediate dredging plan and determined that it would qualify for an emergency authorization pursuant to the provisions of 310 CMR 9.20 valid for thirty (30) days thereafter. Accordingly, the Authority must now consider arranging the advertising, bidding and contracting of this emergency dredging project immediately to avoid any potential groundings of its ferries or its customers' vessels.

Mr. Davis said it is not anticipated that the cost to perform this emergency dredging portion of this project will exceed \$100,000. However, staff is proceeding as if this project is an emergency procurement because it involves the health and safety of people and the use of the Authority's terminal property in Nantucket.

In response to a question from Mr. Jones, Mr. Davis said a number of operators use that dock, especially with the resurfacing project under way at the

local airport. He said the Authority would not be able to accommodate the number of trucks that would be necessary to transport those goods without use of a barge.

Mr. Jones noted the dredging could pose the chance to undermine the sheathing at the dock and that it would have to be monitored.

At approximately 12:27 p.m., Ms. Tierney stepped out of the meeting.

Public Comment:

Mr. Saltzberg asked if there was any evidence of electrolysis damage to the hull plating on the *M/V Eagle*. Mr. Amundsen said an ultrasonic survey will be done, but he believed the degradation would be within normal parameters.

Mr. Saltzberg also asked about the investigation into the recent counterweight failure at one of the Authority's transfer bridges; Mr. Amundsen said the device performed as designed and that it was the result of a bearing failure and no additional investigation was warranted.

Mr. Saltzberg also referenced a recent incident in which an inordinate number of people were trying to board vessels at the Vineyard Haven terminal due to weather cancellations from multiple carriers out of Oak Bluffs. While acknowledging it was not a common occurrence, he asked about the health and safety measures involved in trying to manage that number of people. Mr. Davis said it was a unique situation and that the Authority's terminal staff did a tremendous job given the circumstances. Mr. Davis said given passenger count limitations in light of COVID-19, fewer people than normal could be accommodated on each trip. Had it not been for that, all the people involved likely could have been taken on a single trip of the *M/V Island Home* instead of being spread among four (4) or five (5) trips.

Mary Longacre asked about the barge traffic on Nantucket and if the circumstances there would result in any limits on the weights of the vessels that dock at that facility. Mr. Davis said such a limitation would affect operations because operators would either have to carry less weight per trip or coordinate their landings with the high tide cycle. Mr. Davis said the Authority does not control the weight of the barges.

At 12:37 p.m., Mr. Malkin entertained a motion to go into executive session to approve the minutes of the Authority's meeting in executive session on May 19, 2020, 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:

- Anticipated Negotiations with the Unions (Teamsters Union Local 59, SEIU Local 888 and MEBA) of all the Authority's represented employees regarding the potential continuation of health insurance benefits for furloughed employees due to the COVID-19 virus pandemic.

Mr. Malkin stated the public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. After the conclusion of the executive session, Mr. Malkin said the Board would not reconvene in public.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Ms. Wilson – to enter into executive session to approve the minutes of the Board's meeting in executive session on May 19, 2020, and to discuss the Authority's strategy with respect to collective bargaining matters.

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

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

1. August 18, 2020 Meeting Memorandum, dated August 17, 2020.
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Minutes of the Board's May 19, 2020 meeting in public session (draft).
5. Minutes of the Port Council's August 5, 2020 meeting in public session (draft dated August 13, 2020)
6. Advance Reservation Activity by Month, All Routes, as of August 9 and August 16, 2020.
7. Advance Reservation Activity by Month, All Routes, 2020 vs. 2019.
8. Daily Vehicle Reservation Activity, 2020 vs. 2019, May 1 – August 16, 2020, using seven-day moving average.
9. Traffic Statistics Comparison – 2020 vs. 2019 using a 7-day moving average.
10. Percent of Credit Card Receipts by Date using a 7-day moving average.
11. Business Summary for the month of June 2020.
12. PowerPoint presentation, *M/V Katama* Dry Dock.
13. Staff Summary #GM-749, Report on the Authority's Proposed 2021 Summer and Fall Operating Schedules for the Martha's Vineyard route, dated August 12, 2020.
14. Report Issued Under Section 15A of the Authority's Enabling Act on the Proposed 2021 Summer Operating Schedules of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority, dated August 12, 2020 (draft).
15. Memorandum from Counsel Steven M. Sayers re: Review of the Accounting of BIA.studio's Fees under Its Contract for Final Design and Construction Administration Services for the Reconstruction of the Woods Hole Terminal and Relocation of the SSA's General Offices, dated August 13, 2020.

16. Staff Summary #L-501, Revisions to the Authority's Customer Policies and Procedures Handbook, dated August 11, 2020.
17. Staff Summary #MO-2020-05, Contract No. 06-2020 Dry Dock and Overhaul Services for the *M/V Eagle*, dated August 13, 2020.
18. Staff Summary #GM-748, Woods Hole Terminal Reconstruction Project Change Order No. 106, Contract No. 16-2017, dated August 12, 2020.
19. Staff Summary #L-502, Emergency Dredging of the Berth Off the Eastern Bulkhead of (the Authority's) Terminal in Nantucket, Massachusetts, dated August 13, 2020.
20. Statement to be read prior to going into executive session.

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

The Meeting in Public Session
September 22, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met on September 22, 2020, beginning at 9:31 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 (5) members participated via Zoom videoconferencing: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford (who joined the meeting during the Port Council's report and left the meeting following the Woods Hole Terminal Reconstruction Project update); Robert F. Ranney of Nantucket; and Robert R. Jones of Barnstable (who joined the meeting during the Port Council's report).

Port Council Chairman Edward C. Anthes-Washburn was present via Zoom. The following members of management were also present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Reservations and Customer Relations Manager Gina L. Barboza; Reservations Manager-designate Angela C. Campbell; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Security Todd M. Falvey; Director of Shoreside Operations Alison A. Fletcher; and Director of Human Resources Janice L. Kennefick.

Video and Audio Recording of Today's Meeting:

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

Remote Participation by All Members:

Mr. Malkin announced, in response to Governor Charles Baker’s executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all Board Members were participating remotely in the day’s meeting because their physical attendances would be unreasonably difficult. All Board Members participated in the meeting by the Zoom videoconferencing app or by speakerphone and all members were clearly audible to each other. As a result of the Members’ remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Minutes:

IT WAS VOTED – upon a motion by Ms. Wilson, seconded by Mr. Ranney – to approve the minutes of the Board’s June 16, 2020, meeting in public session.

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

Port Council’s Report on its September 9, 2020 Meeting:

Mr. Anthes-Washburn said the Port Council’s discussions included the following items:

- An update on COVID-19 and the Authority’s ongoing operational modifications in light of the pandemic.
- The July 2020 business summary;
- Changes to the eNews.
- The proposed 2021 Operating Budget, which will be presented to the Board and Port Council in October.
- The Veterans Day travel promotion, in which the Authority offers free travel to active duty or retired military members on Veterans Day. The Port Council voted to recommend to the Board that the promotion be held again in 2020.

Minutes:

IT WAS VOTED – upon a motion by Ms. Wilson, seconded by Mr. Jones – to approve the minutes of the Board’s June 3, 2020, meeting in public session.

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

Mr. Ranney and Ms. Tierney did not vote on the motion.

Seastreak LLC Additional Service Request:

Mr. Davis said Seastreak LLC had submitted on September 8, 2020, a request to the Steamship Authority for an amendment to its remaining 2020 operating schedule from New Bedford, as well as a renewal of its overall license agreement for an unspecified term of years. Due to the timing of this request, staff did not have an opportunity to review the materials prior to the September 9, 2020, Port Council meeting. Therefore, staff is recommending that the Members only consider Seastreak’s scheduling amendment concerning high-speed services from New Bedford through October 31, 2020, at the present time, which will allow for additional review by the Port Council and the Members at each body’s respective October meeting.

Specifically, staff is recommending the following two (2) service changes:

- High-speed service from New Bedford to Vineyard Haven, but not Oak Bluffs, starting Tuesday, October 13, 2020, the day after Columbus Day. The service would run on Mondays through Thursdays with departures from New Bedford at 6:00 a.m. and 3:15 p.m. and corresponding departures from Vineyard Haven to New Bedford at 7:15 a.m. and 4:30 p.m. On Fridays, this service would be expanded to include a 9:30 a.m. departure from New Bedford with a return trip departing from Vineyard Haven at 1:00 p.m. The proposal further seeks to add one (1) more trip on Saturdays and Sundays departing New Bedford at 11:00 a.m. with a return trip scheduled to depart Vineyard Haven at 2:30 p.m.

- Mr. Davis noted the proposed 2:30 p.m. return trip on Saturdays and Sundays conflicts with the departure of the *M/V Island Home* from Vineyard Haven and, therefore, staff recommends Seastreak's departure time be modified to avoid any conflict if the requested service proposal is approved.
- High-speed interisland service between New Bedford, Vineyard Haven and Nantucket beginning on Friday, October 16, 2020. On Fridays, the 9:30 a.m. departure from New Bedford would also offer Nantucket as a destination with a proposed arrival time of 11:30 a.m. The return trip from Nantucket on Fridays would depart at 11:45 a.m. with an arrival in Vineyard Haven at 12:45 p.m. and a 1:00 p.m. departure from Vineyard Haven bound for New Bedford with an eventual arrival there at 1:50 p.m. On Saturdays and Sundays, the 11:00 a.m. departure from New Bedford would again add Nantucket as a destination with a proposed arrival time of 1:00 p.m. The return trip from Nantucket on Saturdays and Sundays would depart at 1:15 p.m. with an arrival in Vineyard Haven at 2:15 p.m. and a 2:30 p.m. departure from Vineyard Haven bound for New Bedford with an eventual arrival there at 3:20 p.m.
- The proposed 11:30 a.m. arrival time in Nantucket on Fridays conflicts with the arrival of the *M/V Eagle* at that same time and, therefore, staff recommends Seastreak's departure time be modified if the overall service is approved.

Mr. Malkin asked if the choice to use Vineyard Haven over Oak Bluffs was weather-related; Mr. Davis noted the Oak Bluffs terminal would be closing shortly after Columbus Day.

IT WAS VOTED – upon a motion by Ms. Tierney, seconded by Ms. Wilson – to amend the license agreement with Seastreak LLC through October 31, 2020, with the exceptions that its 2:30 p.m. arrival time on Saturdays and Sundays in Vineyard Haven and 11:30 a.m. arrival time on Nantucket on Fridays be changed to avoid conflicting with the Authority's traditional ferries in those ports, as proposed in Staff Summary #L-503, dated September 21, 2020.

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

Following the vote, Ms. Tierney said she was glad to see increased cooperation between Hy-Line Cruises and Seastreak and noted that, when she first came on the Board, that was not always the case.

Report on COVID-19:

Mr. Davis provided the following updates regarding the Authority's response to the COVID-19 pandemic:

- The Authority received its order for six (6) electrostatic sprayers as an additional sanitizing tool, along with a supply of hospital-grade disinfectant to be used by the machines. The sprayers are in addition to the backpack foggers that were obtained earlier this summer and that dispense disinfectant along with a prolonged antimicrobial agent that offers longer protection.
- Vessel crews, terminal employees and bus operations continue to do an exceptional job of cleaning.
- As of August 10, 2020, the Authority has been operating its originally approved schedules on both the Vineyard and Nantucket routes, with the exception of the high-speed service, which is running four (4) of the scheduled five (5) trips. The fifth trip has been added on Fridays and Sundays only. This service level is expected to continue until October 20, 2020.
- Bus capacities have been reduced to fifty percent (50%) of their ratings. Capacity on passenger ferries has, likewise, been reduced, taking into account weather conditions and the number of interior seats. As a result, some trips have reached passenger capacity during busier times.
- The Authority continues its efforts to source cleaning materials and hand sanitizer.
- Onboard lunch counters remain closed.
- Information on best practices regarding health measures continues to be uploaded to the Learning Management System for employees.

- Vessel crews, before the beginning of their watches, are given a wellness check by trained medical professionals.
- Shoreside personnel are given the wellness questionnaire, which they need to complete and provide to their supervisor to be given clearance to report to work or are sent home.
- Employees continue to be told that under no circumstances should they be coming to work while they are sick, for their own safety, the safety of their crewmembers and for the safety of our passengers. If any employee comes to work sick, they will be sent home – period.
- Compliance with face covering and mask policies continues to be a challenge despite repeated PA announcements on terminals and on vessels and signs on the buses, at terminals and onboard. Mr. Davis noted that, based on his conversations with other ferry operators, the Authority is not alone in this challenge.
- Since Gov. Baker’s order requiring out of state visitors to self-quarantine or have a negative COVID test within 72 hours of arrival, the Authority has been sending out emails to all of its customers traveling on-island about how to register with the state.
- Updates continue to be posted on the Authority’s dedicated landing page (www.steamshipauthority.com/2019coronavirus) as well as on its Facebook and Twitter pages, its eNews and through local media outlets.

Mr. Malkin noted Mr. Kenneally was going to look into the issue of denying passage to those who were not complying with the mask policy. He said he knew it was a national issue and he was aware that parents of Falmouth Academy students who travel on the ferries were concerned about the situation. He said he understood staff are being put in an uncomfortable position and asked if there was more that could be done to support them. Mr. Davis said Mr. Kenneally did research the issue and the conclusion was that, as a public transit agency, the Authority has to offer “reasonable accommodations” to its customers, which in this case would be seating outside or inside a vehicle.

Mr. Davis said he believed, overall, the Authority was getting fairly consistent usage on mask wearing and noted it only takes a moment for the employees to drop their own masks, and that is the moment that a customer sees them and reports it to the Authority. Mr. Davis said staff needs to work with employees to remind them they are setting the standards for the customers to follow and to continue to offer them support in this regard.

Mr. Kenneally offered kudos to staff who were dealing with obstinate customers in this situation and reported there have been instances where the local authorities have been involved, typically as passengers are disembarking at their destination ports.

Mr. Davis said staff was also researching other tools that employees could use as face coverings, including new face shields.

Mr. Rozum then shared several charts showing advanced reservations activity as a percentage of the prior year through September 20, 2020; daily directional traffic estimates through September 20, 2020; traffic statistics comparison using a seven-day moving average through September 20, 2020; and credit card activity through September 20, 2020.

Mr. Rozum said preliminary August figures show vehicle revenue was up approximately \$200,000, while passenger revenue was down approximately 25% compared to budget. The first two (2) weeks of September showed that passenger figures were down 6% against budget, but Mr. Davis noted there were several storms last year that could affect those comparisons.

Mr. Davis said the Authority continued to have regular discussions with the state Executive Office of Administration and Finance. At this point, once the Authority is able to certify what its year-end financial position is, the mechanisms are ready for the state to transfer money to the Authority to cover its deficit. Mr. Jones inquired as to the Authority's cash position; Mr. Davis stated that, at this time, there appeared to be sufficient cash flow to last through the end of the year without needing to tap the line of credit authorized by the Board.

Ms. Wilson asked if the agreement with the state to cover the Authority's deficit had been settled at a specific dollar amount. Mr. Davis said it would be whatever the deficit ends up being, and the discussion currently revolves around which number on the balance sheet ends up being used as the deficit figure.

Mr. Malkin asked if the deficit coverage was at all tied to the Authority receiving federal relief; Mr. Davis said it would be a function of the state treasurer's office only.

Results of Operations:

Mr. Davis then reviewed the results of the July 2020 business summary, which showed the Authority carried fewer passengers (down 28.7%) and trucks (down 3.9) but more automobiles (up 0.2%) than the same month the prior year. Through the first seven (7) months of 2020, the Authority was similarly down in passenger traffic (down 40.5%), automobile traffic (down 22.6%), and truck traffic (down 19%) compared to the same period in 2019.

Mr. Davis said the Authority's total income for July 2020 was approximately \$15,781,000 and the total expenses were approximately \$9,793,000, for a net operating income for the month of \$5,987,000, approximately \$1,964,000 less than anticipated in the 2020 operating budget. Year-to-date figures through July 2020 were approximately \$48,394,000 in income and \$62,599,000 in expenses for a net operating loss of \$14,205,000, which was \$12,249,000 more than budgeted.

During the month of July 2020, the Authority's vessels made a combined 2,509 trips, of which zero (0) were canceled for mechanical reasons on the Vineyard route and thirteen (13) were canceled for mechanical reasons on the Nantucket route, he said.

Woods Hole Terminal Reconstruction Project:

Mr. Davis said the next phase of the marine portion of the Woods Hole Terminal Reconstruction Project started on September 9, 2020. Marine contractor Jay Cashman Inc. returned the *Randy R* barge to Woods Hole with the ringer crane. The crane was initially positioned in Slip No. 3 to remove the temporary catwalk and the temporary support piles before moving to Slip No. 1 for the remainder of the season. Shore-side demolition has begun with the removal of the passenger platform to the south and the removal of the former oil shed.

Mr. Davis said, since the southern passenger pier will be larger than the northern pier, additional foundation work will be required this season. Overall, a total of eighty-seven (87) piles will be driven this season for the foundation of the structures as follows:

- Ten (10) monopile dolphins;
- Thirty-eight (38) 16-inch diameter piles for the fixed passenger pier; and
- Thirty-nine (39) 18-inch diameter piles for the head dolphins and the transfer bridge.

Ms. Tierney ended her participation in the meeting at 10:20 a.m.

Vessel Repair Status:

Mr. Amundsen then shared a PowerPoint presentation updating the repair status of the *M/V Martha's Vineyard* at the Authority's Fairhaven repair facility, which is scheduled to be complete by mid-October, he said.

Nantucket Emergency Dredging:

Mr. Davis said, while the Authority has received an emergency certification from the Commonwealth's Department of Environmental Protection for a partial dredge, it continues to seek approval for a full dredge of the area off the Authority's Nantucket terminal dock. That process takes six (6) to nine (9) months, he said.

Following a pre-dredge survey by Steel Associates, the Authority sought bids for the emergency dredge work; the low bidder was AGM Marine at \$85,000, he said. The dredging will be performed on Friday, September 25, 2020, and is expected to be completed in one (1) day, Mr. Davis said.

Mr. Jones asked where the spoils would be transported and dewatered; Mr. Davis said AGM is going to put it on a barge and take it to one of its facilities, so the spoils will not be dewatered on the Authority's dock.

SQMS Status:

Mr. Davis said the consultants on this project, Safety Management Systems LLC, report that the SQMS GUIDE implementation tasks have been completed. SMSLLC and the Authority have not moved forward with implementation yet, as staff is looking at including expanding the development of an event reporting application and database. Staff is targeting October with the implementation of this phase.

Meanwhile, SMSLLC will be onsite starting Wednesday, September 23, 2020, to focus primarily on Phase 3 items with shoreside operations personnel and the Terminal and Facilities Operations Manual (TFOM), Mr. Davis said. SMSLLC reports that Phase 3 remains on schedule.

Ms. Sampson said she was pleased with the progress thus far and that, even with the pandemic ongoing, both the Authority and SMSLLC remained committed to the work.

Mr. Jones asked if there would be anything to look at following the project, and Ms. Sampson said the finished documents would all be stored on the Authority's network drives.

Mr. Malkin said he has been following Mr. Davis' updates on the number of courses taken on the Learning Management System and asked if there was any follow up or measure of whether or not behaviors have changed as a result of taking those courses. Ms. Sampson said the system could track individual employee's performances to review whether or not they have received passing or failing grades and if they have taken all the courses.

eNews Update:

Mr. Driscoll provided an updated on the Authority's new eNews platform, GovDelivery by Granicus, and shared a PowerPoint presentation on the updates to the eNews program as a result. Among the highlights were:

- The new system eliminates the need for the MIS Department to push out the eNews each month.
- New subscriptions are now available, including the weekly Woods Hole Terminal Reconstruction Update, public meeting notices and press releases.
- Cross-promotion with other GovDelivery clients to increase subscribers.
- More flexibility to send additional eNews editions mid-month as needed.
- Customers can subscribe by visiting either www.steamshipauthority.com/email_lists or public.govdelivery.com/accounts/MASSA/subscriber/new.

Mr. Driscoll said he would subscribe the Members to the relevant eNews topics following this meeting and would continue to provide updates on key metrics, including open rate and engagement rate.

Mr. Jones noted the eNews seemed to be targeted to the islands and not the mainland; Mr. Driscoll said it was targeted by route, so the mainland would be included in either edition.

eFerry Ticketing:

Mr. Rozum said the eFerry ticketing program on the traditional ferry routes had, to date, resulted in approximately two thousand (2,000) transactions for

approximately seven thousand (7,000) passengers. Mr. Rozum said feedback had been positive so far and additional signage was in progress to help people who had never used their Apple Wallet or Google Pay apps before understand how to access their tickets.

Veterans Day Recognition and Ticket Sales Promotion:

Ms. McHugh stated the Authority had, in 2019, offered for the first time a promotion of free travel on Veterans Day for anyone on active duty or with retired military status. The offer was valid only for that day and did not include passage for any other passengers or vehicles. Staff subsequently reported that eighty-six (86) tickets were issued on the Martha's Vineyard route and forty-five (45) tickets on the Nantucket route.

Ms. McHugh said staff was seeking authorization to repeat the promotion again for 2020, after which they would evaluate the results and consider making the event an annual occasion. She noted that the Port Council had recommended approval of the promotion for 2020 at its September 9, 2020 meeting.

Mr. Jones said, as a veteran, he would like to see it on an annual basis as veterans do not travel just once but on an annual basis. Ms. Wilson agreed that it should be offered every year.

IT WAS VOTED – upon a motion by Mr. Jones and seconded by Ms. Wilson – to approve the Veterans Day 2020 promotion of free travel for all military men and women who have a valid military ID showing their active duty or retired status, as proposed in Staff Summary #COMM-2020-04, dated September 18, 2020, with the addition that said promotion be offered on an annual basis going forward.

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

Treasurer's Report:

Mr. Rozum reviewed via a PowerPoint presentation the 2019 analysis of the rates versus cost of service report, which had been forwarded to the Members in hard copy prior to the meeting. The highlights of the report were as follows:

- On the Martha's Vineyard route:
 - The cost of vessel operations decreased by \$398,000, or 1.3%.
 - Indirect nonvessel costs increased by \$1,626,000, or 2.1%.
 - Overall cost of service increased by \$1,229,000, or 2.0%.
 - Vehicle occupancy rate was 79.1%, versus 80.5% in 2019.
- On the Nantucket route:
 - The cost of vessel operations increased by \$2,897,000, or 16.7%.
 - Indirect nonvessel costs increased by \$2,142,000, or 14.8%.
 - Overall cost of service increased by \$5,039,000, or 15.8%.
 - Vehicle occupancy rate was 82.8%, versus 85.2% in 2019.

Mr. Rozum also reviewed analysis of car and truck space costs and revenues for each route. Mr. Davis said the data helps staff decide where, and if, to propose rate adjustments each year, and the data would be further discussed at next month's budget presentation.

Purchase Agreement for Reservation System Equipment:

Mr. Davis said the current reservation system hardware would be at its end of life on December 31, 2020. The current hardware was purchased in the spring of 2013. The processors for the proposed new equipment are approximately twice as fast as the current system and the data storage will have five (5) times the performance capabilities compared to the current hardware.

The total cost of the new hardware, software and installation is \$364,647, plus \$324,974 for a five-year hardware and software maintenance agreement for an overall total of \$689,621. Shipping charges are expected to be under \$5,000, he said. Delivery is expected to take six (6) weeks from order placement. This will provide ample time prior to opening of the 2021 summer reservations to ensure the system is performing correctly.

Mr. Davis said the purchase is subject to final approval from the Federal Transit Administration and the Massachusetts Department of Transportation, both of which need to approve the use of the Federal Highway Administration's Ferry Boat Formula Grant Program. Ms. Wilson asked what the Authority needed to do to establish its eligibility; Mr. Davis said all the required paperwork had

been filed and was now awaiting the appropriate signatures. Ms. Wilson asked if the new hardware would help prevent crashes such as what happened in 2020 on the general internet opening day; Mr. Davis said the new equipment would be one of the tools the Authority will use in that regard.

IT WAS VOTED – upon a motion by Ms. Wilson and a second by Mr. Jones – to authorize the general manager to purchase the replacement computer equipment from Continental Resources Inc. under the Commonwealth of Massachusetts ITC47 contract for a total price of \$689,621 plus shipping charges, as proposed in Staff Summary #MIS2020-01, dated September 16, 2020.

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

Contract No. 11-2020, Oak Bluffs Structural Pier Repairs – Phase II:

Mr. Davis said that, at the Board’s meeting on April 21, 2020, Members instructed the General Manager to obtain bids to repair or replace approximately thirty-five (35) structural piles on the Oak Bluffs Pier. Following the meeting, specifications were issued and advertised and bids from nineteen (19) prospective contractors were requested. During the bidding process, several questions were received, various addenda were issued, and the immediate scope of the project was reduced to repairing and replacing thirteen (13) structural piles on or before June 22, 2020. At the Board’s meeting on May 12, 2020, a contract was awarded to Coastal Marine Construction LLC for \$267,524.

Now, Mr. Davis said the Authority was proceeding on the remaining repairs to the dock. For the second phase of the project, which includes repairing or replacing approximately thirty (30) structural piles, as well as three hundred and thirty-one (331) linear feet of pile cap and miscellaneous stringer repairs, twenty (20) bid packages were sent out, and three (3) bids were received. Coastal Marine Construction was again the lowest bidder, in the amount of \$752,524.

Mr. Ranney said he was concerned about the timing of this work taking place before the winter season; Mr. Davis said the Authority was concerned

about the condition of the dock to the extent that it might suffer more damage without the repairs, which is why staff believed the project should be completed this year. The contract includes a completion date prior to the end of the year and includes some liquidated damages as well, he said. Mr. Ranney said he did not want to find that the work was ruined after a few winter storms; Mr. Amundsen said this work would bring the pier back to where it needs to be and that there is a good maintenance and repair plan in place moving forward.

Mr. Malkin said, when the Board first discussed this, it was stated that the cost to split the project in two (2) would be about the same except for additional mobilization fees and asked why this second phase of the project was so much higher than originally anticipated. Mr. Amundsen said a few more pilings needed to be replaced than originally thought, but the overall scope of the work did not change.

IT WAS VOTED - upon a motion by Mr. Ranney and a second by Mr. Jones - to authorize the general manager to award Contract No. 11-2020, Oak Bluffs Structural Pier Repairs 2020 - Phase II, to the lowest eligible and responsible bidder, Coastal Marine Construction of Canton, Massachusetts, for a total contract price of \$752,524, as proposed in Staff Summary #MO 2020-06, dated September 21, 2020.

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

Change Order No. 56 for Contract 09B-2012,
Final Design and Construction Administration Services with BIA.studio:

Mr. Davis said, following their vote at the November 19, 2019, Board meeting to direct BIA.studio to undertake schematic design phase services for a new one-story terminal building and a new two-story utility building at the Woods Hole terminal site, the Members reviewed a proposed change order to the design contract at their January 21, 2020 meeting. That change order detailed modifications to the scope, schedule, and fees for the design of the Woods Hole Terminal Reconstruction Project's landside tasks, including schematic design,

design development and the production of construction documents. The net fee at the time for the proposed change order was \$885,681; the Members declined authorization of the proposed change order pending completion of a review of the reasonableness of BIA's fees and obtaining a projected total cost to complete the project.

At their meeting on August 18, 2020, the Members analyzed the accounting review of BIA.studio's fees prepared by Counsel Steven M. Sayers. Shortly thereafter, Mr. Davis said he requested BIA revisit its proposed modifications to the scope, schedule, and fees for the design of the terminal in light of the COVID-19 virus outbreak and the ongoing pandemic.

The new change order establishes a new scope for the landside project, including a review of both building concepts for the lessons learned as a result of the COVID-19 virus outbreak and the resulting pandemic response, Mr. Davis said. Approval of the proposed change order will allow the design work and engineering evaluations to move forward on the new terminal and utility building concepts. The net fee for the change order, \$956,023, is the difference between the new fee for related design services, \$2,285,810, less the unbilled balances for each design phase of the original basic services fee, or \$1,329,787

Mr. Malkin asked about the current utility building and where it fits into the future of the project; Mr. Davis said with the timeline now laid out in front of the Members, the delays to date will result in the loss of at least one (1) construction season, during which time it is hoped that the Authority can seek future grant funding for the two-story utility building and have more time to make transfers to the Authority's replacement fund.

Mr. Jones said asked if there was no way to fast track the project to lower the cost. BIA.studio principal Chris Iwerks, who participated in the meeting via Zoom, said his staff was continuing to look for ways to make the project progress faster, but the schedule as laid out is what seemed prudent.

Ms. Wilson noted discussion in the change order about geothermal energy and asked if that was possible; Mr. Iwerks said some testing has to be done to determine the viability of such a system for the project, and that work would be done during this design phase.

Ms. Wilson also asked if the bike park and its placement could be left an open item to allow for discussions as to an alternate placement for the site. Mr. Iwerks said there is time in this phase of the design work to revisit the issue. Ms. Wilson said she wants the bike park to be as safe and comfortable as possible

and it was an issue that should be dealt with, but she also did not want BIA.studio to have to go through multiple different scenarios in the process.

Ms. Wilson asked about the format for community presentations and how Zoom and similar technologies may be of use to broaden the reach of those sessions. Mr. Iwerks said the proposal includes as many open meetings as would be appropriate in each phase, and that he would be looking for points to have community presentations and development progresses. He said one of the very first things that was done when the project began in 2013 was to sit down with user groups and operational groups, as well as business and neighborhood groups, to provide as cohesive a building as possible. He said that has been his goal all along and he will continue to do that. Ms. Wilson said she thought the design work would be of particular interest to the local community.

IT WAS VOTED – upon a motion by Mr. Ranney and a second by Mr. Jones – to authorize the general manager to execute Change Order No. 56 to Contract No. 9B-2012, Final Design and Construction Administration Services, with BIA.studio for a total revised landside basic services fee of \$956,023, as proposed in Staff Summary #GM-750, dated September 18, 2020.

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

Personnel Announcements:

Mr. Davis noted Reservations and Customer Service Manager Gina L. Barboza was retiring as of September 30, 2020, from the Authority after forty-six (46) years of service in a number of different positions, including as a seasonal reservation clerk and ten (10) years in the Authority’s computer department. The Members thanked Ms. Barboza for her years of service and wished her well in retirement.

Mr. Davis then introduced the following individuals to the Board:

- **Angela C. Campbell**, who was named the new reservations manager. Ms. Campbell has been an Authority employee since 2000, working for nineteen (19) years in the reservation office as a reservation clerk and truck coordinator before moving to the Operations and Communications Center in 2019, where she served as a coordinator.
- **Curt J. Van Riper**, who has been named the new director of information technologies. Mr. Van Riper has had a long association with the Authority, having consulted with its Management Information Systems Department for seventeen (17) years before joining the Authority as a full-time programmer/analyst in 1997. Mr. Van Riper has developed numerous custom solutions for the Authority's technology needs, as well as overseen outside vendors and contractors on various projects.
- **Todd M. Falvey**, who has been named the new director of security following the retirement in August of Lawrence S. Ferreira. A Northeastern University graduate with a degree in criminal justice, Mr. Falvey worked at the U.S. Department of Justice beginning in 1993, transitioned into the Department of Homeland Security upon its formation in 2003 and continued there until his recent retirement in 2020. His extensive work in southeastern New England allowed him to develop a working knowledge of the Authority's operations and its partners on the federal and state level.

Public Comment:

Mr. Saltzberg asked if the Authority, given COVID-19, had consulted with Tisbury officials about Seastreak using Vineyard Haven as a port to and from Nantucket as part of its license modification request. Mr. Davis said there had been no discussion as Seastreak was already using Vineyard Haven for that service at times when Oak Bluffs was unavailable, as it had been all summer. Mr. Saltzberg clarified he was asking about the link to Nantucket, given that island's recent spike in COVID-19 cases; Mr. Davis said there had been inter-island service running all summer by Seastreak on behalf of Hy-Line Cruises.

Mr. Saltzberg asked if there was any guarantee that the Commonwealth would provide the necessary funds to cover the Authority's losses this year; Mr. Davis noted the guarantee was part of the supplementary budget, which Gov. Baker had already signed.

Mr. Saltzberg then asked if any recent ship repair contracts had included a liquidated damages clause as the Oak Bluffs pier repair contract had; Mr. Kenneally said they had.

At 11:48 a.m., Mr. Malkin entertained a motion to adjourn the meeting in public session.

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

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
September 22, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. September 22, 2020 Meeting Memorandum, dated September 21, 2020.
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Minutes of the Board's June 3, 2020, meeting in public session (draft).
5. Minutes of the Board's June 16, 2020, meeting in public session (draft).
6. Minutes of the Port Council's September 9, 2020 meeting in public session (draft dated September 17, 2020).
7. Staff Summary #L-503, Proposed License Amendment with Seastreak LLC Concerning Additional Service, dated September 21, 2020.
8. Advance Reservation Activity by Month, All Routes, 2020 vs. 2019.
9. Daily Vehicle Reservation Activity, 2020 vs. 2019, May 1 – August 16, 2020, using seven-day moving average.
10. Traffic Statistics Comparison – 2020 vs. 2019 using a 7-day moving average.
11. Percent of Credit Card Receipts by Date using a 7-day moving average.
12. Business Summary for the month of July 2020.
13. PowerPoint presentation, *M/V Martha's Vineyard* repair period, undated.
14. PowerPoint presentation, eNews Update, dated September 22, 2020.
15. Staff Summary #COMM-2020-04, 2020 Veterans Day program, dated September 18, 2020.
16. Staff Summary #A-652, 2019 Analysis of Rates versus Cost of Service, dated September 18, 2020.
17. PowerPoint presentation, 2019 Analysis of Rates vs. Cost of Service, undated.
18. Staff Summary #MIS2020-1, Replacement of Computer Hardware Used for Authority's Reservation System, dated September 16, 2020.
19. Staff Summary #MO 2020-06, Award of Contract No. 11-2020, Oak Bluffs Structural Pier Repairs 2020 – Phase II, dated September 21, 2020.

20. Staff Summary #GM-750, Changer Order 56 to Contract 9B-2020, Woods Hole Terminal Design, dated September 18, 2020.

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

The Meeting in Public Session

October 20, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met on October 20, 2020, beginning at 9:33 a.m., in the second-floor conference room of the Authority's Nantucket Terminal Building, located at 1 Steamboat Wharf, Nantucket, Massachusetts. All five (5) members participated via Zoom videoconferencing: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert R. Jones of Barnstable.

Port Council Chairman Edward C. Anthes-Washburn was present via Zoom. The following members of management were also present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Woods Hole Reconstruction Project Manager William J. Cloutier; Assistant Treasurer Courtney Oliveira; and Computer Technician Mark Thompson. Other than Messrs. Davis, Kenneally, and Thompson, all members of management participated in the meeting from the Authority's Administrative Offices at 228 Palmer Avenue, Falmouth, Massachusetts, via Zoom videoconferencing.

Video and Audio Recording of Today's Meeting:

Mr. Malkin announced Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session on behalf of Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio and video recording of the meeting; Noah Asimow (representing the *Vineyard Gazette*) and George Brennan (representing the *Martha's Vineyard Times*) indicated they were making audio recordings of the meeting.

Remote Participation by All Members:

Mr. Malkin announced, in response to Governor Charles Baker's executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the

COVID-19 pandemic, all Board Members were participating remotely in the day's meeting because their physical attendances would be unreasonably difficult. All Board Members participated in the meeting by the Zoom videoconferencing app or by speakerphone and all members were clearly audible to each other. As a result of the Members' remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Moment of Silence for Robert L. O'Brien:

Mr. Davis noted that, on Friday, September 25, 2020, word had been received of the passing of Robert L. O'Brien, the former Barnstable representative to the Board. Mr. O'Brien's tenure from January 1991 to November 2016, or twenty-six (26) years on the Board, made him the second longest-serving Member to date.

Upon his graduation from Boston College, Mr. O'Brien joined the U.S. Coast Guard and served for thirty (30) years. Thereafter, Mr. O'Brien continued his public service by working for the Town of Barnstable in numerous capacities. The list of projects that were undertaken during his tenure with the Board are staggering, and include the construction of four (4) vessels still in use today – the *M/V Martha's Vineyard*, the *M/V Island Home*, the *M/V Iyanough* and the *M/V Woods Hole* – as well as the acquisition of the *M/V Sankaty* and the *M/V Governor*. He played a critical role in overseeing the Authority's capital projects in Hyannis, including the reconstruction of the Hyannis terminal and slip improvements. Mr. Davis said it is not an exaggeration to say that the Steamship Authority would not be the organization it is today without Bob's guidance and oversight.

The Members and those in attendance then shared a moment of silence in Mr. O'Brien's honor.

Minutes:

IT WAS VOTED – upon a motion by Ms. Wilson, seconded by Ms. Tierney– to approve the minutes of the Board's July 21, 2020 meeting in public session.

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

Ms. Wilson noted the approval of the minutes was running several months behind; Mr. Driscoll said he was working on being caught up and expected to do so at the Board's next meeting.

Port Council's Report on its October 7, 2020 Meeting:

Mr. Anthes-Washburn said the Port Council's discussions largely focused on the preliminary 2021 operating budget and rate adjustments. Mr. Anthes-Washburn said the Port Council, in general, believed staff did a good job of developing appropriately conservative revenue projections, and a lot of the discussion focused on those projections for 2021. Mr. Anthes-Washburn said the Port Council members also agreed the expense side of the equation was fairly fixed, but articulating that fact to the public would be important.

Mr. Malkin said he attended the meeting and said the discussion was good regarding the expected expenses versus revenues. He asked Mr. Anthes-Washburn if the Port Council members were satisfied the appropriate steps had been taken to develop the budget; Mr. Anthes-Washburn said he thought so personally and, while he did not want to speak on others' behalf. He said staff did a good job explaining how reducing expenses would mean reducing service, and further explaining the need to continue to fund the Authority's maintenance program.

Report on COVID-19:

Mr. Davis provided the following updates regarding the Authority's response to the COVID-19 pandemic:

- Since September 9, 2020, the Authority has been operating its originally approved schedules on both the Vineyard and Nantucket routes, with the exception of the high-speed service, which is running four (4) of the scheduled five (5) trips. The fifth trip has been added on

Fridays and Sundays only. Starting October 20, 2020, the approved fall operating schedule will be run, and is expected to run through January 3, 2021.

- To allow for social distancing, passenger ferries have been reduced to between 40% and 60% of their operating capacity, taking into account weather conditions and the number of interior seats. As a result, some trips have reached passenger capacity during busier times.
- Vessel crews, terminal employees and bus operations continue to do an exceptional job of cleaning.
- The Authority is using electrostatic sprayers as an additional sanitizing tool, along with a supply of hospital-grade disinfectant to be used by the machines. The sprayers are in addition to the backpack foggers that spray disinfectant along with a prolonged antimicrobial agent that offers longer protection.
- Capacity on buses remains reduced to 50% of their ratings.
- The Authority continues its efforts to source cleaning materials and hand sanitizer.
- Drivers' services continue to be performed on the Nantucket route for frequent shippers only.
- Lunch counters remain closed upon agreement with Centerplate.
- Information on best practices regarding health measures continues to be placed on the internal Learning Management System (LMS) for employees.
- Vessel crews, before the beginning of their watches, are given a wellness check by trained medical professionals.
- Shoreside personnel are given the wellness questionnaire, which they need to complete and provide to their supervisor to be given clearance to report to work or are sent home.
- Employees continue to be told that under no circumstances should they be coming to work while they are sick, for their own safety, the safety of their crewmembers and for the safety of our passengers. If any employee comes to work sick, they will be sent home – period.
- Compliance with face covering and mask policies continues to be a challenge despite repeated PA announcements on terminals and on vessels and signs on the buses, at terminals and on board.
- Since Gov. Baker's order requiring out of state visitors to self-quarantine or have a negative COVID test within 72 hours of arrival, the Authority has been sending out emails to all of its customers traveling on-island about how to register with the state.
- Updates continue to be posted on the Authority's dedicated landing page (www.steamshipauthority.com/2019coronavirus) as well as on its Facebook and Twitter pages, its eNews and through local media outlets. Mr. Davis noted that, since its inception, the COVID-19 landing page

on the Authority's website had nearly 120,000 visits with approximately 6,100 visits in the last thirty (30) days and over 1,100 in the past seven (7) days.

Mr. Rozum then said, regarding future bookings, November is approximately even with 2019, while December is down compared to the prior year by approximately 18%. Traffic figures for September show that passenger traffic was down approximately 15%, while automobile traffic was up approximately 11% and truck traffic was down about 4%. Preliminary financial data for the month shows net income of about \$3,700,000, about \$550,000 lower than anticipated. On a year-to-date basis, the Authority's net income is approximately \$2,000,000, or some \$13,500,000 behind budget.

Mr. Davis said, with the vehicle bookings at the level they are, the projected operating deficit has dropped to the range of \$10,000,000 to \$12,500,000, substantially lower than first thought. He said a possible scenario is that, should the operating deficit fall under \$10,000,000, the Authority may not need to have the state cover a deficit due to the receipt of the CARES Act funds, but that possibility was still to be determined. In response to questions from the Members, Mr. Davis clarified that the CARES Act funding is not recorded as operating revenue, so although there would be a deficit on paper, in actuality the Authority could end up in positive territory. Mr. Rozum said, in that instance, there still would be no assessment to the port communities.

Regarding concessions sales, Mr. Ranney said there has been an issue on the Nantucket route as it is a longer trip, and he has received complaints from people who said they were not informed of the lack of food service prior to their trip. Mr. Davis said the information was on the COVID-19 page and he believed it was on the confirmation email as well; Mr. Driscoll said he would check on that matter and report to Mr. Ranney.

Results of Operations:

Mr. Davis then reviewed the results of the August 2020 business summary, which showed the Authority carried fewer passengers (down 24.5%) and trucks (down 3.6%) but more automobiles (up 3.2%) than the same month the prior year. Through the first eight (8) months of 2020, the Authority was similarly down in passenger traffic (down 36.8%), automobile traffic (down 17.2%), and truck traffic (down 17.1%) compared to the same period in 2019.

Mr. Davis said the Authority's total income for August 2020 was approximately \$17,371,000 and the total expenses were approximately

\$8,999,000, for a net operating income for the month of \$8,372,000, approximately \$758,000 less than anticipated in the 2020 operating budget. Year-to-date figures through August 2020 were approximately \$65,766,000 in income and \$71,598,000 in expenses for a net operating loss of \$5,833,000, which was \$13,007,000 more than budgeted.

During the month of August 2020, the Authority's vessels made a combined 2,639 trips, of which zero (0) were canceled for mechanical reasons on either the Vineyard route or the Nantucket route, he said.

Woods Hole Terminal Reconstruction Project:

Mr. Davis said marine contractor Jay Cashman Inc. has been concentrating on shoreside demolition since the resumption of the marine portion of the Woods Hole Terminal Reconstruction Project on September 9, 2020. The passenger platform to the south of Slip No. 1 and the former oil shed have been removed. The transfer bridge, its gallows and counterweights have also been removed and transported to the Authority's Fairhaven facility to be reused there. Work to remove the old dolphins and fenders is under way, and the barge with the ten (10) monopile dolphins has arrived onsite and the sheet piles are soon to follow.

Mr. Cloutier then shared a PowerPoint presentation with recent photographs from the site.

Regarding the terminal building, Mr. Davis said he expected BIA.studio to provide an update to the Board at either their November or December meetings. Mr. Davis reviewed the building concept, which is a single-story, flat-roof building, situated generally in front of Slip No. 2 on an elevated plaza. The expectation is that the building will incorporate solar panels on the roof and on top of the canopies for the bus pick-up and drop-off lanes. The lobby area will be situated to the north and restrooms to the south. A two-story utility building will replace the existing freight shed.

Mr. Jones asked if it was known what the building's façade would look like; Mr. Davis said it would still be stone, as that is part of the flood proofing plan for the building. Mr. Cloutier said he was meeting with BIA.studio representatives this week to establish a process for the project moving forward. Ms. Wilson said the more that is shared publically about these design details, the better.

Vessel Repair Status:

Mr. Amundsen then shared a PowerPoint presentation updating the repair status of the *M/V Martha's Vineyard* at the Authority's Fairhaven repair facility, which is scheduled to be complete by mid-October, he said. The main engine overhaul was completed on October 13, 2020, and the vessel successfully underwent both Authority and U.S. Coast Guard sea trials before receiving its Certificate of Inspection on October 19, 2020. The vessel is scheduled to resume service this week on the Vineyard run, he said.

The *M/V Gay Head* is to undergo a short dry dock at Thames Shipyard in New London, Connecticut, to remove the rudder and rudderstock and install a new carrier bearing, he said. That work is scheduled to be done October 20-23, 2020, after which the vessel will return to Fairhaven.

The *M/V Eagle* is set to begin its dry dock at Thames this week; highlights of the work include the installation of a new fire detection system, a new diesel oil purifier system, an overhaul of the generators and alternators, and overhaul of the bow and stern doors. The total contract price is \$1,917,691, he said.

Mr. Jones asked about the issue in 2018 on the *M/V Woods Hole* concerning check valves on the vessel's propellers; Mr. Amundsen said he was not familiar with it, but the system has been working without issue. The system will be part of the vessel's inspection when it enters dry dock in January 2021.

Oak Bluffs Pier Repair Status:

Mr. Amundsen then shared a PowerPoint presentation regarding the upcoming repairs at the Oak Bluffs pier, including the repair plan locations. The work will include replacement of approximately thirty (30) piles and three hundred and thirty-one (331) linear feet of pile caps. The project is scheduled to be completed by December 20, 2020.

Nantucket Emergency Dredging:

Mr. Amundsen then shared a PowerPoint presentation regarding the emergency dredging at the Authority's Nantucket dock, which was completed in one (1) day, on September 25, 2020. AGM Marine of Mashpee removed approximately eighty-four (84) cubic yards of the allowable one hundred (100) cubic yards allowed under the emergency dredge permit.

Ms. Wilson asked who used that area for barge activities; Mr. Davis said it was often used when modular homes or other buildings arrive on the island. Mr. Davis further said the Authority owns the area and that the barges unload based on an agreement with the Authority, which maintains a schedule of those activities. Ms. Wilson said she was asking because she wondered if it would be appropriate or reasonable to factor in the cost of this maintenance so those users could share in the responsibility; Mr. Davis said there is typically \$50,000 to \$100,000 budgeted per year to reface that area of the pier. Mr. Davis said dredging had not been done in that area in some time and that a larger dredge project was anticipated in the latter half of 2021.

SQMS Status:

Mr. Davis said the consultants on this project, Safety Management Systems LLC, report that the SQMS GUIDE implementation tasks have been completed. SMSLLC and the Authority have not moved forward with implementation yet as staff is performing an extended review of the Vessel Operations Manual by the Marine Operations department. Once that is completed, SMSLLC plans to coordinate with Marine Operations and the HSQE manager on the completion of this review to determine arrangements to provide onsite training for vessel personnel.

Meanwhile, SMSLLC personnel will coordinate final tasks relating to Phase 3 for the Terminal and Facilities Operations Manual with Shoreside Operations personnel during onsite meetings, he said.

Mr. Malkin said he was “delighted” the project was progressing, adding that the Authority had to ensure its employees were carrying out the protocols being included in the SQMS in the proscribed manner. Mr. Davis said the system will include ongoing follow up and audits to make sure employees are following the established protocols.

Seastreak LLC Additional Service Request:

Mr. Kenneally presented a request from Seastreak LLC to provide additional service during its fall schedule. At its September 2020 meeting, the Board had approved a proposal to do so only through October 31, 2020, as the proposal had come in too late for the Port Council to consider, he said.

Seastreak now wishes to operate:

- One (1) roundtrip between New Bedford, Vineyard Haven and Nantucket on Thursdays through Sundays between October 15, 2020 through January 3, 2021. This revised schedule eliminates high-speed service from New Bedford on Mondays through Wednesdays, which was included within the Members’ vote of approval on September 22, 2020.
- Inter-island service between New Bedford, Martha’s Vineyard and Nantucket with two (2) roundtrips on Thanksgiving, Thursday, November 26, 2020; on Friday, December 5, 2020 and Saturday, December 6, 2020; and on New Year’s Day, Friday, January 1, 2021.

Mr. Davis noted the Port Council had recommended approving the license amendment at its October 7, 2020, meeting.

Mr. Ranney said one of the things he looks at is any potential conflicts with the Authority’s operations; he said it appeared those had been resolved and wished Seastreak luck.

IT WAS VOTED – upon a motion by Ms. Tierney, seconded by Ms. Wilson – to amend the license agreement with Seastreak LLC through January 3, 2021, as proposed in Staff Summary #L-504, dated October 13, 2020.

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

Update on Feasibility of Solar Panels at Thomas B. Landers Road:

Mr. Davis provided an update on the feasibility study of solar panels at the Authority’s Thomas B. Landers Road parking lot, conducted by Jones Lang LaSalle (“JLL”). Following the due diligence activities, JLL concluded that:

- The site’s physical conditions are suitable for solar development.
- The SMART (Solar Massachusetts Renewable Target) Program incentives are attractive to solar developers.

- Several developers with experience developing projects under the SMART Program are interested in developing the site.
- Annual rent to the Steamship Authority is estimated at \$175,000 to \$350,000, although Mr. Davis said he believes that to be a conservative estimate.
- The project faces risk associated with the approval time and costs related to interconnection to Eversource's electrical grid. As a result, the interconnection costs cannot be determined at this time.

Mr. Davis said, due to industry interest in the project and the expected rent payments the Authority will receive, JLL recommended a competitive Request for Proposals (RFP) be issued to lease the site for solar development. Subsequently, the Authority shall begin negotiating a long-term lease with the winning bidder. JLL estimates the project could be operational in twenty-four (24) months from today.

Mr. Davis said one issue with the site is that the state allows only five (5) megawatts to be generated by solar per parcel, and the lot is capable of generating nine (9) megawatts per JLL estimates. Mr. Davis said a component of the project will be onsite battery storage and the Authority will examine the opportunity to use excess energy for that purpose.

Mr. Davis said a request has been made of JLL to provide a quote to develop an RFP, assist in proposal evaluation and if needed to assist in contract negotiations.

Mr. Jones asked if whoever bid on the project would own the infrastructure involved; Mr. Davis said yes, and that the Authority would lease the space to the winning bidder and obtain a bond or surety to make sure they can be removed, if necessary.

2021 Operating Budget Preliminary Draft:

Mr. Rozum then reviewed a PowerPoint presentation with the Members on the preliminary 2021 Operating Budget, the highlights of which are as follows:

- Total operating expenses of \$112,688,546.
 - The largest increases are in depreciation, general expense, and terminal operations, while the largest decreases are in maintenance and operation of vessels.

- The maintenance decrease is largely a factor of timing regarding the vessel dry-dock schedule and not a reflection of lowered maintenance activities on the part of the Authority.
- Total operating revenues of \$ 112,437,440.
 - Based upon passenger traffic from March 2019 through February 2020.
 - Assumes 90% of passenger traffic from that time frame and 100% of automobile and truck traffic.
- An expected operating loss of \$1,377,602.
- Based on the cost allocation method, operating revenues and other non-service income would be split 59.3% from the Martha's Vineyard route and 40.7% from the Nantucket route. The allocation of the total cost of service would be split 59.2% to the Martha's Vineyard route and 40.8% to the Nantucket route.

Mr. Jones noted the Authority could not approve a budget with a deficit, which is where the next item on the agenda would come into play.

Ms. Wilson asked for more background about the assumptions of traffic in light of COVID-19; Mr. Rozum said from July forward the Authority has essentially been at 100% vehicle and truck traffic, whereas passenger traffic has increased at a slower pace and, so far, peaked at about 85% of budgeted expectations. Mr. Rozum noted the majority of the Authority's passengers are carried in the summer and that, under this budget and accompanying rate adjustments, if the passenger traffic is lower than expected, the Authority could absorb that loss.

Ms. Wilson said she was concerned that the "assumptions under the assumptions" may have shifted and that, if the Authority entered into a prolonged period of difficulty, a variety of variables could affect its financial performance. Ms. Wilson asked if the Authority should be extremely conservative in its budget expectations as well; Mr. Rozum agreed and said, if the Authority sees a rapid decline in vehicle activity, it would cut service as it did this year.

Ms. Tierney asked if staff believed they were giving appropriate consideration to the overall sense that the COVID-19 pandemic and its effects were going to last longer than initially thought. Mr. Rozum said he had those concerns as well and said it made it very difficult to predict passenger traffic.

Mr. Davis said the effects of COVID-19 would likely take years to sort out, but the Authority showed this year it could adapt and adjust its schedule accordingly in light of a downturn. The big issues driving the budget are the

approved operating schedule, the depreciation costs, and the maintenance costs, which Mr. Davis said were costly but necessary to keep the fleet safe and reliable.

Mr. Malkin said he shared Mses. Wilson and Tierney's concerns when it came to passenger traffic being the variable that could not be predicted. He also asked if, since the revenue projections are based on a period ending on March 1, but the expenses are budgeted according to a calendar year, if there would be a skewed comparison. Mr. Rozum said the 2021 schedule is virtually the same as the 2020 and 2019 schedules, so those expenses should be on par with past years.

Regarding costs, Mr. Malkin asked about the Authority's vessel staffing levels and where they stood in comparison to Coast Guard standards. Mr. Davis said the manning levels are largely equal with Coast Guard standards, with the exception of a chief engineer being staffed on the *M/V Gay Head* and *M/V Katama* when it is not required by the Certificate of Inspection. However, Mr. Davis said he felt that was a necessary and prudent step for those vessels. Additionally, an extra ordinary seaman was added on certain vessels in the summer to assist with cleaning activities.

2021 Rate Adjustments Preliminary Draft:

Mr. Rozum shared a PowerPoint presentation on the preliminary draft of the 2021 Rate Adjustments, the highlights of which are as follows:

- The total additional revenue expected to be raised is \$8,700,000, with \$5,400,000 coming from the Vineyard route and \$3,300,000 coming from the Nantucket route.
- All vehicle fares, including over 20-foot vehicles, will be adjusted approximately 7% except for the standard-fare rates on Fridays, Saturdays, and Sundays during the summer schedule on the Vineyard route.
- Excursion fares would be increased \$2.50 to \$3.50 per segment on the Vineyard route and \$6.00 to \$8.00 per segment on the Nantucket route.
- Adult traditional ferry passenger tickets would be increased by \$1.00 each way on the Vineyard and Nantucket routes, with \$3.00 increases in high-speed ferry tickets and \$2.50 for same-day travel on the high-speed ferry. Corresponding increases would be made for the 5-ride, 10-ride and 46-ride passenger books accordingly.

Mr. Jones thanked Mr. Rozum for his thorough presentation and said he thought some of the income projections may be optimistic and he hoped the

Authority could hold the line on its expenses. He said he did not know how the virus would affect 2021, but he felt there would still be a reluctance to travel and staff would have to continue to monitor the situation. The Authority is largely locked in with its fixed costs, he said, and to take a boat offline would mean a corresponding loss of freight and automobile revenue.

Ms. Tierney said she agreed with Mr. Jones and the need for rate adjustments was well documented and thanked Mr. Rozum for his presentation.

Mr. Ranney said he echoed the other Members' comments and said he particularly missed Mr. O'Brien in these circumstances, who was a budget hawk, but understood in some circumstances there was not much of a choice.

Mr. Rozum noted the reservations staff was in the process of doing next year's bulk freight reservations and that, with another month of activity, adjustments could be forthcoming to the budget. Mr. Ranney noted just a few months ago the Authority thought it could have a \$50,000,000 deficit, so things can change quickly.

Mr. Malkin said the fare increases are tough for everyone to swallow, but no one has any idea what is coming and it puts the Authority in a difficult place. The island economies need the Authority's vessels to travel back and forth, but the day-trippers have not returned. If the Authority wants to keep its vessels running, it has to do what is necessary.

Mr. Driscoll noted the Authority would be scheduling virtual open houses to allow the public to ask more questions about the budget and rate increases, and those dates would be announced by the end of the week.

Mr. Davis noted in each of the last two years, the Authority has targeted approximately a \$7,500,000 surplus and had come relatively close to even each year, which shows the necessity of budgeting in that manner.

Authorization to Purchase Three (3) Electric Shuttle Buses:

Mr. Davis said staff were still in the process of finalizing the pricing on this matter, and would bring it to the Board at its next meeting.

Contract No. 12-2020,
Dry Dock and Overhaul Services for the *M/V Woods Hole*:

Mr. Davis said the *M/V Woods Hole* is scheduled to enter shipyard availability from January 7, 2021 to February 14, 2021 to undergo its required Coast Guard hull exam; rudder, propeller and shaft maintenance; coating maintenance on underwater and superstructure areas; installation of a new diesel oil purification system; overhaul of bow thruster seals and inspections; as well as auxiliary generator and alternator overhauls.

The 2021 Operating Budget estimate for the work was \$1,158,300. The major discrepancies between that amount and the bid results were a decrease in the line item for the shafts, bearings, seals and couplings from \$160,000 to \$49,348; and a decrease in the line item for the bow thruster overhaul from \$150,000 to \$50,770. The couplings and cutlass bearings will be furnished from Steamship Authority shore based spare parts and will be replenished after the dry dock repair period, he said.

Mr. Malkin asked if all the possible work on the vessel was included in the bid; Mr. Amundsen said a number of additional items were kept in and that he was confident the project would come in at budget.

IT WAS VOTED – upon a motion by Ms. Tierney, seconded by Mr. Jones – to authorize the general manager to award Contract No. 12-2020, Dry Dock and Overhaul Services for the *M/V Woods Hole*, to the lowest eligible and responsible bidder, Thames Shipyard of New London, Connecticut, for the total contract price of \$761,882, as proposed in Staff Summary #MO-2020-07, dated October 19, 2020.

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

Retirement of Richard Clark:

Mr. Davis noted Richard Clark, the longtime Vineyard Haven terminal manager, had retired from the Authority this past week after 41 years of service. He started in April 1979 as a clerk apprentice and worked his way up to terminal manager in July 2012. Mr. Davis said everyone at the Authority wished Mr. Clark a long and healthy retirement.

Public Comment:

Mr. Malkin then asked for public comment, but none was offered.

At 11:45 a.m., Mr. Malkin entertained a motion to adjourn the meeting in public session.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Mr. Jones – to adjourn the meeting in public session.

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
October 20, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. October 20, 2020 Meeting Memorandum, dated October 16, 2020.
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Minutes of the Board's July 21, 2020, meeting in public session (draft).
5. Minutes of the Port Council's October 7, 2020 meeting in public session (draft dated October 15, 2020).
6. Advance Reservation Activity by Month, All Routes, as of October 11, 2020, and October 18, 2020.
7. Advance Reservation Activity by Month, All Routes 2020 vs. 2019.
8. Daily Vehicle Reservation Activity, 2020 vs. 2019, May 3 – October 18, 2020, using seven-day moving average.
9. Traffic Statistics Comparison – 2020 vs. 2019 using a 7-day moving average.
10. Percent of Credit Card Receipts by Date using a 7-day moving average.
11. Business Summary for the month of August 2020.
12. PowerPoint presentation, Woods Hole Terminal Reconstruction Project update, dated October 20, 2020.
13. PowerPoint presentation, vessel repair status, undated.
14. PowerPoint presentation, Oak Bluffs Pier Repair Status, undated.
15. PowerPoint presentation, Nantucket Terminal Emergency Dredge Phase I, undated.
16. Staff Summary #L-504, Proposed License Amendment with Seastreak LLC Concerning Additional Service through January 3, 2021, dated October 13, 2020.
17. Staff Summary #A-653, Preliminary Draft of Proposed 2021 Operating Budget, dated October 16, 2020.
18. Staff Summary #A-654, Preliminary Draft of Proposed 2021 Rate Adjustments, dated October 16, 2020.

19. PowerPoint presentation, 2021 Preliminary Proposed Operating Budget and 2021 Proposed Rate Adjustment.
20. Staff Summary #MO 2020-07, Award of Contract No. 12-2020, Dry Dock and Overhaul Services for the *M/V Woods Hole*, dated October 19, 2020.

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

The Meeting in Public Session

November 17, 2020

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met on November 17, 2020, beginning at 9:34 a.m., in the second-floor conference room of the Authority's Vineyard Haven Terminal Building, located at 47 Water Street, Vineyard Haven, Massachusetts. All five (5) members participated via Zoom videoconferencing: Chairman James M. Malkin of Dukes County; Vice Chairman Kathryn Wilson of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert R. Jones of Barnstable.

Port Council Chairman Edward C. Anthes-Washburn was present via Zoom. The following members of management were also present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; Assistant Treasurer Courtney Oliveira; Health, Safety, Quality and Environmental Manager Angela M. Sampson; and Computer Technician Mark Thompson. Other than Messrs. Davis, Kenneally, and Thompson, all members of management participated in the meeting from the Authority's Administrative Offices at 228 Palmer Avenue, Falmouth, Massachusetts, via Zoom videoconferencing.

Video and Audio Recording of Today's Meeting:

Mr. Malkin announced Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session on behalf of Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was making an audio and video recording of the meeting; Noah Asimow (representing the *Vineyard Gazette*); George Brennan (representing the *Martha's Vineyard Times*); and Sam Houghton (representing WCAI) also indicated they were making audio recordings of the meeting.

Remote Participation by All Members:

Mr. Malkin announced, in response to Governor Charles Baker’s executive orders concerning the necessity to conduct public meetings in line with social distancing guidelines during the current state of emergency involving the COVID-19 pandemic, all Board Members were participating remotely in the day’s meeting because their physical attendances would be unreasonably difficult. All Board Members participated in the meeting by the Zoom videoconferencing app or by speakerphone and all members were clearly audible to each other. As a result of the Members’ remote participation in this meeting, any and all votes taken by the Members today were to be taken by roll call vote.

Minutes:

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Ms. Wilson – to approve the minutes of the Board’s July 28, 2020 meeting in public session.

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

Ms. Tierney abstained from voting on the motion.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Ms. Wilson – to approve the minutes of the Board’s August 18, 2020 meeting in public session.

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

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Ms. Tierney – to approve the minutes of the Board’s September 22, 2020 meeting in public session.

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

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Ms. Wilson – to approve the minutes of the Board’s October 20, 2020 meeting in public session.

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

Port Council’s Report on its November 10, 2020 Meeting:

Mr. Anthes-Washburn said the Port Council’s discussions largely focused on the 2021 operating budget and rate adjustments as well as the license renewals for the private carriers. After discussion on these items, the Port Council voted to recommend approval to the Board. Mr. Anthes-Washburn also said that Vice Chairman Robert V. Huss of Oak Bluffs and Member George J. Balco of Tisbury both announced they would not seek reappointment to the Port Council when their respective terms ended in December 2020; the Members all noted that their departures would be a loss for the Port Council, the Board, and the Authority.

Report on COVID-19:

Mr. Davis provided the following updates regarding the Authority's response to the COVID-19 pandemic:

- The Authority is using electrostatic sprayers as an additional sanitizing tool, along with a supply of hospital-grade disinfectant to be used by the machines. The sprayers are in addition to the backpack foggers that spray disinfectant along with a prolonged antimicrobial agent that offers longer protection.
- Vessel crews, terminal employees and bus operations continue to do an exceptional job of cleaning.
- To allow for social distancing, passenger ferries have been reduced to between 40% and 60% of their operating capacity, taking into account weather conditions and the number of interior seats. As a result, some trips have reached passenger capacity during busier times.
- Capacity on buses remains reduced to 50% of their ratings.
- The Authority continues its efforts to source cleaning materials and hand sanitizer.
- Drivers' services continue to be performed on the Nantucket route for frequent shippers only.
- Since October 20, 2020, the Authority has been operating its originally approved schedules on both the Vineyard and Nantucket routes; the schedule is expected to run through January 3, 2021.
- Lunch counters remain closed upon agreement with Centerplate.
- Compliance with face covering and mask policies continues to be a challenge despite repeated PA announcements on terminals and on vessels and signs on the buses, at terminals and on board.
- Vessel crews, before the beginning of their watches, are given a wellness check by trained medical professionals.
- Shoreside personnel are given the wellness questionnaire, which they need to complete and provide to their supervisor to be given clearance to report to work or are sent home.
- Employees continue to be told that under no circumstances should they be coming to work while they are sick, for their own safety, the safety of their crewmembers and for the safety of our passengers. If any employee comes to work sick, they will be sent home – period.
- Since Gov. Baker's order requiring out of state visitors to self-quarantine or have a negative COVID test within 72 hours of arrival, the Authority has been sending out emails to all of its customers traveling on-island about how to register with the state.
- Updates continue to be posted on the Authority's dedicated landing page (www.steamshipauthority.com/2019coronavirus) as well as on its

Facebook and Twitter pages, its eNews and through local media outlets. Mr. Davis noted that, since its inception, the COVID-19 landing page on the Authority's website had nearly 123,000 visits with approximately 3,700 visits in the last thirty (30) days and nearly 900 in the past seven (7) days.

Mr. Malkin asked if it was the Authority's practice to test an entire crew when one member of a crew tested positive for COVID-19; Mr. Davis said it was the practice and had been since the onset of the pandemic. Ms. Wilson asked if there was a sense if the recent spate of infections were originating from work activities or other activities; Mr. Davis said it appeared that they were coming from sources outside of work. He said the recent positive cases among the vessel crews have highlighted the seriousness of the situation and its impacts on operations, and have reinforced to Authority personnel the need to remain vigilant about their mask wearing and physical distancing.

Mr. Rozum noted the bulk freight reservations for summer 2021 were on par with previous years, which was a positive indicator for next year's operations. He also said the Authority had added additional service for Thanksgiving week as demand for travel remained generally high, although the traffic patterns had shifted toward the weekends with fewer trips expected during the week.

Results of Operations:

Mr. Davis reviewed the results of the September 2020 business summary, which showed the Authority carried fewer passengers (down 15.3%) and trucks (down 3.7%) but more automobiles (up 11.1%) than the same month the prior year. Through the first nine (9) months of 2020, the Authority was similarly down in passenger traffic (down 33.9%), automobile traffic (down 13.5%), and truck traffic (down 15.5%) compared to the same period in 2019.

Mr. Davis said the Authority's total income for September 2020 was approximately \$13,034,000 and the total expenses were approximately \$9,259,000, for a net operating income for the month of \$3,776,000, approximately \$546,000 less than anticipated in the 2020 operating budget. Year-to-date figures through September 2020 were approximately \$78,800,000 in income and \$80,857,000 in expenses for a net operating loss of \$2,057,000, which was \$13,553,000 more than budgeted.

During the month of September 2020, the Authority's vessels made a combined 2,357 trips, of which two (2) were canceled for mechanical reasons on

the Vineyard route and zero (0) were canceled for mechanical reasons on the Nantucket route, he said.

Woods Hole Terminal Reconstruction Project:

Mr. Davis said marine contractor Jay Cashman Inc. has completed the waterside demolition and the large concrete masses from the old passenger pier were moved landside to be broken up prior to disposal. The supporting piles for those structures will be removed by the cranes. The bulkhead sheet piles have been driven, although that work was delayed somewhat by obstructions at the southern corner, and the landside crews will be working on the installation of the deadman tiebacks that support the sheet piles. Meanwhile, the ringer crane will begin preparing to drive the 96-inch monopiles.

Mr. Cloutier then shared a PowerPoint presentation with recent photographs from the site.

Ms. Wilson asked about the obstacles encountered thus far, and Mr. Cloutier said some of the sheet piles at the southernmost slip could only be driven to nineteen (19) feet deep instead of the forty (40) feet proscribed by the design. He said it was expected that the driving of sheet piles in the southern corner of the site would be difficult and further probing was planned, but the soils are extremely variable in that area. Ms. Wilson asked what the remedy would be, and Mr. Cloutier said engineers are still analyzing the situation. Given that it is not expected to be a busy area, it will not have to bear the weight that the transfer bridge area does so there may be no remediation necessary at all, he said.

Mr. Malkin asked if Mr. Cloutier could provide the Members guidance on what potential change orders remain on the waterside portion of the project. Mr. Cloutier said he would prepare something, but he knew there would be one regarding the increase in the size of the pad eyes and chains as there had been on the two (2) prior slips. Additional change orders are likely regarding the pile driving, because each time an obstruction is hit and the pile needs to be repositioned, it costs time and money.

Regarding the terminal building, Mr. Davis said BIA.studio is working on revisiting certain elements of the design, including the HVAC system, in light of COVID-19. There were further discussions as to the placement of the utility building, the bike path and Cahoon Park. Mr. Davis said there are still concerns as to bicycles continuing down the bike path and crossing in front of buses exiting the property; he said it is under discussion as to whether or not a staging

lane can be used for bike parking to get people to dismount before crossing the flow of traffic.

Mr. Davis said he expected BIA.studio to provide an update to the Board at its December 2020 meeting.

M/V Eagle Dry Dock Status:

Mr. Amundsen then shared a PowerPoint presentation updating the status of the dry-docking of the *M/V Eagle* at Thames Shipyard in New London, Connecticut. Highlights of the work include the installation of a new fire detection system, a new diesel oil purifier system, an overhaul of the generators and alternators, and overhaul of the bow and stern doors. The total contract price is \$1,917,691, he said, but after credits and change orders, the grand total was now \$1,878,473.

Oak Bluffs Pier Repair Status:

Mr. Amundsen then shared a PowerPoint presentation regarding the upcoming repairs at the Oak Bluffs pier, including the repair plan locations. The work has so far included removal of decking to access pile caps and the beginning of the installation of three hundred and thirty-one (331) linear feet of pile caps. Pile driving is expected to start the week of November 16, 2020, and the project is scheduled to be completed by December 20, 2020.

SQMS Status:

Mr. Davis said the consultants on the project, Safety Management Systems LLC, report that Phase 2 and Phase 3 of the SQMS GUIDE implementation tasks have been delayed. Phase 2 of the project pertains to the Vessel Operations Manual (VOM), and comments from the marine operations department have been received and responded to by SMSLLC. Phase 3 of the project pertains to the Terminal and Facilities Operation Manual (TFOM); comments have been furnished to SMSLLC but not yet finalized and additional input may be required.

Mr. Davis said the VOM is expected to be completed during the current week, provided all feedback has been addressed. SMSLLC personnel will coordinate with the Authority to provide training; due to COVID-19 restrictions, a combination of on-site and Zoom training sessions is likely.

Proposed 2021 Reservation Timeline:

Mr. Davis presented the proposed 2021 reservation timeline and noted that the Authority was planning to split the internet general opening up by island so as to manage demand.

The timeline is as follows:

- Headstart (mail and internet only): Jan. 5-11, 2021
- General opening (internet only) Nantucket: Jan. 12-18, 2021
- General opening (internet only) Martha's Vineyard: Jan. 19-25, 2021
- Telephone opening: Jan. 26, 2021
- Headstart transfer deadline date: May 15, 2021 or thirty (30) days prior to travel
- Fall opening: June 14, 2021
- Winter opening: October 18, 2021

During both internet general opening periods, reservation office hours will be extended to provide support to the Authority's internet/web customers. Office hours during this time will be from 5:00 a.m. - 6:00 p.m.

Ms. Wilson asked if this represented an expanded time frame, and Mr. Davis said it was essentially the same as what had occurred in recent years. He added that, at the Board's December 2020 meeting, a report would be presented detailing the measures being taken to avoid a repeat of the January 2020 internet opening issues.

Proposed Licensed Carrier Agreements With
Seastreak LLC and Freedom Cruise Line:

Mr. Kenneally presented requests from Seastreak LLC and Freedom Cruise Line Inc. to renew their respective licenses for a term of one (1) year. Both renewal terms were shortened from the traditional three-year terms due to continued uncertainties in light of COVID-19, he said.

Freedom has asked that its license agreement be renewed for another year on the same terms and conditions as its current license agreement, pursuant to which it has operated one daily round trip commencing on the Friday before Memorial Day through the last Friday in June, then three daily round trips through Labor Day, and then again one daily round trip through Columbus Day.

Seastreak has asked for a renewal of its license agreement for service from New Bedford to Martha's Vineyard and Nantucket, but has proposed a revised service schedule for both routes as follows:

- During the winter (late-October through mid-May) and shoulder seasons (mid-May through mid-June and Labor Day through Columbus Day), its ferry from New Bedford to Nantucket would stop at Oak Bluffs or Vineyard Haven (depending on the terminal's accessibility) to drop off and pick up passengers and on its return trip it would also stop at Oak Bluffs or Vineyard Haven (depending on the terminal's accessibility) to pick up and drop off passengers.
- Seastreak also has asked that it be allowed to operate a "Commodore Class vessel," which has a larger passenger capacity, in lieu of a "Seastreak Class vessel" based upon customer demand and availability, which will enable Seastreak to provide service for more passengers on its routes without increasing the number of ferries it has to operate on those routes.

Mr. Kenneally said the Authority advertised and held two (2) public hearings via Zoom on November 3, 2020, and November 10, 2020; no public comments were received either in response to the advertisements or at the public hearings.

Mr. Davis noted the Port Council had recommended approving the license amendment at its November 10, 2020, meeting.

Ms. Wilson asked about Paragraph 8 in the respective license agreements, titled "Recognition of the Authority's Statutory Responsibilities," and requested examples of when such responsibilities would come into play. Mr. Kenneally said that responsibility would allow the Authority to examine the market and judge whether certain runs or service levels would be viable or not.

Mr. Ranney noted that Seastreak referred to the Nantucket Christmas Stroll in its proposal and said the event was not happening this year due to COVID-19; Mr. Kenneally said Seastreak representatives were informed of that and decided to keep its extra service for the weekend. Mr. Ranney noted that Seastreak was trying to develop the market for weekend service to the islands over the winter; Ms. Tierney also said she had a conversation with company President Jim Barker, who said he was trying to maintain employment for his employees in light of severely reduced service demand in the New York metropolitan area.

Mr. Malkin said, in light of discussions about the effect of reduced passenger revenue on the Authority’s finances, what effect, if any, the expansion of Seastreak’s service might have on the Authority’s revenue. Mr. Davis said he thought the timeframe of Seastreak’s request would make it difficult to support the service, but regardless the *M/V Iyanough* does not run at that time and the Authority will realize license fee revenue so he did not believe it would have a negative effect on the Authority’s passenger revenue.

IT WAS VOTED – upon a motion by Ms. Tierney, seconded by Ms. Wilson – to authorize the general manager to enter into new license agreements with Freedom Cruise Line Inc. and Seastreak LLC as proposed in Staff Summary #L-505, dated November 13, 2020.

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

Proposed 2021 Operating Budget:

Mr. Rozum then reviewed a PowerPoint presentation with the Members on the proposed 2021 Operating Budget, the highlights of which are as follows:

- Assumes 90% passenger traffic, 100% vehicle traffic of a “normal” year.
- Net loss from operations is \$1,377,602.
- Largest operating expense changes from 2020 are in depreciation (up approximately \$1,100,000), general expense (up \$660,000) and operation of vessels (down \$648,000).
- Dry dock costs of approximately \$4,800,000.
- Dolphin and dock repairs of \$2,400,000.

Mr. Rozum shared a graph showing the average revenue per trip for 2020 and noted that the lowest-revenue months were in January through April and October through December, so if there was a reduction in service levels it would come during the low-revenue months and not the peak summer season.

Mr. Rozum noted the Authority had considered several expense cuts, including changes to marine and terminal operations and reduction in departmental budgets, but it was determined such reductions would result in service levels that were too low to support demand. Should automobile traffic decrease significantly in 2021, Mr. Rozum said the Authority would implement week-by-week schedule modifications, personnel furloughs and/or layoffs, and spending freezes as it had in 2020.

Mr. Rozum reviewed the operating costs of the *M/V Katama* to the *M/V Island Home* in response to a query about using smaller vessels to save money. Mr. Rozum said that, while the bigger vessel was more expensive to run per week, its greater capacity for both vehicles and passengers offset the savings achieved by switching to a smaller vessel.

Ms. Wilson asked if there were any other expense cuts Mr. Rozum was considering if needed, and Mr. Rozum said as the operating schedule is driven by vehicle demand, the Authority would scale its schedule accordingly should demand decline.

Mr. Malkin said he had been talking with Messrs. Davis and Rozum about switching to smaller boats and had come to the conclusion that, to satisfy current reservations and traffic projections, the *M/V Island Home* is more efficient to run than the *M/V Katama* or similar vessel. Given that, in addition to the differences in passenger capacities between the two vessels, the current operating schedule seems to be the most cost-beneficial.

Mr. Malkin also noted Mr. Davis and the staff were able to cut \$4,500,000 in wages and associated costs by cutting back as they did in early 2020. Unfortunately, there was no way short of cutting back on service levels to make the budget balance for 2021 given the travel projections, he said.

Mr. Ranney said no one likes these kinds of discussions, but sometimes fare increases are unavoidable as the Authority has to provide the service it does and has costs associated with that service. He said he did not see another way around it.

Mr. Jones said the situation calls for another discussion at a later date about how the Authority will handle the construction of its next vessel and that a boat even larger than the *M/V Island Home* may be in order given increasing traffic demands.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Mr. Jones – to adopt the 2021 Operating Budget as proposed in Staff Summary #A-655, dated November 13, 2020.

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

Proposed 2021 Rate Adjustments:

Mr. Rozum shared a PowerPoint presentation on the proposed 2021 Rate Adjustments, the highlights of which are as follows:

- The total additional revenue expected to be raised is \$8,700,000, with \$5,400,000 coming from the Vineyard route and \$3,300,000 coming from the Nantucket route.
- All vehicle fares, including over 20-foot vehicles, will be adjusted approximately seven percent (7%) except for the standard-fare rates on Fridays, Saturdays, and Sundays during the summer schedule on the Vineyard route.
- Excursion fares would be increased \$2.50 to \$3.50 per segment on the Vineyard route and \$6.00 to \$8.00 per segment on the Nantucket route.
- Adult traditional ferry passenger tickets would be increased by \$1.00 each way on the Vineyard and Nantucket routes, with \$3.00 increases in high-speed ferry tickets and \$2.50 for same-day travel on the high-speed ferry. Corresponding increases would be made for the 5-ride, 10-ride and 46-ride passenger books accordingly.

Mr. Rozum noted the Authority held two (2) Zoom open houses on the proposed budget and rate adjustments since the Board’s last meeting. Each attracted approximately ten (10) attendees; comments received included:

- A suggestion to extend on-season peak pricing to Thursday nights to reflect three-night minimum stays at area hotels.
- A suggestion to extend the operating day to offer more trips.

- A suggestion to expand the peak pricing model to certain off-season periods, such as holiday weeks.

Mr. Rozum said the first item could be examined further, but initially it seemed \$300,000 could be generated by that move, while the second item was not certain to bring in enough revenue to offset the additional costs. The third item was examined and the additional revenue was forecast at approximately \$100,000.

Ms. Wilson asked about prior discussions about doing incremental yearly increases instead of larger, less frequent ones, and Mr. Davis said those talks continue, but this year showed the virtue of more targeted increases as passenger revenues were subsidizing automobile revenues, and when passenger demand declined there were issues with covering fixed costs such as vessel maintenance even when the boat was booked full with vehicles. Mr. Malkin said the situation spoke to being careful with capital projects and change orders going forward.

Via Zoom chat, Christina Colorusso asked if the Authority would consider an excursion type of 10-pack excursion passenger tickets where multiple family members may use the same pass. Mr. Rozum said the Authority had two (2) types of commuter cards right now, one is exempt from the embarkation fee and one is not; he said capability to share such cards between multiple devices would be part of the next phase of the eFerry ticketing. Mr. Davis added there were already multiple-ride vehicle coupon books that could be linked to a single account.

Via Zoom chat, Mr. Houghton asked “If prices are changing because of Covid (sic) losses, could prices be reduced to what they were once those losses are made up?” Mr. Davis said any losses this year would not carry over into 2021; if traffic surpassed expectations next year, some maintenance projects may be accelerated into 2021 to lessen the burden of future budgets.

IT WAS VOTED – upon a motion by Mr. Jones, seconded by Mr. Ranney – to adopt the 2021 rate adjustments, effective January 4, 2021, as proposed in Staff Summary #A-656, dated November 13, 2020.

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

Authorization to Purchase Three (3) Electric Shuttle Buses:

Mr. Davis said staff were still in the process of finalizing the pricing on this matter, and would bring it to the Board at its next meeting.

Change Order No. 55 for Contract 16-2017,
Woods Hole Ferry Terminal Reconstruction – Waterside:

Mr. Davis said the proposed change order concerns the changed design of the bulkhead off the western edge of Cahoon Park (the “north bulkhead”), which is necessary because, during the second phase of the marine construction project, marine contractor Jay Cashman Inc. could not drive new sheet piles through underwater obstructions for the new bulkhead.

Mr. Davis said during the project’s design phase, it was learned that a stone anti-scour pad that was expected to be twelve (12) to eighteen (18) inches thick lay beneath the terminal’s three (3) former slips. Further boring investigations in the area of the terminal’s former Slip No. 3 revealed large granite boulders, which filled a hole ten (10) feet deep in the slip.

After discovering the boulders, several design alternatives were reviewed in order to complete the new bulkhead across the terminal’s former Slip No. 3 and the north bulkhead to the terminal’s property line. The least expensive alternative is the design recommended within Cashman’s change proposal, Mr. Davis said. The intent is to hang new sheet piles off the existing structures of the north bulkhead, and support the toe of the sheets underwater with channel whales tied back to piles that support its existing concrete structure. At the northern end of the bulkhead, the new sheet piles will be affixed to the old bulkhead sheets in order to complete the installation.

Mr. Davis said project engineers from GZA GeoEnvironmental Inc. have determined that this proposed design is safe and meets sound and acceptable

engineering principles because Cahoon Park will not endure any vehicle loads in its intended use in the future.

Ms. Wilson asked about other alternatives being considered; Mr. Cloutier said the first option was a soldier pile wall, which would prove costly because it would still require drilling through stone; another option was to do a similar structure to what was proposed but to fill it with more stone, which also was a greater expense. He said the structure did not need to be as robust as other areas because of the lack of vehicle traffic in that area.

Ms. Wilson asked if an area could be added where skiffs could dock at the park; Mr. Davis said that was considered as part of the Authority's Chapter 91 application to the state Department of Environmental Protection, but there were operational concerns and it was not included.

Mr. Malkin asked for additional guidance on future change orders regarding the project at the Board's next meeting.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Mr. Jones – to authorize the general manager to execute Change Order No. 55 for Contract No. 16-2017, Woods Hole Ferry Terminal Reconstruction – Waterside, with Jay Cashman Inc., for a total cost of \$286,389.36, as proposed in Staff Summary #GM-751, dated November 13, 2020.

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

General Manager Annual Review and Timeline:

Mr. Kenneally said he had forwarded the evaluation forms for Mr. Davis to the Port Council and Board earlier this month and reminded the Members that the review period was from July 1, 2019, through June 30, 2020, which coincides with the anniversary date of Mr. Davis' employment contract. Mr. Kenneally noted Mr. Davis' goals for that period, which were developed prior to the onset of

COVID-19, had been provided as well and that Mr. Davis would prepare an update as to the status of each goal. Mr. Kenneally said the forms had been converted to fillable PDF forms to make it easier for the Members to fill out electronically, and asked that the forms be returned by December 15, 2020.

Ms. Tierney asked if there had not been discussion about changing the forms used for this process; Mr. Kenneally said there had, but that the matter was delayed by the COVID situation and was not addressed. He and Ms. Kennefick intend to propose changes to the process, but it has not been accomplished yet.

The Members then discussed whether it was more appropriate to judge Mr. Davis through the end of the year rather than stopping at June 30; Mr. Kenneally said each Member could choose to handle that as they wished.

Items Not Anticipated by the Chairman:

Mr. Jones noted that his Zoom was having technical issues at the beginning of the meeting so he missed his opportunity to praise Messrs. Balco and Huss for their contributions to the Port Council, which he then reviewed.

Mr. Malkin noted that he had written letters to the editor for both island newspapers asking people to apply for the vacant Port Council positions.

Public Comment:

Mr. Malkin noted that Mr. Houghton had earlier asked via the Zoom chat when the rate adjustments would go into effect; Mr. Davis said January 4, 2021. Mr. Malkin then asked for further public comment, but none was offered.

At 12:06 p.m., Mr. Malkin entertained a motion to adjourn the meeting in public session.

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

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

A TRUE RECORD

MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
November 17, 2020 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. November 17, 2020 Meeting Agenda, posted November 13, 2020.
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Minutes of the Board's July 28, 2020, meeting in public session (draft).
5. Minutes of the Board's August 18, 2020, meeting in public session (draft).
6. Minutes of the Board's September 22, 2020, meeting in public session (draft).
7. Minutes of the Board's October 20, 2020, meeting in public session (undated draft).
8. Business Summary for the month of September 2020.
9. PowerPoint presentation, Woods Hole Terminal Reconstruction Project update, dated November 17, 2020.
10. PowerPoint presentation, M/V Eagle Dry Dock Thames Shipyard, undated.
11. PowerPoint presentation, Oak Bluffs Terminal, undated.
12. Staff Summary #RCR-2020-01, Proposed 2021 Reservations Opening Dates, dated October 27, 2020.
13. Staff Summary #L-505, Renewals of License Agreements with Freedom Cruise Line and Seastreak LLC, dated November 13, 2020.
14. PowerPoint presentation, 2021 Proposed Operating Budget and 2021 Proposed Rate Adjustment.
15. Staff Summary #A-655, Proposed 2021 Operating Budget, dated November 13, 2020.
16. Staff Summary #A-656, Proposed 2021 Rate Adjustments, dated November 13, 2020.
17. Staff Summary #GM-751, Woods Hole Terminal Reconstruction Change Proposal No. 55, Contract No. 16-2017, dated November 13, 2020.