



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

Our mission is to operate a safe, effective, and reliable transportation system for the islands of Martha's Vineyard and Nantucket with a commitment to sustainability, accessibility, our port communities, and public engagement.

Posted May 14, 2021 8:35 AM

STEAMSHIP AUTHORITY

Tuesday, May 18, 2021 – 9:30 AM

**First Floor Meeting Room
SSA Administrative Offices
228 Palmer Avenue
Falmouth, MA 02540**

NOTE: Due to ongoing concerns regarding COVID-19, the Steamship Authority meeting room will be CLOSED TO THE PUBLIC during this session. The public may participate in the meeting, including Public Comment, by going to zoom.us and using meeting ID 874 1700 9198. Participants can also use the same meeting ID and join telephonically by calling one of the following numbers: 669-900-6833, 346-248-7799, 929-436-2866, 253-215-8782, 301-715-8592, or 312-626-6799.

AGENDA

- 1) **Minutes** - Approval of the Minutes of the April 20, 2021 Meeting in Public Session
- 2) **Port Council Report on their May 5, 2021 Meeting**
- 3) **General Manager's Report**
 - a) COVID-19
 - b) Results of Operations – Business Summary for the Month of March 2021
 - c) Updates on Current Projects
 - i) Woods Hole Terminal Reconstruction Project (Marine and Landside)
 - ii) M/V Governor Dry Dock Status
 - iii) SQMS Status
 - iv) Website Update/Redesign
- 4) **Treasurer/Comptroller's Report**
 - a) Analysis of Rates Versus Cost of Service for 2020

b) Proposed Draft of the 2022 Budget Policy Summary

5) Procurement

a) Request for Authorization to Award Contract No. 11-2021, “Dry-dock and Overhaul Services for the M/V Martha’s Vineyard”

b) Request for Authorization to Execute Change Order No. 151 for Contract No. 16-2017, “Woods Hole Ferry Terminal Reconstruction – Waterside” with Jay Cashman, Inc.

6) Old/New Business

7) Items Not Reasonably Anticipated by the Chair

8) Public Comment

MEETING IN EXECUTIVE SESSION TO FOLLOW (See Next Page)

**STEAMSHIP AUTHORITY
Tuesday, May 18, 2021 – 9:30 AM**

**First Floor Meeting Room
SSA Administrative Offices
228 Palmer Avenue
Falmouth, MA 02540**

EXECUTIVE SESSION MEETING AGENDA

- 1) **Minutes** – Approval of the Minutes of the April 20, 2021 Meeting in Executive Session.
- 2) **Litigation** – 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.
- 3) **Collective Bargaining Matters** – Anticipated Negotiations with the Unions (Teamsters Union Local 59, SEIU Local 888 and MEBA) and All the Authority's Non-Represented Employees Regarding the Potential Benefits for Employees due to the COVID-19 virus pandemic.

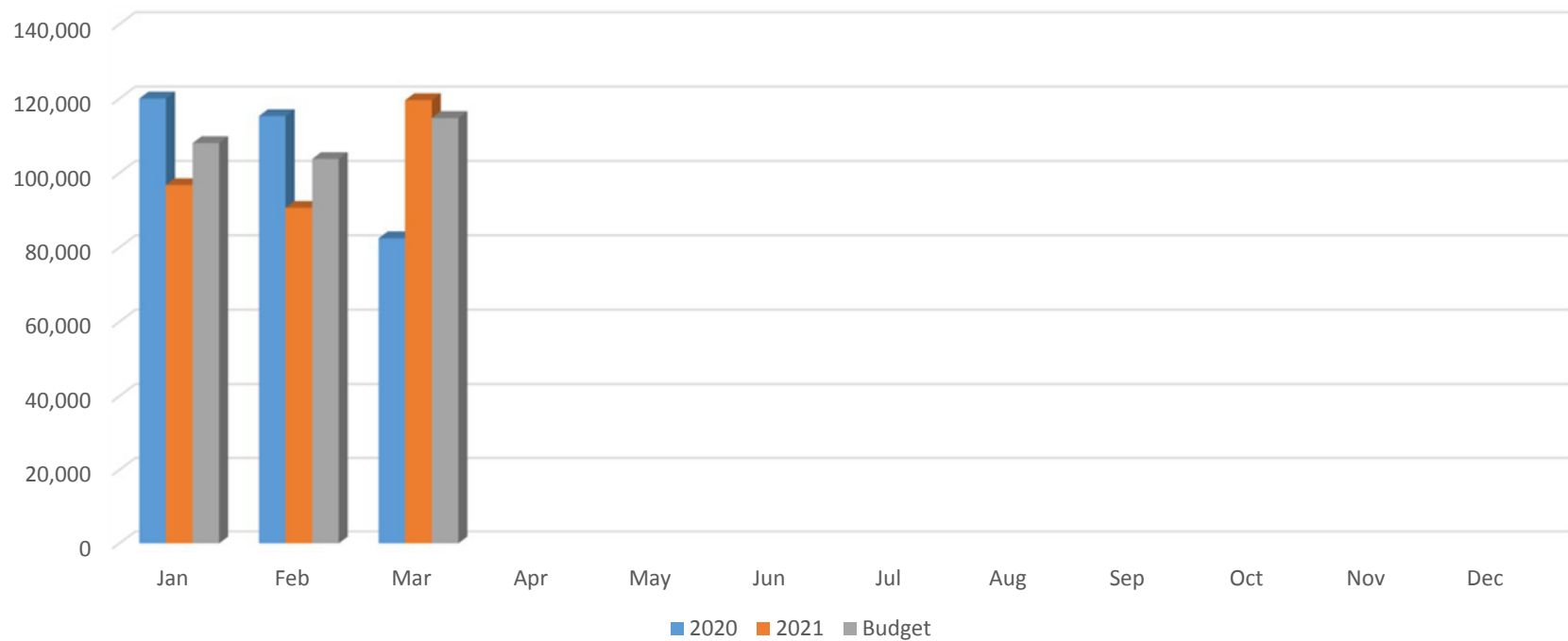
Business Summary – March 2021

Board Meeting 05-18-2021

Passengers Carried – March 2021 vs. 2019

		Monthly Variance vs. 2019	Monthly % Difference vs. 2019			Y-T-D Variance vs. 2020/2019	Y-T-D % Difference vs. 2020/2019
Martha's Vineyard Route	↓	- 8,490	- 7.5%		↓	- 54,987	- 17.0%
Nantucket Regular Ferry	↑	545	3.8%		↓	- 175	- 0.5%
Nantucket Fast Ferry		0	0.0%		↓	- 750	- 52.7%
Nantucket Route Subtotal	↑	545	3.8%		↓	- 925	- 2.3%
Total Passengers	↓	- 7,945	- 6.2%		↓	- 55,912	- 15.4%

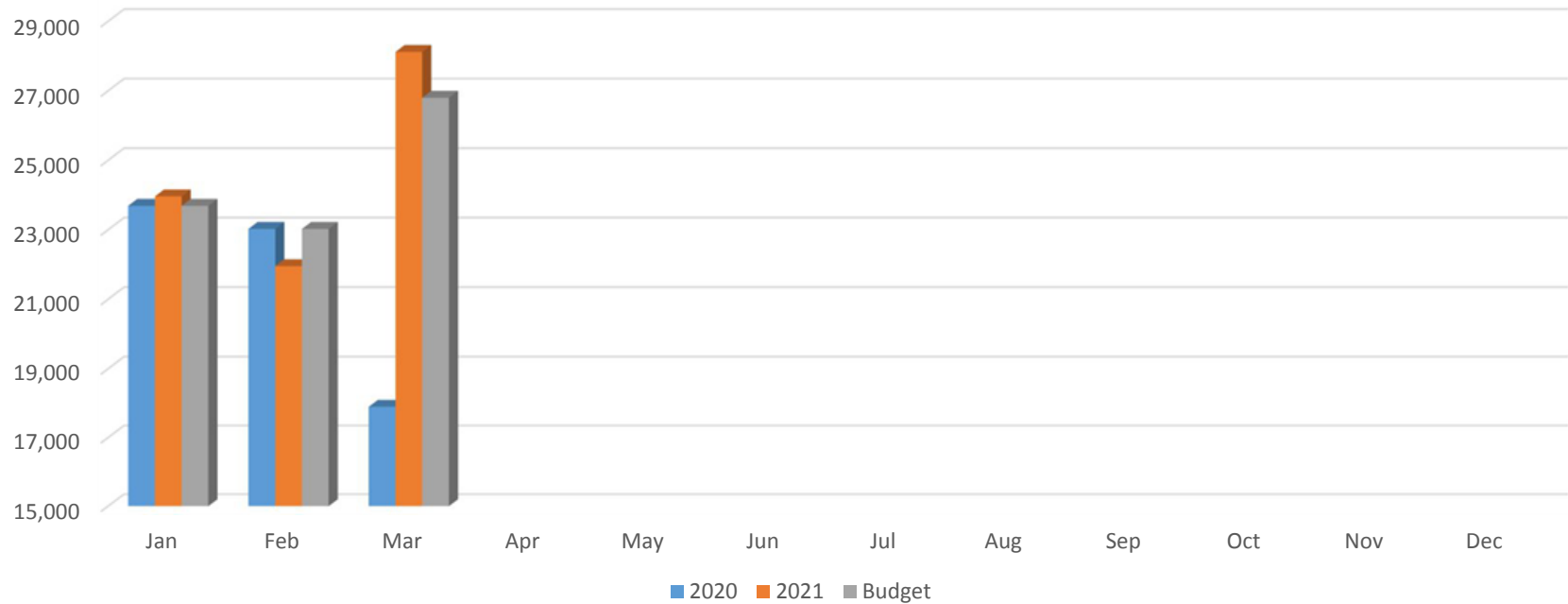
Passengers Carried 2020 - 2021



Automobiles Carried – March 2021 vs. 2019

		Monthly Variance vs. 2019	Monthly % Difference vs. 2019			Y-T-D Variance vs. 2020/2019	Y-T-D % Difference vs. 2020/2019
Martha's Vineyard Route							
Standard Fare	↑	2,953	29.9%	↑		6,625	25.5%
Excursion Fare	↓	- 2,113	- 15.3%	↓		- 7,325	- 18.6%
Total – Martha's Vineyard	↑	840	3.5%	↓		- 703	- 1.1%
Nantucket Route							
Standard Fare	↑	708	60.2%	↑		1,709	60.6%
Excursion Fare	↓	- 227	- 11.9%	↓		- 486	- 8.9%
Total - Nantucket	↑	481	15.6%	↑		1,223	14.8%
Total Automobiles	↑	1,321	4.9%	↓		520	0.7%

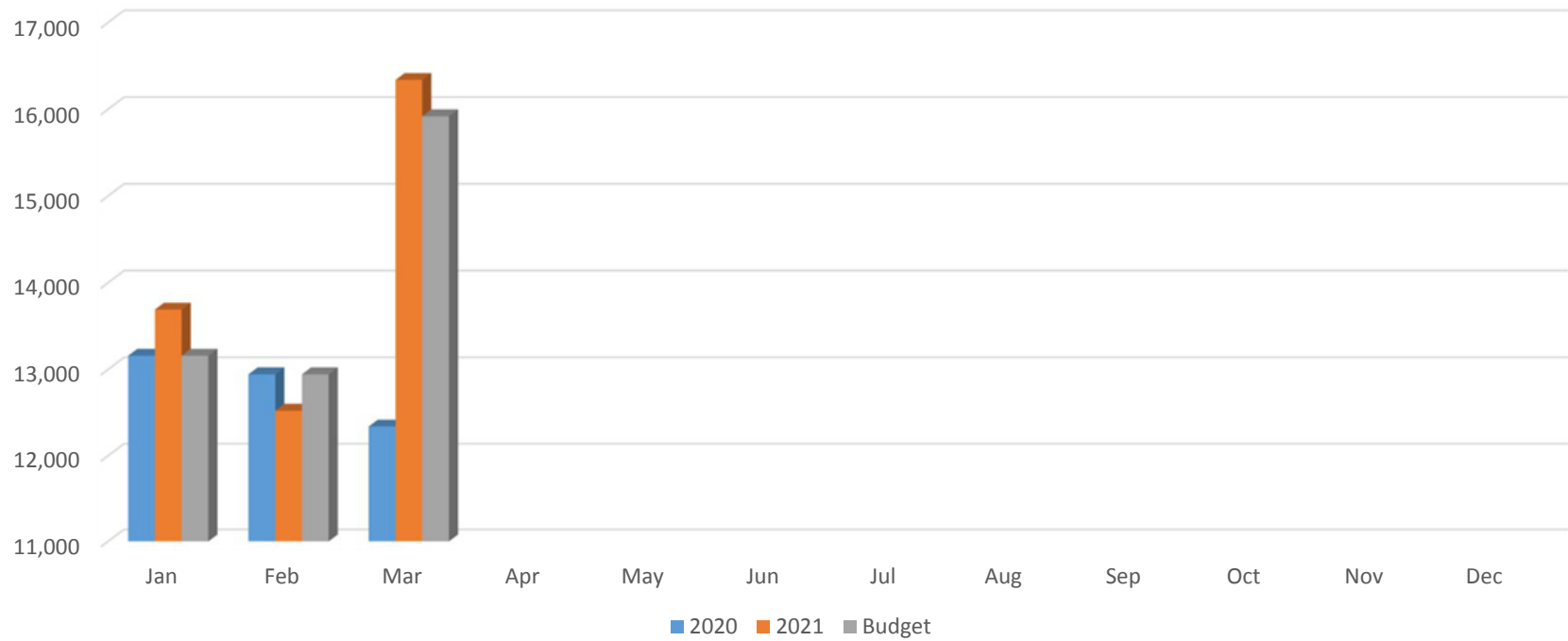
Automobiles Carried 2020 - 2021



Trucks Carried – March 2021 vs. 2019

		Monthly Variance vs. 2019	Monthly % Difference vs. 2019			Y-T-D Variance vs. 2020/2019	Y-T-D % Difference vs. 2020/2019
Martha's Vineyard Route							
Standard Fare	↑	162	4.1%		↑	565	7.4%
Excursion Fare	↓	- 73	- 2.0%		↓	- 693	- 7.6%
20 Feet & Over	↑	438	10.9%		↑	583	5.4%
Total – Martha's Vineyard	↑	527	4.5%		↑	544	1.8%
Nantucket Route							
Standard Fare	↓	- 31	- 3.5%		↓	- 15	- 0.7%
Excursion Fare	↓	- 55	- 6.5%		↓	- 71	- 5.1%
20 Feet & Over	↓	- 22	- 0.9%		↓	- 141	- 3.0%
Total - Nantucket	↓	- 108	- 2.5%		↑	- 13	- 0.1%
Total Trucks	↑	419	2.6%		↑	531	1.3%

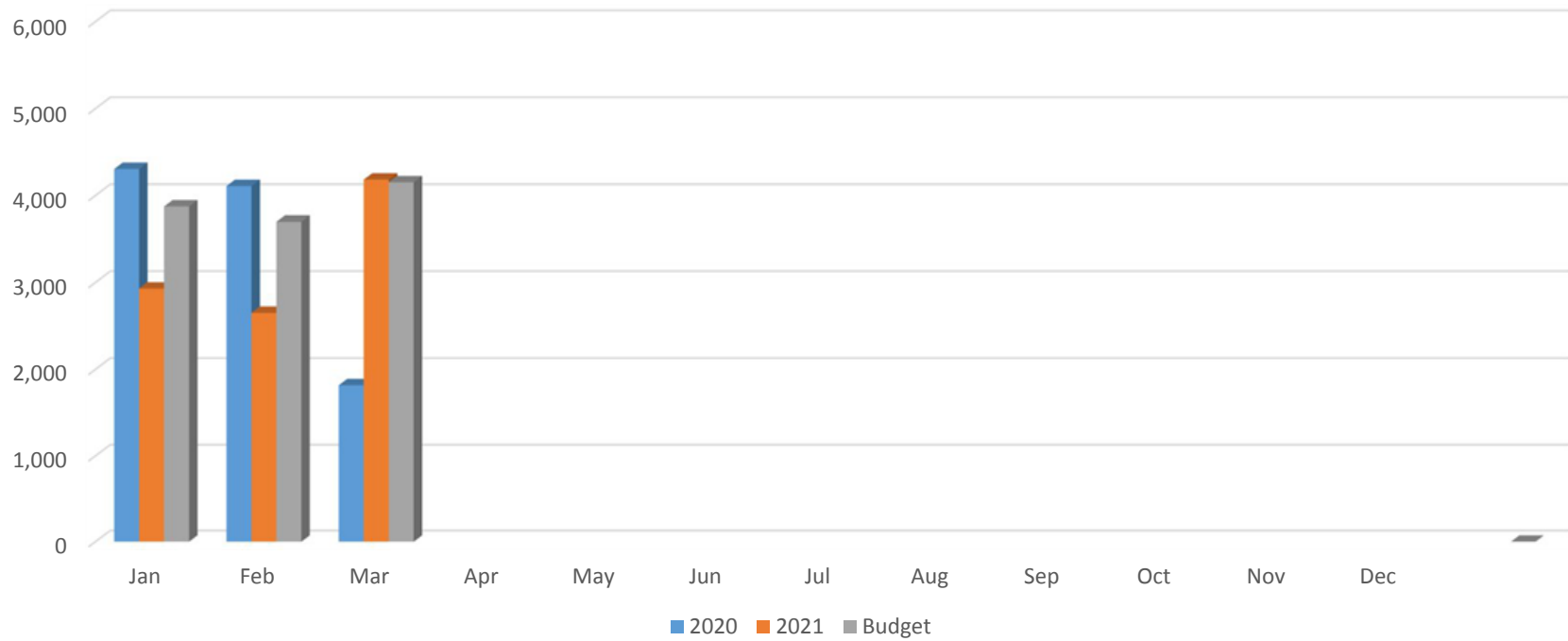
Trucks Carried 2020 - 2021



Cars Parked– March 2021 vs. 2019

		Monthly Variance vs. 2019	Monthly % Difference vs. 2019			Y-T-D Variance vs. 2020/2019	Y-T-D % Difference vs. 2020/2019
Martha's Vineyard Route	↓	-396	- 9.8%		↓	- 3,017	- 26.1%
Nantucket Route	↓	-34	- 6.1%		↓	- 247	- 17.0%
Total Cars Parked	↓	-430	- 9.3%		↓	- 3,264	- 25.1%

Cars Parked 2020 - 2021



Trip Summary Report

		Cancelled for				
MV Route	Scheduled	Mechanical	Weather	Traffic	Unscheduled	Total
March	1,248	- 15	- 38	- 130	2	1,067
YTD	2,366	- 26	- 66	- 351	7	3,178
NT Route	Scheduled	Mechanical	Weather	Traffic	Unscheduled	Total
March	342	0	- 18	- 4	14	334
YTD	1,002	- 2	- 50	- 26	32	956
Total	Scheduled	Mechanical	Weather	Traffic	Unscheduled	Total
March	1,590	- 15	- 56	- 134	16	1,401
YTD	4,610	- 28	- 116	- 377	39	4,134

Financial Snapshot



March

- Operating Revenue of **\$5,795,300** was **higher** than budget by **\$533,762**
- Other Income of **\$182,541** was **higher** than budget by **\$32,600**
- Operating Expenses of **\$9,346,225** was **higher** than budget by **\$297,714**
- Income Deductions of **\$328,818** was **higher** than budget by **\$447**
- Net Operating Loss of **\$3,691,602** was **lower** than budget by **\$268,201**

January – March

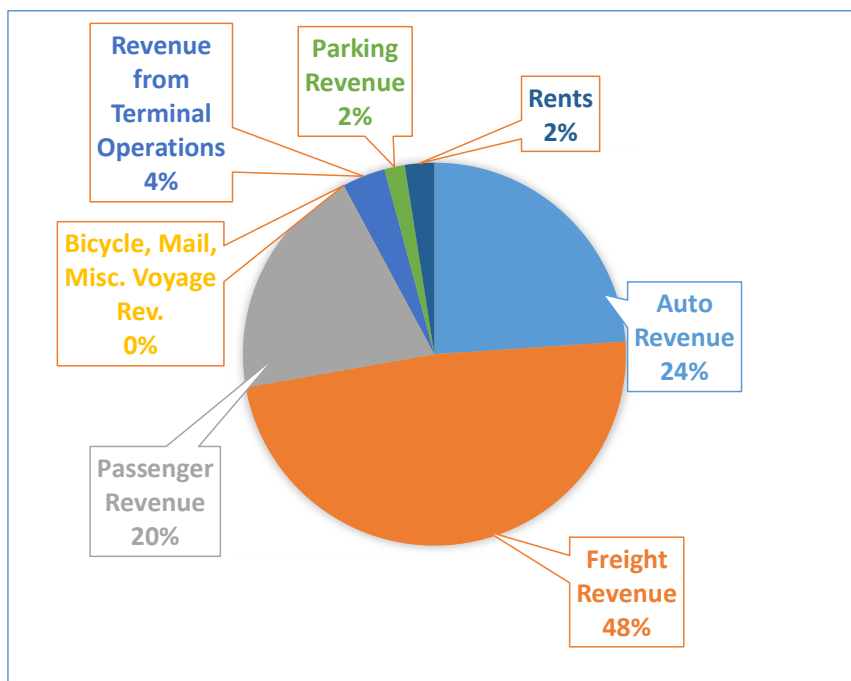
- Operating Revenue of **\$14,770,969** was **higher** than budget by **\$484,441**
- Other Income of **\$607,677** was **higher** than budget by **\$103,804**
- Operating Expenses of **\$25,536,689** was **lower** than budget by **\$1,118,688**
- Income Deductions of **\$1,012,086** was **higher** than budget by **\$2,944**
- Net Operating Loss of **\$11,170,129** was **lower** than budget by **\$1,773,989**

Operating Revenues – March 2021 vs. Budget

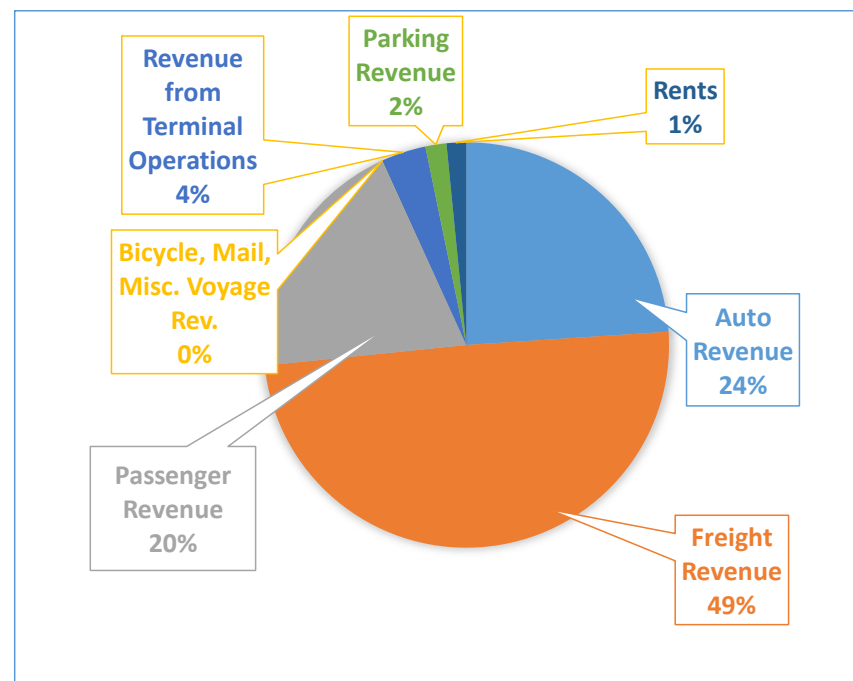
		Monthly Variance vs. Budget	Monthly % Difference vs. Budget		Y-T-D Variance vs. Budget	Y-T-D % Difference vs. Budget
Waterline Revenues						
Automobile Revenue	↑	\$ 168,688	13.8%	↑	\$ 302,516	9.3%
Freight Revenue	↑	289,844	11.6%	↑	552,559	8.2%
Passenger Revenue	↑	8,833	0.8%	↓	- 233,160	- 7.4%
Misc. Voyage Revenue	↓	- 26,133	- 93.4%	↓	- 73,190	- 96.0%
Term. Oper. Revenue	↑	9,227	4.6%	↓	- 106,671	- 16.8%
Parking Revenue	↑	5,609	5.9%	↓	- 22,261	- 8.3%
Rent Revenue	↑	77,694	117.6%	↑	64,648	38.8%
Total Operating Revenue	↑	\$ 533,762	10.1%	↑	\$ 484,441	3.4%
Total Other Income	↑	\$ 32,600	21.7%	↑	\$ 103,804	20.6%
Total Operating & Other	↑	\$ 566,362	10.5%	↑	\$ 588,245	4.0%

Operating Revenues - 2021

March



January - March

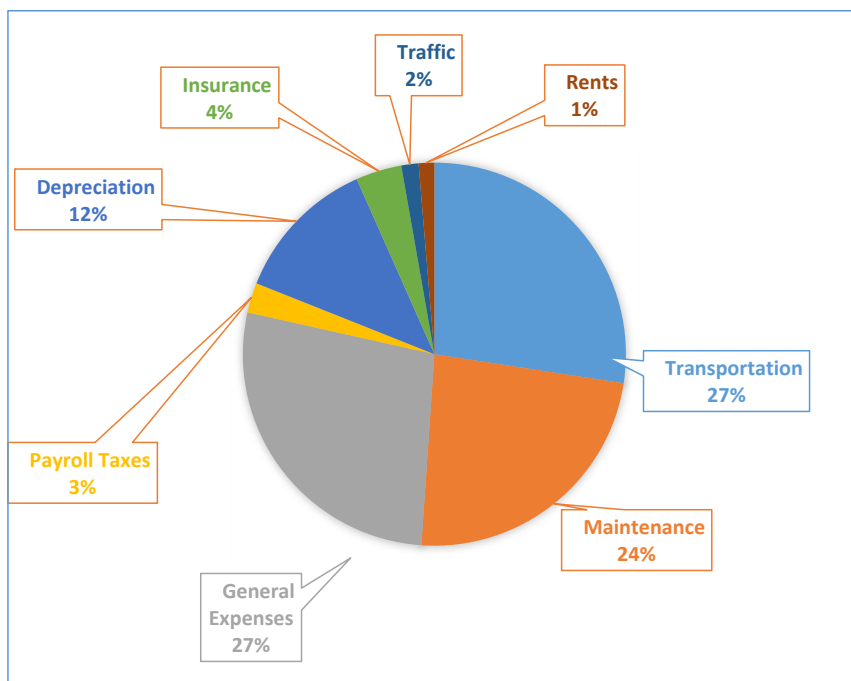


Operating Expenses – March 2021 vs. Budget

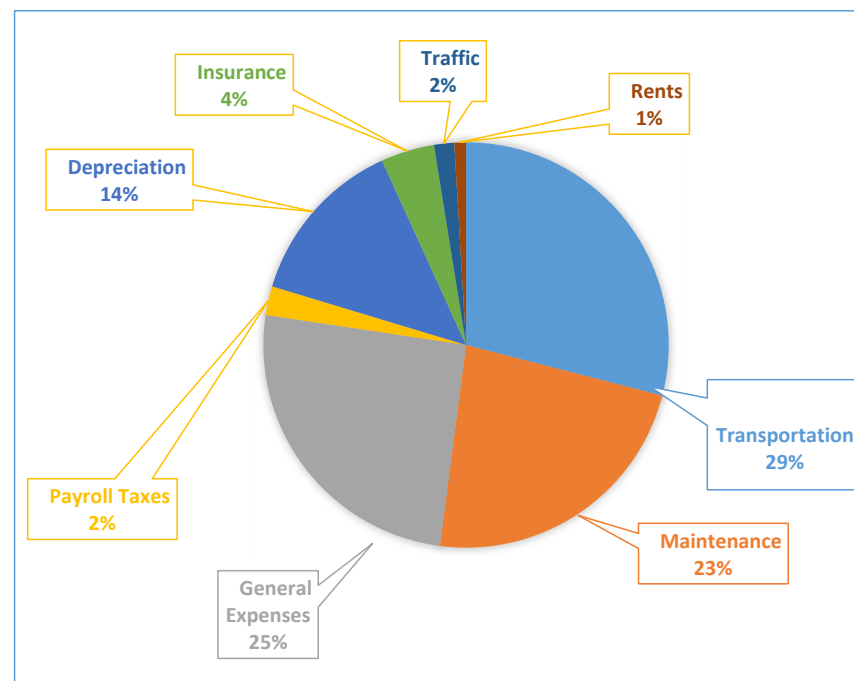
		Monthly Variance vs. Budget	Monthly % Difference vs. Budget		Y-T-D Variance vs. Budget	Y-T-D % Difference vs. Budget
Waterline Expenses						
Maintenance	↓	\$ -324,676	- 12.8%	↓	\$ - 1,635,718	- 21.8%
Depreciation	↑	8,651	0.8%	↑	25,952	0.8%
Vessel Operations	↑	244,745	16.4%	↑	384,537	8.7%
Terminal Operations	↓	- 25,010	-2.9%	↑	110,689	4.5%
Traffic Expense	↓	- 67,748	- 33.3%	↓	- 137,887	- 25.1%
General Expense	↑	422,965	19.8%	↑	102,932	1.6%
Insurance	↓	- 2,301	- 0.6%	↓	- 6,461	- 0.6%
Rents	↑	514	0.4%	↑	4,060	1.7%
Payroll Taxes	↑	40,574	20.7%	↓	- 36,790	- 5.9%
Total Operating Expenses	↑	\$ 297,714	3.3%	↓	\$ - 1,188,688	- 4.4%
Total Other Expenses	↑	\$ 447	0.1%	↑	\$ 2,944	0.3%
Total Operating & Other	↑	\$ 298,161	3.2%	↓	\$ - 1,185,744	- 4.3%

Operating Expenses - 2021

March



January – March



Business Summary for the Month of March, 2021**Part I - Traffic Statistics**

	Month of March 2020	Month of March 2021	DIFF	%DIFF	YTD through March 2020	YTD through March 2021	DIFF	%DIFF
Number of Passengers Carried								
Martha's Vineyard	72,974	104,589	31,615	43.3%	283,082	268,200	(14,882)	-5.3%
Nantucket								
Regular	9,447	14,988	5,541	58.7%	33,250	38,071	4,821	14.5%
Fast Ferry	0	0	0	0.0%	1,423	673	(750)	-52.7%
Subtotal - Nantucket	9,447	14,988	5,541	58.7%	34,673	38,744	4,071	11.7%
Total	82,421	119,577	37,156	45.1%	317,755	306,944	(10,811)	-3.4%
Number of Automobiles Carried								
Martha's Vineyard								
Regular	7,403	12,840	5,437	73.4%	23,373	32,482	9,109	39.0%
Excursion	8,279	11,716	3,437	41.5%	33,816	32,038	(1,778)	-5.3%
Subtotal - M. Vineyard	15,682	24,556	8,874	56.6%	57,189	64,520	7,331	12.8%
Nantucket								
Regular	1,072	1,884	812	75.7%	2,716	4,529	1,813	66.8%
Excursion	1,143	1,678	535	46.8%	4,706	4,982	276	5.9%
Subtotal - Nantucket	2,215	3,562	1,347	60.8%	7,422	9,511	2,089	28.1%
Total	17,897	28,118	10,221	57.1%	64,611	74,031	9,420	14.6%
Number of Trucks Carried								
Martha's Vineyard								
Less than 20' - Regular	2,964	4,085	1,121	37.8%	8,819	10,505	1,686	19.1%
Less than 20' - Excursion	2,459	3,582	1,123	45.7%	8,916	9,346	430	4.8%
20' and over	3,450	4,467	1,017	29.5%	10,222	11,384	1,162	11.4%
sub-total - M. Vineyard	8,873	12,134	3,261	36.8%	27,957	31,235	3,278	11.7%
Nantucket								
Less than 20' - Regular	626	856	230	36.7%	1,967	2,213	246	12.5%
Less than 20' - Excursion	587	789	202	34.4%	2,216	2,347	131	5.9%
20' and over	2,255	2,558	303	13.4%	6,303	6,756	453	7.2%
sub-total - Nantucket	3,468	4,203	735	21.2%	10,486	11,316	830	7.9%
Total	12,341	16,337	3,996	32.4%	38,443	42,551	4,108	10.7%

Business Summary for the Month of March, 2021**Part I - Traffic Statistics**

	Month of March 2020	Month of March 2021	DIFF	%DIFF	YTD through March 2020	YTD through March 2021	DIFF	%DIFF
Number of Cars Parked								
Woods Hole, Falmouth and Cataumet	2,615	3,658	1,043	39.9%	10,133	8,555	(1,578)	-15.6%
Hyannis, Nantucket	314	526	212	67.5%	1,210	1,209	(1)	-0.1%
Total	2,929	4,184	1,255	42.8%	11,343	9,764	(1,579)	-13.9%
Average Length of Stay - Cars Parked (Days)								
Woods Hole, Falmouth and Cataumet	1.70	1.71	0.01	0.6%	1.74	1.74	0.00	0.0%
Hyannis, Nantucket	2.73	3.03	0.30	11.0%	2.85	3.11	0.26	9.1%
Total	1.89	1.88	(0.01)	-0.5%	1.85	1.91	0.06	3.2%
Average Revenue per Passenger *								
Martha's Vineyard	\$ 6.94	\$ 7.94	\$ 1.00	14.4%	\$ 6.82	\$ 7.85	\$ 1.03	15.1%
Nantucket	17.44	18.25	0.81	4.6%	17.76	18.44	0.68	3.8%
Total	\$ 8.14	\$ 9.23	\$ 1.09	13.4%	\$ 8.02	\$ 9.19	\$ 1.17	14.6%
Average Revenue per Automobile								
Martha's Vineyard	\$ 35.75	\$ 40.10	\$ 4.35	12.2%	\$ 32.96	\$ 39.10	\$ 6.14	18.6%
Nantucket	100.24	112.22	11.98	12.0%	86.41	105.81	19.40	22.5%
Total	\$ 43.73	\$ 49.24	\$ 5.51	12.6%	\$ 39.10	\$ 47.67	\$ 8.57	21.9%
Average Revenue per Truck								
Martha's Vineyard	\$ 111.52	\$ 115.07	\$ 3.55	3.2%	\$ 104.42	\$ 115.50	\$ 11.08	10.6%
Nantucket	320.99	333.01	12.02	3.7%	300.41	326.89	26.48	8.8%
Total	\$ 170.38	\$ 171.14	\$ 0.76	0.4%	\$ 157.88	\$ 171.72	\$ 13.84	8.8%

* Excludes any town embarkation fees.

Business Summary for the Month of March, 2021**Part IIa- Net Income (Loss) from Operations (Monthly)**

	March ACTUAL 2020	March ACTUAL 2021	ACTUAL 2021 vs. ACTUAL 2020	March BUDGET 2021	ACTUAL 2021 vs. BUDGET
Vs. 2021 Operating Budget					
Net Income (Loss) from Operations					
Operating Revenues	\$ 3,952,558	\$ 5,795,300	\$ 1,842,742	\$ 5,261,538	\$ 533,762
Other Income	205,665	182,541	(23,124)	149,941	32,600
Total Income	4,158,223	5,977,841	1,819,618	5,411,479	566,362
Operating Expenses	9,296,785	9,346,225	49,440	9,048,511	297,714
Fixed Charges and Other Expenses	362,190	323,218	(38,972)	322,771	447
Total Expenses	9,658,975	9,669,443	10,468	9,371,282	298,161
Net Operating Income (Loss)	\$ (5,500,752)	\$ (3,691,602)	\$ 1,809,150	\$ (3,959,803)	\$ 268,201

Operating Revenues:					
Auto Revenue	779,874	\$ 1,387,799	\$ 607,925	\$ 1,219,111	\$ 168,688
Freight Revenue	2,096,800	2,797,097	700,297	2,507,253	289,844
Passenger Revenue	700,581	1,153,526	452,945	1,144,693	8,833
Bicycle, Mail, Misc. Voyage Rev.	100,550	1,854	(98,696)	27,987	(26,133)
Revenue from Terminal Operations	150,729	211,127	60,398	201,900	9,227
Parking Revenue	85,300	100,145	14,845	94,536	5,609
Rents	38,724	143,752	105,028	66,058	77,694
Sub-Total - Operating Revenue	3,952,558	5,795,300	1,842,742	5,261,538	533,762
Other Income:					
Interest Income	10,214	2,690	(7,524)	13,000	(10,310)
Miscellaneous Income	195,451	179,851	(15,600)	136,941	42,910
Sub-Total - Other Income	205,665	182,541	(23,124)	149,941	32,600
Total Income	\$ 4,158,223	\$ 5,977,841	\$ 1,819,618	\$ 5,411,479	\$ 566,362

Part IIa- Net Income (Loss) from Operations (Monthly)

	March ACTUAL 2020	March ACTUAL 2021	ACTUAL 2021 vs. ACTUAL 2020	March BUDGET 2021	ACTUAL 2021 vs. BUDGET
Vs. 2021 Operating Budget					
Operating Expenses:					
Wages	\$ 2,892,148	\$ 2,916,409	\$ 24,261	\$ 2,902,884	\$ 13,525
Pensions Health & Welfare	1,509,054	1,789,769	280,715	1,381,050	408,719
Payroll Taxes	200,686	236,323	35,637	195,749	40,574
Depreciation	1,062,309	1,151,249	88,940	1,142,598	8,651
Vessel Fuel Oil	223,794	384,760	160,966	329,860	54,900
Insurance	346,048	362,707	16,659	365,008	(2,301)
Direct Vessel Maintenance (Excl'd. Wages)	1,951,624	1,271,591	(680,033)	1,426,495	(154,904)
Direct Terminal Maintenance (Excl'd. Wages)	87,098	41,510	(45,588)	180,850	(139,340)
Utilities	179,829	174,089	(5,740)	164,696	9,393
Other	844,195	1,017,818	173,623	959,321	58,497
Sub-Total - Operating Expenses	9,296,785	9,346,225	49,440	9,048,511	297,714
Fixed Charges and Other Expenses:					
Bond Interest & Expense	321,568	284,367	(37,201)	285,649	(1,282)
Misc. Charges or Deductions	40,622	38,851	(1,771)	37,122	1,729
Sub-Total - Other Expenses	362,190	323,218	(38,972)	322,771	447
Total Expenses	\$ 9,658,975	\$ 9,669,443	\$ 10,468	\$ 9,371,282	\$ 298,161
Net Operating Income (Loss)	\$ (5,500,752)	\$ (3,691,602)	\$ 1,809,150	\$ (3,959,803)	\$ 268,201

Budgetary Management Discussion and Analysis - March, 2021

Total operating revenues for March increased by \$533,762 or 3.4% versus the amount projected in the 2021 operating budget, for a total of \$5,795,300 in operating revenues. Passenger revenues for the month were up \$9,000 versus budget projections, which represents an increase of 0.8%. Automobile revenues were up \$169,000 or 13.8%, versus budget projections for March. Freight revenues were up \$290,000, or 11.6%, versus budget projections for the month. Parking revenues were up during March by \$6,000, or 5.9%. Concession revenues in March were down \$27,000 or 100.0%. Rent revenues from barge unloading and rental car space were up \$78,000 or 117.6% in March versus budget.

During March, the vessels made a combined 1,401 trips. This represents a decrease of 187 trips, or 11.8%, versus the originally budgeted amount for the month. On the Vineyard route, 15 trips were canceled for mechanical reasons, 38 for weather related and 130 for traffic demands while 2 unscheduled trips and 0 available trips were added. On the Nantucket route, 0 trips were canceled for mechanical reasons, 18 for weather related and 4 for traffic demands while 14 unscheduled and 2 available trips were added.

Total operating expenses for the month were up \$297,714 or 3.3% versus the amount projected in the 2021 budget for a total of \$9,346,225. Maintenance expenses for the month were down \$325,000, or 12.8%, versus budget. Repair expenses for the M/V Martha's Vineyard were up \$32,000; repairs for the M/V Woods Hole were up \$210,000; repairs on the M/V Governor were up \$300,000; the M/V Sankaty repair expenses were down \$45,000; repairs for the M/V Nantucket were down \$42,000; repair expenses for the M/V Katama were up \$11,000; repairs on the M/V Eagle were up \$27,000; repairs on the M/V Gay Head were down \$170,000; repairs for the M/V Island Home were down \$300,000; and repairs for the M/V Iyanough were down \$235,000 versus budget. Repairs to buildings and structures were down \$151,000, repairs to motor vehicles were down \$82,000 and repairs to office and terminal equipment was up \$113,000 for the month.

Vessel fuel expense of \$385,000 was up by \$55,000 or 16.6% versus budget estimates. The average actual cost per gallon for vessel fuel oil in March was \$2.028, including net hedging costs, while the budgeted cost was \$1.757 per gallon. During March, the vessels logged 18,556 miles, which were 1,628 miles lower than budget, or a decrease of 8.0%. During March, 177,000 gallons of vessel fuel were consumed. This represents a decrease of 9,000 gallons, or 4.9%, versus budget. Insurance expenses were down \$2,000 versus budget. General administrative expenses for the month were up \$423,000 or 19.8%. Legal expense was down \$7,000; pension expense was up \$122,000, health care expense was up \$127,000, disability contributions were up \$27,000, unemployment contributions were up \$133,000, training expense was down \$5,000 and credit card expense was up \$39,000.

Other income, including interest income, debt premium and license income, totaled \$182,541 and was \$32,600 higher than budget projections. Income deductions, including interest on funded debt and pension withdrawal, totaled \$323,218 and were \$447 higher than budget. The Authority's net operating loss for the month of March, including other income, income deductions and bond interest expense, was \$3,691,602 or \$268,201 lower than the budgeted net loss for the month.

Business Summary for the Year-To-Date as of March, 2021 (Continued)**Part IIb- Net Income (Loss) from Operations (Year to Date)**

	YTD - March ACTUAL 2020	YTD - March ACTUAL 2021	YTD ACTUAL 2021 vs. YTD ACTUAL 2020	YTD - March BUDGET 2021	YTD ACTUAL 2021 vs. YTD BUDGET
Vs. 2021 Operating Budget					
Net Income (Loss) from Operations					
Operating Revenues	\$ 12,319,566	\$ 14,770,969	\$ 2,451,403	\$ 14,286,528	\$ 484,441
Other Income	582,549	607,677	25,128	503,873	103,804
Total Income	12,902,115	15,378,646	2,476,531	14,790,401	588,245
Operating Expenses	28,325,021	25,536,689	(2,788,332)	26,725,377	(1,188,688)
Fixed Charges and Other Expenses	1,005,781	1,012,086	6,305	1,009,142	2,944
Total Expenses	29,330,802	26,548,775	(2,782,027)	27,734,519	(1,185,744)
Net Operating Income (Loss)	\$ (16,428,687)	\$ (11,170,129)	\$ 5,258,558	\$ (12,944,118)	\$ 1,773,989

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Operating Revenues:					
Auto Revenue	\$ 2,514,363	\$ 3,538,614	\$ 1,024,251	\$ 3,236,098	\$ 302,516
Freight Revenue	6,048,439	7,300,055	1,251,616	6,747,496	552,559
Passenger Revenue	2,633,163	2,923,508	290,345	3,156,668	(233,160)
Bicycle, Mail, Misc. Voyage Rev.	148,581	3,027	(145,554)	76,217	(73,190)
Revenue from Terminal Operations	579,294	527,229	(52,065)	633,900	(106,671)
Parking Revenue	279,957	247,384	(32,573)	269,645	(22,261)
Rents	115,769	231,152	115,383	166,504	64,648
Sub-Total - Operating Revenue	12,319,566	14,770,969	2,451,403	14,286,528	484,441
Other Income:					
Interest Income	37,279	11,094	(26,185)	37,000	(25,906)
Miscellaneous Income	545,270	596,583	51,313	466,873	129,710
Sub-Total - Other Income	582,549	607,677	25,128	503,873	103,804
Total Income	\$ 12,902,115	\$ 15,378,646	\$ 2,476,531	\$ 14,790,401	\$ 588,245

Part IIb- Net Income (Loss) from Operations (Year to Date)

	YTD - March ACTUAL 2020	YTD - March ACTUAL 2021	YTD ACTUAL 2021 vs. YTD ACTUAL 2020	YTD - March BUDGET 2021	YTD ACTUAL 2021 vs. YTD BUDGET
Vs. 2021 Operating Budget					
Operating Expenses:					
Wages	\$ 8,671,729	8,511,157	\$ (160,572)	\$ 8,514,993	\$ (3,836)
Pensions Health & Welfare	3,972,792	4,189,614	216,822	4,009,078	180,536
Payroll Taxes	590,269	587,852	(2,417)	624,642	(36,790)
Depreciation	3,192,877	3,453,747	260,870	3,427,795	25,952
Vessel Fuel Oil	934,138	986,984	52,846	923,701	63,283
Insurance	1,048,261	1,088,560	40,299	1,095,021	(6,461)
Direct Vessel Maintenance (Excl'd. Wages)	6,644,657	3,193,854	(3,450,803)	4,422,772	(1,228,918)
Direct Terminal Maintenance (Excl'd. Wages)	178,075	131,191	(46,884)	415,450	(284,259)
Utilities	522,481	597,881	75,400	495,480	102,401
Other	2,569,742	2,795,849	226,107	2,796,445	(596)
Sub-Total - Operating Expenses	28,325,021	25,536,689	(2,788,332)	26,725,377	(1,188,688)
Fixed Charges and Other Expenses:					
Bond Interest & Expense	846,162	895,096	48,934	897,338	(2,242)
Misc. Charges or Deductions	159,619	116,990	(42,629)	111,804	5,186
Sub-Total - Other Expenses	1,005,781	1,012,086	6,305	1,009,142	2,944
Total Expenses	29,330,802	26,548,775	(2,782,027)	27,734,519	(1,185,744)
Net Operating Income (Loss)	(16,428,687)	(11,170,129)	5,258,558	(12,944,118)	1,773,989

Budgetary Management Discussion and Analysis: January - March, 2021

Year to date total operating revenues increased by \$484,441 or 3.4% versus the amount projected in the 2021 operating budget, for a total of \$14,770,969 in operating revenues. Passenger revenues for the year to date were down \$233,000 versus budget projections, which represents a 7.4% decrease. Automobile revenues were up \$303,000 or 9.3%, versus budget projections. Freight revenues were up \$553,000 or 8.2%, versus budget projections. Parking revenues were down, \$22,000, or 8.3%, compared to budget forecast. Rent revenues from barge unloading and rental car space were up \$65,000, or 38.8%, versus budget.

Year to date, the vessels made a combined 4,134 trips. This represents a decrease of 476 trips, or 10.3%, versus budget. On the Vineyard route, 26 trips were canceled for mechanical reasons, 66 for weather related and 351 for traffic demands, while 7 unscheduled trips and 0 available trips were added. On the Nantucket route, 2 trips were canceled for mechanical reasons, 50 for weather related and 26 for traffic demands, while 32 unscheduled trips and 6 available trips were added.

Year to date operating expenses were down \$1,188,688 or 4.4%, versus the amount projected in the 2021 budget for a total of \$25,536,689. Maintenance expenses for the year are down \$1,636,000 or 21.8%, versus budget. Repairs for the M/V Martha's Vineyard were up \$29,000; the M/V Woods Hole repair expense was down \$98,000; repair expenses for the M/V Governor were down \$79,000; repair expenses for the M/V Sankaty were down \$132,000; M/V Nantucket repair expenses were down \$307,000; repairs on the M/V Katama are up \$131,000; repair expenses for the M/V Eagle were up \$74,000; repairs on the M/V Gay Head were down \$182,000; M/V Island Home repair expenses were down \$118,000; and repair expenses for the M/V Iyanough were down \$667,000. Terminal and dolphin and dock repairs in Vineyard Haven were up \$23,000; while Oak Bluffs were down \$63,000; Woods Hole were down \$52,000; Nantucket were down \$19,000 and were down in Hyannis by \$223,000. Motor vehicle repairs were down \$206,000 and other maintenance expense was up by \$56,000.

Vessel fuel expense of \$987,000 was up \$63,000 or 6.9%, above budget estimates. The average actual cost per gallon for vessel fuel oil was \$2.011 including net hedging costs, while the budgeted cost was \$1.762 per gallon. 54,104 vessel miles have been logged in the year, a decrease of 4,688 miles, or 8.0%, versus budget. 497,000 gallons of vessel fuel were consumed. This represents a decrease of 27,000 gallons or 5.1% versus budget. General administrative expenses for the year were up 1.6%, or \$103,000. Legal expense was down \$29,000, pension expense was up \$38,000, health care costs were down \$20,000, Families First Coronavirus Response Act paid sick leave costs were up \$2,000, disability contributions were up \$62,000, and unemployment contributions were up \$98,000. Training expense was up \$2,000 and credit card fees were up \$71,000.

Other income, including interest income, debt premium, and license income, totaled \$607,677 and was \$103,804 higher than budget projections. Income deductions, including interest on funded debt and pension withdrawal, totaled \$1,012,086 and were \$2,944 higher than budget. Year to date, the Authority's net operating loss, including other income, income deductions and bond interest expense, was \$11,170,129 or \$1,773,989 lower than budget projections.

May 2021 Board Meeting - General Manager's Report

Part III - Cash Balances

	March, 2021 Amount	Variance vs. Budget Positive / (Negative)	Year to Date Amount	Variance vs. Budget Positive / (Negative)
Cash Balance - Operations Fund				
Beginning Balance	\$ 18,690,904	\$ 309,552	\$ 12,691,469	\$ 941,469
Cash Receipts	12,085,838	4,080,196	35,257,920	4,183,672
Cash Receipts - Grants	-	-	-	-
Cash Receipts - Capital Projects	-	-	-	-
Cash Disbursements	(10,067,835)	(2,339,870)	(23,639,169)	(1,378,200)
Cash Disbursements - Capital Projects	-	-	-	-
Transfers to Special Purpose Funds	-	-	(3,601,313)	(1,697,063)
Ending Balance	<u>\$ 20,708,908</u>	<u>\$ 2,049,878</u>	<u>\$ 20,708,908</u>	<u>\$ 2,049,878</u>
Cash Balance - Special-Purpose Funds				
Sinking Fund				
Beginning Balance	\$ 13,239,149	\$ 1,688,415	\$ 9,635,184	\$ -
Transfers from Revenue Fund	-	-	3,601,313	1,697,063
Income from Investments	408	(6,742)	3,060	(15,390)
Accrued Interest Received	-	-	-	-
Debt Service Payments	(9,626,725)	-	(9,626,725)	-
Ending Balance	<u>\$ 3,612,832</u>	<u>\$ 1,681,673</u>	<u>\$ 3,612,832</u>	<u>\$ 1,681,673</u>
Replacement Fund				
Beginning Balance	\$ 10,317,873	\$ (8,921)	\$ 10,315,194	\$ -
Transfers from Revenue Fund	-	-	-	-
Transfers from Bond Redemption	-	-	-	-
Proceeds from Disposal of Property	-	-	-	-
Income from Investments	1,165	(2,785)	3,844	(11,706)
Withdrawals	-	-	-	-
Ending Balance	<u>\$ 10,319,038</u>	<u>\$ (11,706)</u>	<u>\$ 10,319,038</u>	<u>\$ (11,706)</u>
Reserve Fund				
Beginning Balance	\$ 3,507,155	\$ (3,589)	\$ 3,506,244	\$ -
Transfers from Revenue Fund	-	-	-	-
Income from Investments	396	(1,954)	1,307	(5,543)
Transfers to Bond Redemption Acct.	-	-	-	-
Ending Balance	<u>\$ 3,507,551</u>	<u>\$ (5,543)</u>	<u>\$ 3,507,551</u>	<u>\$ (5,543)</u>
Bond Redemption Account				
Beginning Balance	\$ 880,585	\$ (921)	\$ 880,356	\$ -
Transfers from Revenue Fund	-	-	-	-
Transfers from Reserve Fund	-	-	-	-
Transfers to Replacement Fund	-	-	-	-
Income from Investments	99	(501)	328	(1,422)
Ending Balance	<u>\$ 880,684</u>	<u>\$ (1,422)</u>	<u>\$ 880,684</u>	<u>\$ (1,422)</u>

May 2021 Board Meeting - General Manager's Report

Part III - Cash Balances

	March, 2021 Amount	Variance vs. Budget Positive / (Negative)	Year to Date Amount	Variance vs. Budget Positive / (Negative)
Capital Improvement Fund				
Beginning Balance	\$ 6,725,699	\$ 2,101,194	\$ 7,824,505	\$ -
From Bond/Note Issue		-	-	-
Income from Investments	677	677	2,549	2,549
Withdrawals	(807,642)	1,392,358	(1,908,320)	3,491,680
Ending Balance	<u>\$ 5,918,734</u>	<u>\$ 3,494,229</u>	<u>\$ 5,918,734</u>	<u>\$ 3,494,229</u>

Part IV - Cash Transfers to Special Purpose Funds for 2021

	2021 Budget	2021 Estimate
Cash Transfers from Revenue Fund:		
To Sinking Fund (for current debt service requirements)	\$ 10,625,550	\$ 10,625,550
To Replacement Fund (2020 max. transfers - \$13,150,273)	12,547,362	12,491,364
To Reserve Fund	-	-
To Bond Redemption Account	-	-
Total Transfers to Special Purpose Funds	<u>\$ 23,172,912</u>	<u>\$ 23,116,914</u>

Business Summary for the Month of March, 2021**Part V - Allocation of Net Operating Income by Route for 2021**

Allocation of Net Operating Income by Route for 2021

	Martha's Vineyard	Nantucket	Total
Operating Revenues	\$ 72,430,427	\$ 49,228,857	\$ 121,659,284
Other Non-Service Income - Net	866,841	1,989,887	2,856,728
Total Income	<u>\$ 73,297,268</u>	<u>\$ 51,218,744</u>	<u>\$ 124,516,012</u>
% Distribution by Route	58.9%	41.1%	100.0%
Cost of Service	<u>\$ 68,964,946</u>	<u>\$ 46,417,276</u>	<u>\$ 115,382,222</u>
% Distribution by Route	59.8%	40.2%	100.0%
Net Operating Income by Route for 2020	<u>\$ 4,332,322</u>	<u>\$ 4,801,468</u>	<u>\$ 9,133,790</u>
% Distribution by Route	47.4%	52.6%	100.0%

* Based on actual net operating income (loss) for the three months plus 9 months of projected net operating income (loss) for the remainder of the year, per the 2021 Operating Budget

Part VI - Share of Market versus Licensed Ferry Services

	March Amount	Change vs. Prev. Yr.	Year to Date Amount	Change vs. Prev. Yr.
License Fee Income	\$ 50,479	\$ 12,254	\$ 128,039	\$ (23,529)
Weather Observations #	March Amount	Change vs. Prev. Yr.		
Average Maximum Temperature (Fahrenheit)	49.0	-0.9		
Total Precipitation (in water equivalent inches)	2.50	-0.55		
Number of Days with Measurable Precipitation	7	(4)		

Based on NOAA, National Climatic Data Center unedited climatological data for Barnstable Airport in Hyannis

May 2021 Board Meeting - General Manager's Report

Part VII - Share of Market versus Licensed Ferry Services

Number of Passengers Carried	March Amount	Change vs. Prev. Yr.		Year to Date Amount	Change vs. Prev. Yr.	
Martha's Vineyard						
Steamship Authority	104,589	31,615	43.3%	268,200	(14,882)	-5.3%
Hy-Line						
Regular	0	0	0.0%	0	0	0.0%
High Speed	0	0	0.0%	0	0	0.0%
Subtotal Hy-Line	0	0	0.0%	0	0	0.0%
Falmouth Ferry Service	0	0	0.0%	0	0	0.0%
SeaStreak (New Bedford)	0	0	0.0%	0	0	0.0%
SeaStreak (New York City)	0	0	0.0%	0	0	0.0%
Total *	104,589	31,615	43.3%	268,200	(14,882)	-5.3%
Nantucket						
Steamship Authority						
Regular	14,988	5,541	58.7%	38,071	4,821	14.5%
Fast Ferry (Prior to April 2)	0	0	0.0%	673	(750)	-52.7%
Fast Ferry (April 2) (in service 2019)	0	0	0.0%	0	0	0.0%
Fast Ferry (April 3 and after)(in service 2020)	0	0	0.0%	0	0	0.0%
Subtotal - Nantucket	14,988	5,541	58.7%	38,744	4,071	11.7%
Hy-Line						
Regular	0	0	0.0%	0	0	0.0%
HighSpeed (Prior to April 2)	28,845	6,447	28.8%	73,165	(21,485)	-22.7%
HighSpeed (April 2)(IYA in service 2019)	0	0	0.0%	0	0	0.0%
HighSpeed (April 3 & after)(IYA in service 2020)	0	0	0.0%	0	0	0.0%
Subtotal Hy-Line	28,845	6,447	28.8%	73,165	(21,485)	-22.7%
Freedom Cruise Line (Harwich)	0	0	0.0%	0	0	0.0%
SeaStreak (New Bedford)	0	0	0.0%	0	0	0.0%
SeaStreak (New York City)	0	0	0.0%	0	0	0.0%
Total	43,833	11,988	37.6%	111,909	(17,414)	-13.5%

M/V Iyanough in service 04/03/2020 - 01/03/2021 and 04/01/2021 - 01/04/2022.

* Note: Island Queen passenger service is grandfathered and as such traffic counts are not included .

AUTHORITY BOARD MEETING – MAY 18, 2021

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET
STEAMSHIP AUTHORITY

An aerial photograph of a ship terminal, likely Woods Hole, with various structures and docks visible. Overlaid on the image are technical diagrams and text. A large white oval contains the text "WOODS HOLE". To the left, a rectangular area is labeled "RANDY R." and "MATERIAL BARGE 180' X 54'". Another rectangular area is labeled "LIFT BARGE". A large white circle is labeled "500". A horizontal line is labeled "60'".

Woods Hole Terminal Reconstruction Project update



May 11, 2021



May 5, 2021



May 6, 2021



May 11, 2021



May 12, 2021



May 10, 2021



May 10, 2021



May 11, 2021



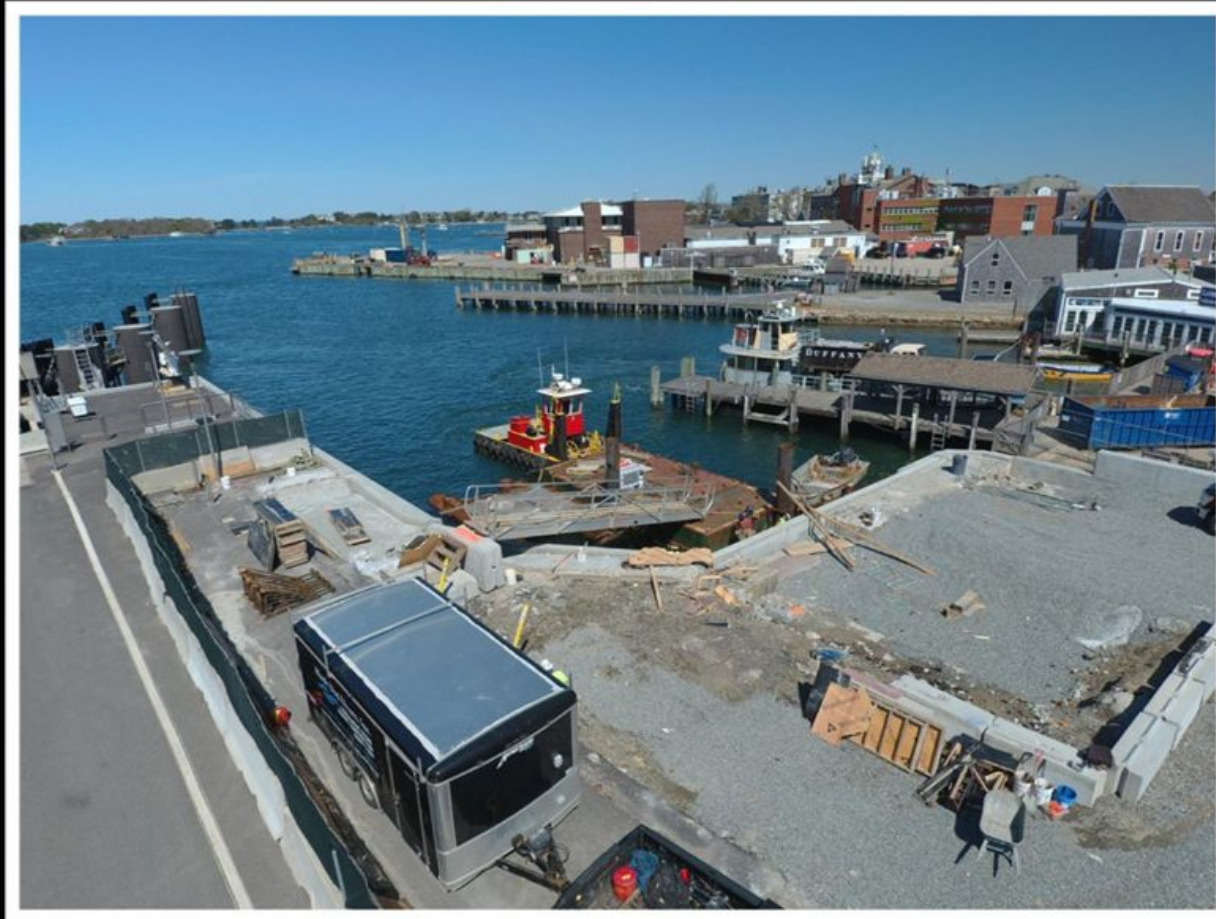
May 12, 2021



May 12, 2021



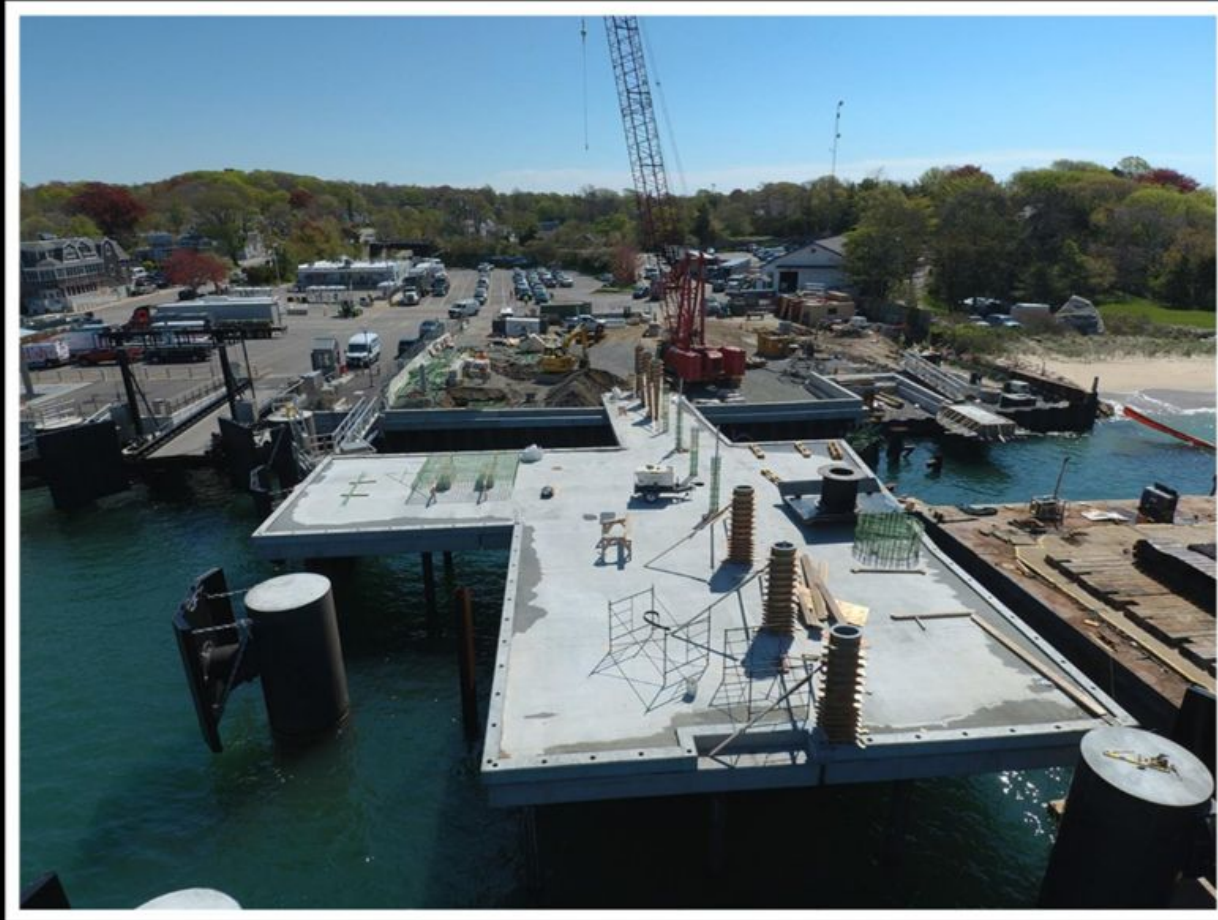
May 12, 2021



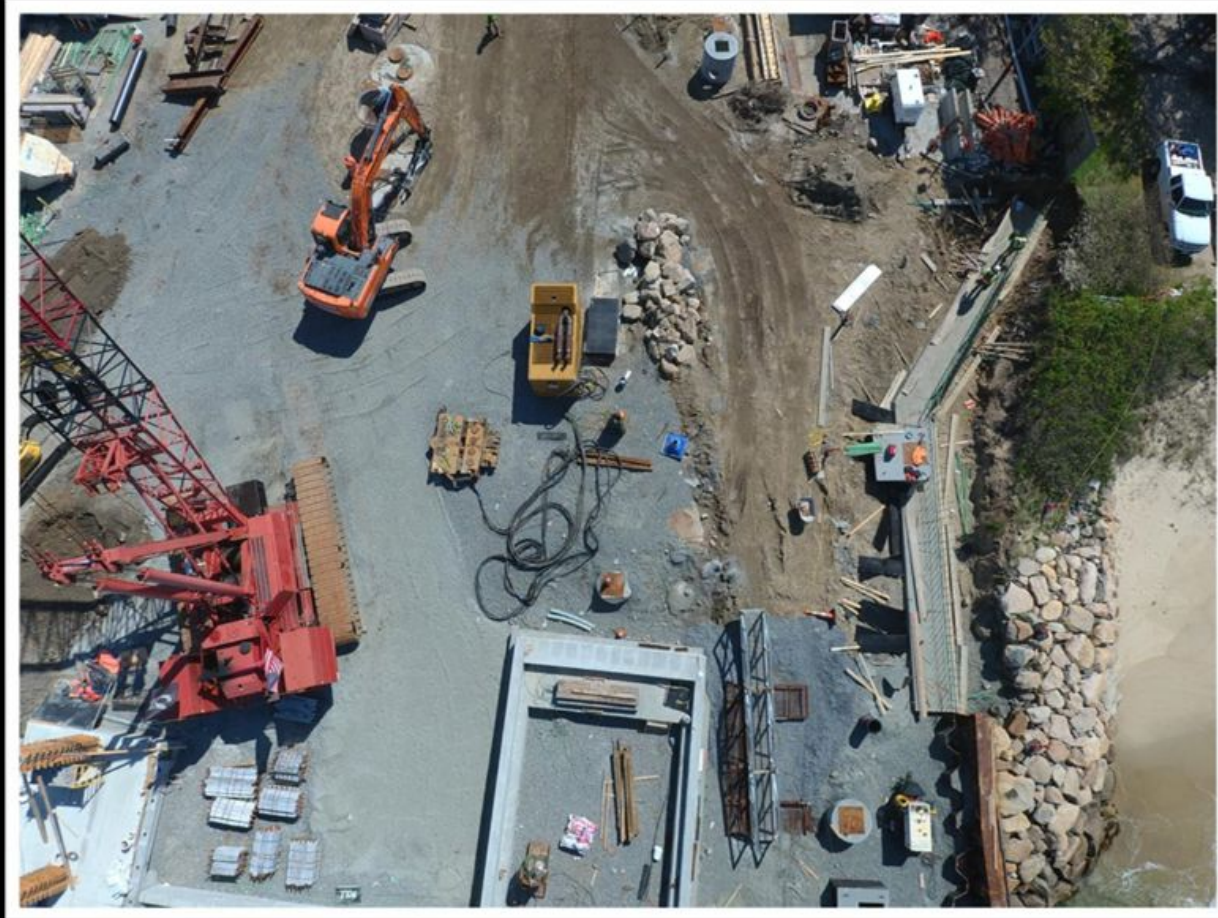
May 11, 2021



May 11, 2021



May 11, 2021



May 11, 2021



May 13, 2021

Waterside contract cost update

- Original contract price: \$43,143,280
- Change orders to date: \$9,258,861
- Change orders as percent of original contract: 21.5%
- Total contract: \$52,402,141
- Waterside cost estimate (2017): \$53,689,900
- Under original estimate to date: \$1,287,759

MV Governor
at Fairhaven Maintenance Facility



MV Governor at Fairhaven Maintenance Facility



MV Governor Rudder Machining



MV Governor Rigging Rudder Into Place



MV Governor Rudder Assembly Complete



MV Governor Highlights

- Shaft and Rudder Repairs
- Blast and Coating of Hull and Main Deck and Sponson Areas
- Overhaul of Emergency Diesel Generator & Alternators

MV Governor Dry Dock Repair Contract Items

Contract Item	Item Description	Credit	Contract Cost
001	Dry Docking & Undocking		\$33,100
002A, 002B,	Hull Internals: Inspection & Repair, UT Survey & Bilge Cleaning		10,700
003A, 003B, 003C, 003D	Hull: Clean, Prepare, Paint, Replace Anodes, Grit Blasting		157,489
004A & 004B	Temporary Services & Slops		19,720
005	Sea Valve Cleaning & Overhaul		6,300
006A, 006B, 006C, 006D	Shafts, Bearings & couplings, shaft removals & repairs, cutlass bearings		70,630
006E	Shaft Seals & overhaul, Rudder test, Intermediate shaft removals		40,884
007	Port & Stbd Propeller Removal, Transport, Repairs and Re-installation	20,000	26,720
008A, 008B & 008C	Rudder Brg Clearances, Replacement & Machine Shop Service		85,120
009	Hull Plate Steel Renewal	65,000	126,000
010A	Blast & coat above rub rail		52,192
011	Tech Data & Reports		
012	Fwd and Aft Mast Replacements		23,222
013	Generators, Alternators and Governor Overhauls	40,000	110,246
014	LED Light Mods		11,560
015	Ballast Tank Cleaning & Inspection		12,300
	<u>Vessel Transportation Cost</u>	<u>22,000</u>	<u>22,000</u>
	Credits and Contract Cost	147,000	808,183
Change Orders CO01	Grit Blast Under Deck Sponsons		79,653
CO02	Coatings		51,064
CO003, CO004, CO05, CO06, CO07	Freight Doors, Lights, Hydro, Drains, Chargers,		55,512
CO08	Blast and Coat Main Deck		91,594
CO09, CO10	Supply Install New Rudder Angle Indicator, ME Strainers		94,663
CO11, CO12, CO13, CO14, CO15, CO16, CO17, CO18, CO19	Loop, Brgs, Thorndon Brg, Sh Brg, Rudder/Washers, Coolers		71,182
CO20, CO21, CO22, CO23, CO24, CO25, CO26, CO27, CO28	PWR Feed, SC, Fuel X, Boilers, Pumps, Doors, Piping, FO Box		72,593
CO29, CO30, CO31, CO32, CO33, CO34, CO35, CO36, CO37	Pltg, PH Wind, Docking, Blanks, Paint, Ways, Pmps, Cooler, Bat		74,869
CO38, CO39, CO40, CO41	Shafts, Nav Lights, Fasteners, Steel Rings		14,036
<u>CO42, CO43, CO44</u>	<u>Raised Hatches, Fleet Vessel & Paint, Rudder Machining</u>		<u>27,706</u>
	Change Orders		<u>632,877</u>
	Grand Total Credits, Contract & Change Orders		\$1,294,060

STAFF SUMMARY

Date: May 13, 2021

File# A-662



TO:		FOR:		FROM:
X	General Manager		Vote	Dept.: Accounting
				Author: Mark K. Rozum
X	Board Members	X	Information	Subject: 2020 Analysis of Rates versus Cost of Service

PURPOSE: To review and advise the Board on the “Effectiveness of the Authority’s Rate Structure to Cover the Respective Cost of Service for Passengers, Automobiles and Trucks”.

BACKGROUND: The management staff has conducted its annual review of the Authority’s rate structure to ensure that no traffic segment, i.e. passengers, automobiles or trucks, is subsidizing another. The Staff has conducted this review for the past seventeen (17) years to determine the effectiveness of the Authority’s rate structure to cover the respective cost of service for passengers, automobiles and trucks. This study is conducted using the actual traffic data for each route.

Attached please find a summary copy of the 2020 Analysis of Rates versus Cost of Service study. This years’ analysis was developed using the same methodologies as the study of activity for 2004 through 2019. The analysis package includes:

- A summary of the Allocation of Revenues and Cost of Service by Route for the most recent ten (10) year period.
- The Allocation of Revenues and Cost of Service by Route for 2020.
- The Allocation of Indirect Costs as a % of Vessel Costs by Route 2005-2020.
- Estimated cost of carrying Automobiles and Trucks by vessel by route.
- Estimated cost of carrying Automobiles and Trucks by month by route
- Comparison of the 2020 Cost of Service to the prior year’s report.
- Cost of Service data for 2006-2020.
- Occupancy Graphs by route 2006-2020.
- Traffic data, Tables and Graphs as well as 10-year Market Share data.
- Trip Traffic by vessel by route 1991-2020.
- 2020 Average Passengers Carried by Trip
- Fare History Tables and Graphs of fares versus the Consumer Price Index.
- Current Steamship Authority Fares and competition passenger fares for 2020.
- Graphs of Occupancy and Capacity by route for 2021.
- Current Tariffs.

On the Martha’s Vineyard route, the cost of vessel operations and of indirect non-vessel costs decreased by \$276,881 during 2020 versus 2019, a 0.4% decrease. Direct vessel operating expenses decreased by

\$397,746 or 1.3%, versus 2019 as this decrease is attributed to decrease in the quantity of trips that operated due to the impacts of Covid-19, decreases in fuel costs offset by increases in vessel dry-dock and repair expenses on this route during 2020. Indirect non-vessel operating costs increased by \$120,865, or 0.4% during 2020 and reflects reduced terminal costs associated with the reduced operating schedule as well as increases in benefit cost, insurance, repair costs and depreciation.

The Authority operated 1,735 less trips between Woods Hole and Martha's Vineyard in 2020 compared to 2019. Meanwhile, available vehicle deck capacity on the Vineyard route decreased by 88,370 car equivalent spaces in 2020, primarily because of reducing the operating schedules due to the impacts of Covid-19 during the year. During 2020, the total spaces occupied decreased by 66,426 car equivalent units (CEU's) resulting in a 79.6% occupancy rate versus the 79.1% posted in 2019. The occupancy rate from 2019 to 2020 did not materially change due to the operating schedules being reduced in 2020.

After reducing the average cost per trip by the average passenger revenue per trip and by the revenue attributed to driver services, the cost to be covered by vehicle revenue was established. Based on spaces occupied, an estimated cost per CEU without any premium adjustment for center space was determined to be \$84.19 or a 23.6% increase over 2019. The increase in cost per CEU is mainly attributable to the reduction of passenger revenue in 2020 due to Covid-19. Average revenue per automobile was compared to the estimated costs per CEU to ascertain that 77.6% of the cost of service for autos on the Vineyard route was being covered in 2020. The average percentage of cost covered using average truck revenue activity during the 2020 period was 84.7%. Excursion fared automobiles and trucks covered 25.3% and 36.0% of the cost of service, respectively, during 2020.


On the Nantucket route, the cost of vessel operations and of indirect non-vessel costs, after the allocation of indirect expenses to the M/V Iyanough, increased by \$14,413 during 2020 versus 2019, a 0.0% increase. Direct vessel operating expenses increased by \$186,960 or 0.9%, primarily attributed to increases in repair and dry-dock expenses combined with decreases in vessel fuel oil expense and reduced operating costs associated with the reduced operating schedule on this route during 2020. Indirect non-vessel operating costs decreased by \$172,547, or 1.0% during 2020, primarily because of the decreased costs associated with operating the Nantucket and Hyannis Terminals due to the reduced operating schedules due to Covid-19, increases in benefit cost and insurance.

Excluding the M/V Iyanough trips, the Authority operated 238 less trips on the Nantucket route in 2020 compared to 2019. As a result, the available vehicle deck capacity decreased by 10,120 spaces. During 2020, the total spaces occupied decreased by 12,583 car equivalent units (CEU's) resulting in an 80.9% occupancy rate versus 82.8% in 2019. The decrease in the occupancy rate from 2019 to 2020 would have been significantly greater if the operating schedules were not reduced in 2020.

After reducing the average cost per trip by the average passenger revenue per trip and by the revenue attributed to driver services, the cost to be covered by vehicle revenue was established. Based on spaces occupied, an estimated cost per CEU without any premium adjustment for center space was determined to be \$177.87. Average revenue per automobile was compared to the estimated costs to determine that 102.7% of the cost of service for autos on the Nantucket route was being covered in 2020. The average percentage of cost covered using average truck revenue activity during the 2020 period was 74.6%. Excursion fared automobiles and trucks covered 30.6% and 37.8% of the cost of service, respectively, during 2019.

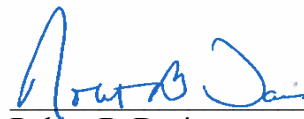
This analysis is being provided to review how effective the Steamship Authority's rate structure was during the prior years' activity. Over time, this information will provide the Authority with a useful indicator of whether the financial position is improving or deteriorating and other factors that could impact the need for further cost reductions and/or rate increases in the years 2022 through 2026. This projection will be included with the final draft of the operating budget.

RECOMMENDATION: The Management Staff is presenting this summary for informational purposes and no vote is requested.


Mark K. Rozum

Treasurer/Comptroller

APPROVED:



Robert B. Davis
General Manager

**AVERAGE AUTOMOBILE AND FREIGHT REVENUE vs. ALLOCATED COST OF SERVICE PER VESSEL TRIP
MARTHA'S VINEYARD ROUTE**

		2019	2020	Variance
A)	TOTAL VESSEL OPERATING COSTS -	\$ 30,516,778	\$ 30,119,032	\$ (397,746)
B)	ALLOCATION OF INDIRECT NON-VESSEL COSTS	32,412,449	32,533,314	120,865
C)	TOTAL COST, INCLUDING INDIRECT COSTS A + B	62,929,227	62,652,346	(276,881)
D)	NUMBER OF TRIPS	16,663	14,928	(1,735)
E)	COST PER TRIP C / D	\$ 3,777	\$ 4,197	\$ 420
F)	VESSEL OPERATING DAYS			
	MARTHA'S VINEYARD ROUTE	1,423	1,176	(247)
	NANTUCKET ROUTE	1,089	1,095	6
	TOTAL	2,512	2,271	(241)
G)	NUMBER OF AUTOMOBILES CARRIED			
	STANDARD FARE AUTOS	260,646	254,320	(6,326)
	EXCURSION FARE AUTOS	154,321	116,848	(37,473)
	TOTAL NUMBER OF AUTOMOBILES	414,967	371,168	(43,799)
H)	NUMBER OF TRUCKS CARRIED			
	1 SPACE STANDARD FARE TRUCKS	47,086	42,263	(4,823)
	1 SPACE EXCURSION FARE TRUCKS	37,685	32,979	(4,706)
	2 SPACE (INCLUDING TRAILERS AND BUSES)	28,536	25,188	(3,348)
	3 SPACE (INCLUDING TRAILERS AND BUSES)	10,510	7,999	(2,511)
	4 SPACE (INCLUDING TRAILERS AND BUSES)	16,003	16,407	404
	5 SPACE (INCLUDING TRAILERS AND BUSES)	1,472	1,375	(97)
	TOTAL NUMBER OF TRUCKS	141,292	126,211	(15,081)
I)	TOTAL NUMBER OF TRUCK SPACES	244,745	222,118	(22,627)
J)	AVERAGE NUMBER OF SPACES PER TRUCK I / H	1.73	1.76	0.03
K)	TOTAL SPACES OCCUPIED G + I	659,712	593,286	(66,426)
L)	VEHICLE DECK CONFIGURATION			
	NUMBER OF SIDE SPACES	17	16	(1)
	NUMBER OF CENTER SPACES	33	34	1
	TOTAL NUMBER OF SPACES PER TRIP	50	50	-
M)	TOTAL CAPACITY D * L	834,150	745,780	(88,370)
N)	OCCUPANCY RATE K / L	79.1%	79.6%	0.5%
O)	TOTAL REVENUE			
	PASSENGER REVENUE	17,985,121	12,703,610	(5,281,511)
	AUTOMOBILE REVENUE			
	STANDARD FARE AUTOS	19,305,131	21,773,593	2,468,462
	EXCURSION FARE AUTOS	3,046,194	2,485,202	(560,992)
	SUB-TOTAL AUTOMOBILE REVENUE	22,351,325	24,258,795	1,907,470
	FREIGHT REVENUE			
	1 SPACE STANDARD FARE TRUCKS	3,539,415	4,553,574	1,014,159
	1 SPACE EXCURSION FARE TRUCKS	1,077,028	999,004	(78,024)
	2 SPACE (INCLUDING TRAILERS AND BUSES)	3,438,272	3,055,217	(383,055)
	3 SPACE (INCLUDING TRAILERS AND BUSES)	2,080,405	1,687,648	(392,757)
	4 SPACE (INCLUDING TRAILERS AND BUSES)	4,932,457	5,024,000	91,543
	5 SPACE (INCLUDING TRAILERS AND BUSES)	511,907	519,237	7,330
	SUB-TOTAL FREIGHT REVENUE	15,579,484	15,838,680	259,196
	MISCELLANEOUS OPERATING REVENUE			
	DRIVER SERVICES	650	80	(570)
	TOTAL REVENUE	\$ 55,916,580	\$ 52,801,165	\$ (3,115,415)

		2019	2020	Variance	
P)	AVERAGE TOTAL REVENUE PER TRIP	O / D	\$ 3,356	\$ 3,537	\$ 181
Q)	AVERAGE PASSENGER REVENUE PER TRIP	O(P) / D	\$ 1,079	\$ 851	\$ (228)
R)	AVERAGE DRIVER SERVICE REVENUE PER TRIP	O(DS) / D	\$ -	\$ -	\$ -
S)	COST PER TRIP, INCLUDING ALLOCATION OF INDIRECT NON-VESSEL COSTS	C / D	\$ 3,777	\$ 4,197	\$ 420
T)	ESTIMATED COST ATTRIBUTABLE TO: CARRYING PASSENGERS DRIVER SERVICES	Q R	\$ 1,079 -	\$ 851 -	\$ (228) -
U)	BALANCE OF COST TO BE COVERED BY REVENUE FROM AUTOMOBILES AND TRUCKS	S - T	\$ 2,698	\$ 3,346	\$ 648
V)	ESTIMATED COST PER CEU WITHOUT PREMIUM ADJUSTMENT FOR CENTER SPACE				
	1 SPACE	(C - O) / K	\$ 68.13	\$ 84.19	\$ 16.06
	2 SPACE		136.26	168.38	32.12
	3 SPACE		204.39	252.57	48.18
	4 SPACE		272.52	336.76	64.24
	5 SPACE		340.65	420.95	80.30
	TOTAL AVE. EST. COST PER TRUCK -	(C-O)-(V(1) * G) / H	\$ 118.00	\$ 148.16	\$ 30.16
W)	AVERAGE REVENUE PER AUTO - ACTUAL STANDARD FARE AUTOS EXCURSION FARE AUTOS TOTAL AVERAGE REVENUE PER AUTO -	O(A) / G	\$ 74.07 19.74 \$ 53.86	\$ 85.61 21.27 \$ 65.36	\$ 11.54 1.53 \$ 11.50
X)	% OF COST COVERED USING AVG. AUTO REVENUE STANDARD FARE AUTOS EXCURSION FARE AUTOS TOTAL % OF COST COVERED PER AUTO -	W / V	108.7% 29.0% 79.1%	101.7% 25.3% 77.6%	-7.0% -3.7% -1.5%
Y)	AVERAGE REVENUE PER TRUCK - ACTUAL 1 SPACE STANDARD FARE TRUCKS 1 SPACE EXCURSION FARE TRUCKS 2 SPACE (INCLUDING TRAILERS AND BUSES) 3 SPACE (INCLUDING TRAILERS AND BUSES) 4 SPACE (INCLUDING TRAILERS AND BUSES) 5 SPACE (INCLUDING TRAILERS AND BUSES) TOTAL AVERAGE REVENUE PER TRUCK -	O(F) / H	\$ 75.17 28.58 120.49 197.95 308.22 347.76 \$ 110.26	\$ 107.74 30.29 121.30 210.98 306.21 377.63 \$ 125.49	\$ 32.57 1.71 0.81 13.03 (2.01) 29.87 \$ 15.23
Z)	% OF COST COVERED USING AVG. TRUCK REVENUE 1 SPACE STANDARD FARE TRUCKS 1 SPACE EXCURSION FARE TRUCKS 2 SPACE (INCLUDING TRAILERS AND BUSES) 3 SPACE (INCLUDING TRAILERS AND BUSES) 4 SPACE (INCLUDING TRAILERS AND BUSES) 5 SPACE (INCLUDING TRAILERS AND BUSES) TOTAL % OF COST COVERED PER TRUCK -	Y / V	110.3% 41.9% 88.4% 96.8% 113.1% 102.1% 93.4%	128.0% 36.0% 72.0% 83.5% 90.9% 89.7% 84.7%	17.7% -5.9% -16.4% -13.3% -22.2% -12.4% -8.7%

**AVERAGE AUTOMOBILE AND FREIGHT REVENUE vs. ALLOCATED COST OF SERVICE PER VESSEL TRIP
NANTUCKET ROUTE WITH ALLOCATION OF INDIRECT EXPENSES TO M/V IYANOUGH**

		<u>2019</u>	<u>2020</u>	<u>Variance</u>
A) TOTAL VESSEL OPERATING COSTS -		\$ 20,244,467	\$ 20,431,427	\$ 186,960
B) ALLOCATION OF INDIRECT NON-VESSEL COSTS		16,647,632	16,475,085	(172,547)
C) TOTAL COST, INCLUDING INDIRECT COSTS	A + B	<u>36,892,099</u>	<u>36,906,512</u>	<u>14,413</u>
D) NUMBER OF TRIPS		5,103	4,865	(238)
E) COST PER TRIP	C / D	\$ 7,229	\$ 7,586	\$ 357
F) VESSEL OPERATING DAYS				
MARTHA'S VINEYARD ROUTE		1,423	1,176	(247)
NANTUCKET ROUTE		<u>1,089</u>	<u>1,095</u>	<u>6</u>
TOTAL		<u>2,512</u>	<u>2,271</u>	<u>(241)</u>
G) NUMBER OF AUTOMOBILES CARRIED				
STANDARD FARE AUTOS		43,872	47,242	3,370
EXCURSION FARE AUTOS		<u>20,151</u>	<u>15,846</u>	<u>(4,305)</u>
TOTAL NUMBER OF AUTOMOBILES		<u>64,023</u>	<u>63,088</u>	<u>(935)</u>
H) NUMBER OF TRUCKS CARRIED				
1 SPACE STANDARD FARE TRUCKS		10,799	9,355	(1,444)
1 SPACE EXCURSION FARE TRUCKS		8,705	7,774	(931)
2 SPACE (INCLUDING TRAILERS AND BUSES)		11,759	10,036	(1,723)
3 SPACE (INCLUDING TRAILERS AND BUSES)		5,240	4,408	(832)
4 SPACE (INCLUDING TRAILERS AND BUSES)		16,520	15,871	(649)
5 SPACE (INCLUDING TRAILERS AND BUSES)		<u>1,013</u>	<u>866</u>	<u>(147)</u>
TOTAL NUMBER OF TRUCKS		<u>54,036</u>	<u>48,310</u>	<u>(5,726)</u>
I) TOTAL NUMBER OF TRUCK SPACES		129,887	118,239	(11,648)
J) AVERAGE NUMBER OF SPACES PER TRUCK	I / H	2.40	2.45	0.05
K) TOTAL SPACES OCCUPIED	G + I	193,910	181,327	(12,583)
L) VEHICLE DECK CONFIGURATION				
NUMBER OF SIDE SPACES		10	10	-
NUMBER OF CENTER SPACES		<u>36</u>	<u>36</u>	<u>-</u>
TOTAL NUMBER OF SPACES PER TRIP		<u>46</u>	<u>46</u>	<u>-</u>
M) TOTAL CAPACITY	D * L	234,180	224,060	(10,120)
N) OCCUPANCY RATE	K / L	82.8%	80.9%	-1.9%
O) TOTAL REVENUE				
PASSENGER REVENUE		4,731,092	4,122,479	(608,613)
AUTOMOBILE REVENUE				
STANDARD FARE AUTOS		9,329,688	10,663,246	1,333,558
EXCURSION FARE AUTOS		<u>1,083,827</u>	<u>863,141</u>	<u>(220,686)</u>
SUB-TOTAL AUTOMOBILE REVENUE		<u>10,413,515</u>	<u>11,526,387</u>	<u>1,112,872</u>
FREIGHT REVENUE				
1 SPACE STANDARD FARE TRUCKS		2,244,113	2,025,989	(218,124)
1 SPACE EXCURSION FARE TRUCKS		579,494	522,984	(56,510)
2 SPACE (INCLUDING TRAILERS AND BUSES)		3,029,025	2,537,666	(491,359)
3 SPACE (INCLUDING TRAILERS AND BUSES)		1,806,914	1,680,071	(126,843)
4 SPACE (INCLUDING TRAILERS AND BUSES)		8,575,488	8,267,123	(308,365)
5 SPACE (INCLUDING TRAILERS AND BUSES)		<u>651,379</u>	<u>656,233</u>	<u>4,854</u>
SUB-TOTAL FREIGHT REVENUE		<u>16,886,413</u>	<u>15,690,066</u>	<u>(1,196,347)</u>
MISCELLANEOUS OPERATING REVENUE				
DRIVER SERVICES		1,698,480	531,540	(1,166,940)
TOTAL REVENUE		<u>\$ 33,729,500</u>	<u>\$ 31,870,472</u>	<u>\$ (1,859,028)</u>

			2019	2020	Variance
P)	AVERAGE TOTAL REVENUE PER TRIP	O / D	\$ 6,610	\$ 6,551	\$ (59)
Q)	AVERAGE PASSENGER REVENUE PER TRIP	O(P) / D	\$ 927	\$ 847	\$ (80)
R)	AVERAGE DRIVER SERVICE REVENUE PER TRIP	O(DS) / D	\$ 333	\$ 109	\$ (224)
S)	COST PER TRIP, INCLUDING ALLOCATION OF INDIRECT NON-VESSEL COSTS	C / D	\$ 7,229	\$ 7,586	\$ 357
T)	ESTIMATED COST ATTRIBUTABLE TO CARRYING PASSENGERS DRIVER SERVICES	Q R	\$ 927 333	\$ 847 109	\$ (80) (224)
U)	BALANCE OF COST TO BE COVERED BY REVENUE FROM AUTOMOBILES AND TRUCKS	S - T	\$ 5,969	\$ 6,630	\$ 661
V)	ESTIMATED COST PER CEU WITHOUT PREMIUM ADJUSTMENT FOR CENTER SPACE				
	1 SPACE	(C - O) / K	\$ 157.10	\$ 177.87	\$ 20.77
	2 SPACE		314.20	355.74	41.54
	3 SPACE		471.30	533.61	62.31
	4 SPACE		628.40	711.48	83.08
	5 SPACE		785.50	889.35	103.85
	TOTAL AVE. EST. COST PER TRUCK -	(C-O)-(V(1) * G) / H	\$ 377.61	\$ 435.33	\$ 57.72
W)	AVERAGE REVENUE PER AUTO - ACTUAL STANDARD FARE AUTOS EXCURSION FARE AUTOS TOTAL AVERAGE REVENUE PER AUTO -	O(A) / G	\$ 212.66 53.79 \$ 162.65	\$ 225.72 54.47 \$ 182.70	\$ 13.06 0.68 \$ 20.05
X)	% OF COST COVERED USING AVG. AUTO REVENUE STANDARD FARE AUTOS EXCURSION FARE AUTOS TOTAL % OF COST COVERED PER AUTO -	W / V	135.4% 34.2% 103.5%	126.9% 30.6% 102.7%	-8.5% -3.6% -0.8%
Y)	AVERAGE REVENUE PER TRUCK - ACTUAL 1 SPACE STANDARD FARE TRUCKS 1 SPACE EXCURSION FARE TRUCKS 2 SPACE (INCLUDING TRAILERS AND BUSES) 3 SPACE (INCLUDING TRAILERS AND BUSES) 4 SPACE (INCLUDING TRAILERS AND BUSES) 5 SPACE (INCLUDING TRAILERS AND BUSES) TOTAL AVERAGE REVENUE PER TRUCK -	O(F) / H	\$ 207.81 66.57 257.59 344.83 519.10 643.02 \$ 312.50	\$ 216.57 67.27 252.86 381.14 520.89 757.77 \$ 324.78	\$ 8.76 0.70 (4.73) 36.31 1.79 114.75 \$ 12.28
Z)	% OF COST COVERED USING AVG. TRUCK REVENUE 1 SPACE STANDARD FARE TRUCKS 1 SPACE EXCURSION FARE TRUCKS 2 SPACE (INCLUDING TRAILERS AND BUSES) 3 SPACE (INCLUDING TRAILERS AND BUSES) 4 SPACE (INCLUDING TRAILERS AND BUSES) 5 SPACE (INCLUDING TRAILERS AND BUSES) TOTAL % OF COST COVERED PER TRUCK -	Y / V	132.3% 42.4% 82.0% 73.2% 82.6% 81.9% 82.8%	121.8% 37.8% 71.1% 71.4% 73.2% 85.2% 74.6%	-10.5% -4.6% -10.9% -1.8% -9.4% 3.3% -8.2%

STAFF SUMMARY

Date: May 14, 2021

File# A-661



TO:		FOR:		FROM:
X	General Manager	X	Vote	Dept.: Accounting
X	Board Members		Information	Author: Mark K. Rozum
				Subject: 2022 Budget Policy Statement

PURPOSE: To review and approve the proposed budget policy guidelines to be used in the preparation of the Authority's 2022 Operating Budget.

BACKGROUND: The Management Staff is in the preliminary stages of developing next year's proposed operating budget. This includes the preparation of a vessel maintenance overhaul schedule and a tentative operating schedule.

Attached please find a copy of the proposed 2022 Budget Policy Statement. The proposed 2022 operating schedule and attached 2021-2026 vessel repair schedules will be used as the basis for estimating next year's cost of service.

We expect to be in a position to review a preliminary 2022 Operating Budget with the Board by the September meeting. A final draft of the proposed 2022 Operating Budget will be presented for the Board's review and approval at the Authority Meeting in October.

We will also be preparing a 5-year projection of revenues and expenses based on anticipated growth rates and other factors that could impact the need for further cost reductions and/or rate increases in the years 2022 through 2026. This projection will be included with the final draft of the operating budget.

The Port Council at their May meeting voted to recommend that the 2022 Budget Policy Statement be adopted as proposed.

RECOMMENDATION: The Management Staff is requesting that the attached 2022 Budget Policy Statement be adopted as proposed.

Mark K. Rozum
Treasurer/Comptroller

APPROVED:

Robert B. Davis
General Manager

2022 BUDGET POLICY STATEMENT

2022 OPERATING BUDGET

The following guidelines are to be used in the preparation of the Authority's 2022 Operating Budget:

Operating Revenues

Projected Traffic Levels –Historically, operating revenues are based on the actual traffic statistics for the most recent twelve (12) month period. Due to the ongoing impacts of the Covid-19 pandemic, estimated operating revenues for the 2022 budget will initially be based on actual traffic statistics for the period of March 1, 2019 through February 28, 2020. Traffic estimates may be adjusted based on developments associated with the Covid-19 pandemic.

Please find the attached graphs showing the total number of passengers, automobiles and trucks carried on a rolling twelve (12) month basis since January 2016. We also attached a graph showing the total number of cars parked for the comparable time period.

Operating Expenses

Operating Schedule – The proposed 2022 Operating Budget will be based on the proposed 2022 operating schedules.

Maintenance and Repairs – The Authority's vessels, terminals, vehicles and equipment shall be properly maintained in order to ensure the continuation of a safe and reliable transportation system.

Each of the Authority's vessels will be scheduled for an approximate 4-6 week overhaul period, not including any required dry-dockings. All vessels will undergo their annual maintenance overhauls, including mandatory dry-dockings. (See attached 2021 – 2026 Repair Schedules.)

The vessels which have scheduled dry-dockings in 2022 are the *M/V Nantucket*, the *M/V Eagle*, the *M/V Island Home*, the *M/V Katama*, and the *M/V Iyanough*.

Pending a more thorough evaluation of each of the facilities, no significant terminal repair projects are currently anticipated. Nevertheless, each of the Authority's terminals will continue to be properly maintained and the anticipated expenses to do so will be included in the 2022 maintenance budget.

Levels of Employment – The numbers of employees in the terminals, the parking lots and shuttle bus operations, and reservations are expected to stay essentially the same as originally budgeted in 2021. Existing job vacancies are expected to be filled when appropriate.

Vessel manning will be in accordance with all applicable legal and contractual requirements taking into account anticipated service level demands. The Wiper-to-Oiler promotion training program, which has been developed these past couple of years, will be incorporated into vessel manning levels. In addition, the pilot qualification training and captain qualification training programs will also be reflected in vessel manning.

Training – The Authority will continue to provide training for its employees at levels which ensure safe and efficient operations, including the “Standards of Training, Certification and Watchkeeping for Seafarers (STCW) Basic Safety Training” for its vessel crews. This STCW training program began in the winter of 2006. Annually, some twenty to thirty (20-30) vessel crew members are trained in STCW so that the entire fleet personnel participate over a five (5) year period. This training includes 1) personal survival; 2) fire prevention and firefighting; 3) elementary first aid; 4) crowd control and crisis management; and 5) personal safety and social responsibilities.

The cost of customer service training, discrimination prevention training and other appropriate courses, such as additional radar training, Purser and Bosun training, rescue boat training, automated external defibrillator (AED) training, safety and ergonomics training, Facility Security Officer (FSO) and Vessel Security Officer (VSO) training, Marine Evacuation Slide (MES) training, hoisting equipment training, oil spill response training, hazardous materials (“HazMat”) handling, EMD and MTU engine maintenance training, Programmable Logic Controllers training and Bridge Resource Management, will also be included in the proposed 2022 Operating Budget. New Hire orientation and mentoring programs will also be included.

Staff will continue with Environmental Health and Safety training courses, such as, Confined Space, Fall Protection, Aerial Lift, Personal Protective Equipment (PPE), Toxic and Hazardous Substances, Hazardous Waste Operations and Emergency Response (Hazwoper), Globally Harmonized System (GHS), Respirator Fit Testing/Training as well as OSHA 10 Certification training.

Use of Information Systems Technologies – The Authority will continue to use information systems technologies to improve customer services and reduce operating costs where possible. Specifically, we will work to increase the Authority’s presence on social media platforms and will be working throughout 2022 to implement an updated website and/or mobile application for the Steamship Authority, which will incorporate mobile ticketing capabilities for both traditional and high-speed services.

Along with the development of a new website, we will continue to evaluate technical enhancements to our current website and mobile website, that will allow us to integrate additional customer services features, with proper consideration and planning for necessary infrastructure improvements. The Authority will also continue to migrate services and applications to be hosted in the cloud to improve redundancy and efficiency.

Staff will continue to incorporate its training materials into the Learning Management System (LMS). The LMS is the Authority's central hub for delivering and managing its marine and shoreside training and assessment programs. In addition, the Authority is currently in the process of implementing a Safety Quality Management System (SQMS).

Health Care – The 2022 Operating Budget will reflect the continuation of employee contributions equal to 20% of the expected annual cost of each employee's medical coverage. In addition, any changes in coverage required by the Affordable Care Act will be reflected in the annual cost estimates.

Vessel Fuel Oil – Currently, the barrel price of crude oil is trading in the \$55 - \$65 range while a year ago at this same time crude oil was trading in the \$20 - \$30 range. During the last three months, crude oil has traded between \$52 and \$66. During preparation of the 2022 Operating Budget, the vessel fuel oil cost will reflect the then current forecast for oil prices or the Authority's hedge program cost cap including the hedging premium, whichever is lower.

The Authority will continue to make fuel and energy conservation a priority in both land and sea operations. Towards that end, schedule modifications and trip consolidations will continue to be made when practical.

Pensions and Other Postemployment Benefits – The 2022 Operating Budget will incorporate any additional expenses that have to be recognized due to the required adoption of additional Governmental Accounting Standards as they relate to Other Postemployment Benefits.

Utilities – The Authority will continue to pursue not only energy conservation measures, but also opportunities to reduce the cost for electric supply charges. In addition, we will continue to review telephone usage and calling plans to determine the prospects for any potential savings.

Debt Administration – The Authority has evaluated its debt requirements including but not limited to advance refunding of existing debt and currently does not foresee any additional opportunities for restructuring during 2022. However, if, after additional evaluation, conditions are favorable for doing so, we may pursue a restructuring.

Rents and Leases – The proposed 2022 Operating Budget will reflect changes in the negotiated or anticipated costs associated with leased properties used for the Authority's parking operations, reservation office and bus maintenance facility.

Insurance – As the Authority's marine and non-marine insurance policies are issued on a June 30th renewal basis, insurance expense for the first half of 2022 will be known. The Authority's insurance program is extended with the same carriers for an additional two-year period. An allowance will be made for any projected increase in insurance premiums for the policy year beginning July 1, 2022.

Advertising – While the Authority will continue to maintain the same types of advertising placements currently being used, we will re-evaluate on an annual basis the emphasis of the advertising program to determine the appropriate mix of media usage. These include, but are not limited to, billboards (Boston on I-93 southbound and, in past years, on I-195 in the Fall River area), television, radio, newspapers, magazines, internet, social media, visitors centers and regional Chamber of Commerce guidebooks. In general, the Authority has shifted its focus toward digital marketing strategies in recent years and anticipates continuing to do so in 2022.

License Fee Income

Projections will be made for anticipated license fee income from all licensed carriers, taking into account the most recent traffic expectations and changes in the licensed carriers' traffic patterns.

Fund Transfers and Use of Special Purpose Funds

The Authority will maintain sufficient fund balances to meet the currently scheduled debt service requirements of \$1,509,150 due September 1, 2022 for interest and \$9,189,150 due March 1, 2023 for principal and interest.

In addition, the Authority will endeavor to fund next year's cash transfers to the Replacement Fund in an amount not less than this year's budgeted transfer of approximately \$12,500,000, but not to exceed the Authority's projected depreciation expense for 2021, currently estimated at \$13,730,000.

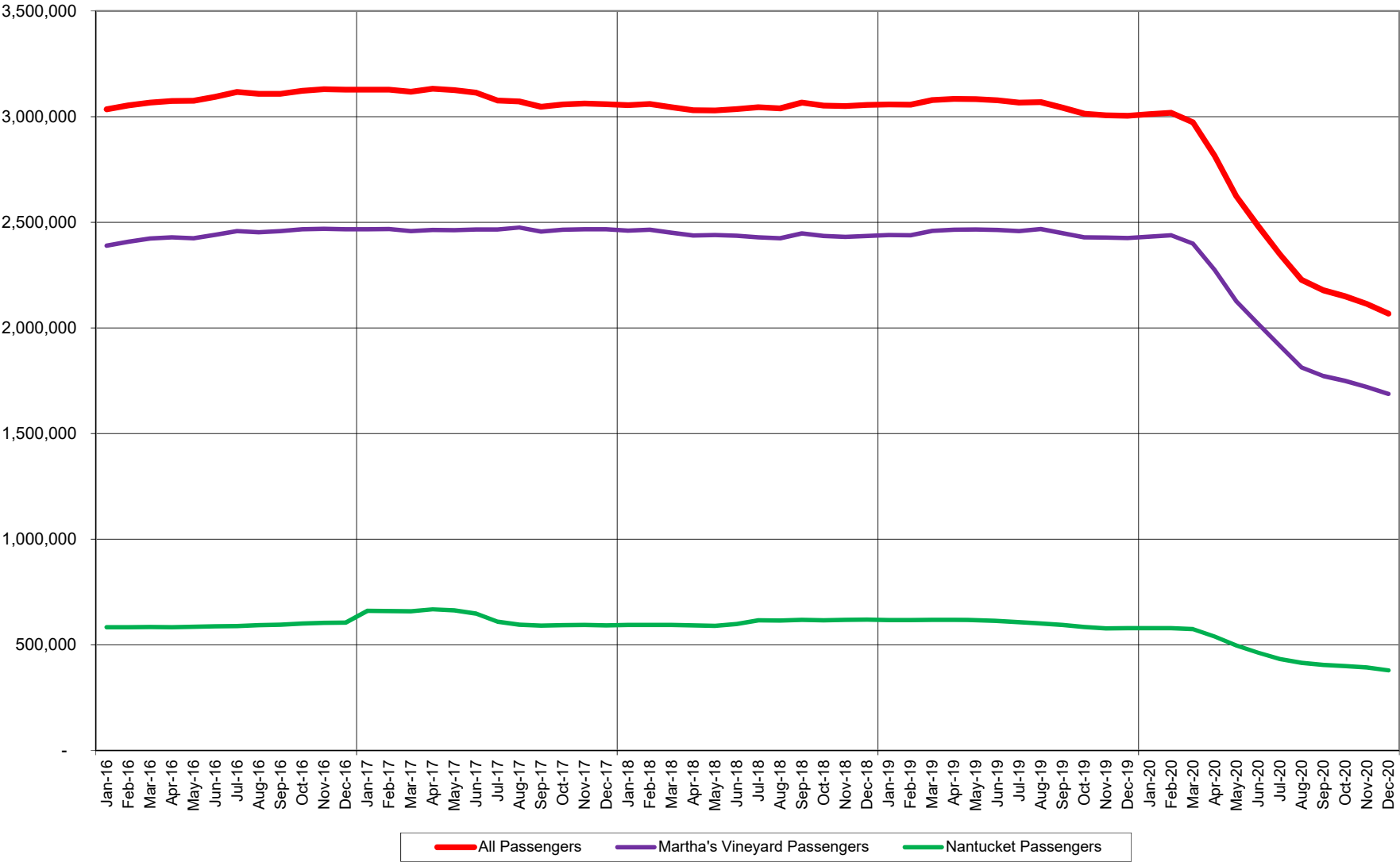
Fares and Rates

The staff will be making all efforts to minimize the need for any rate increases.

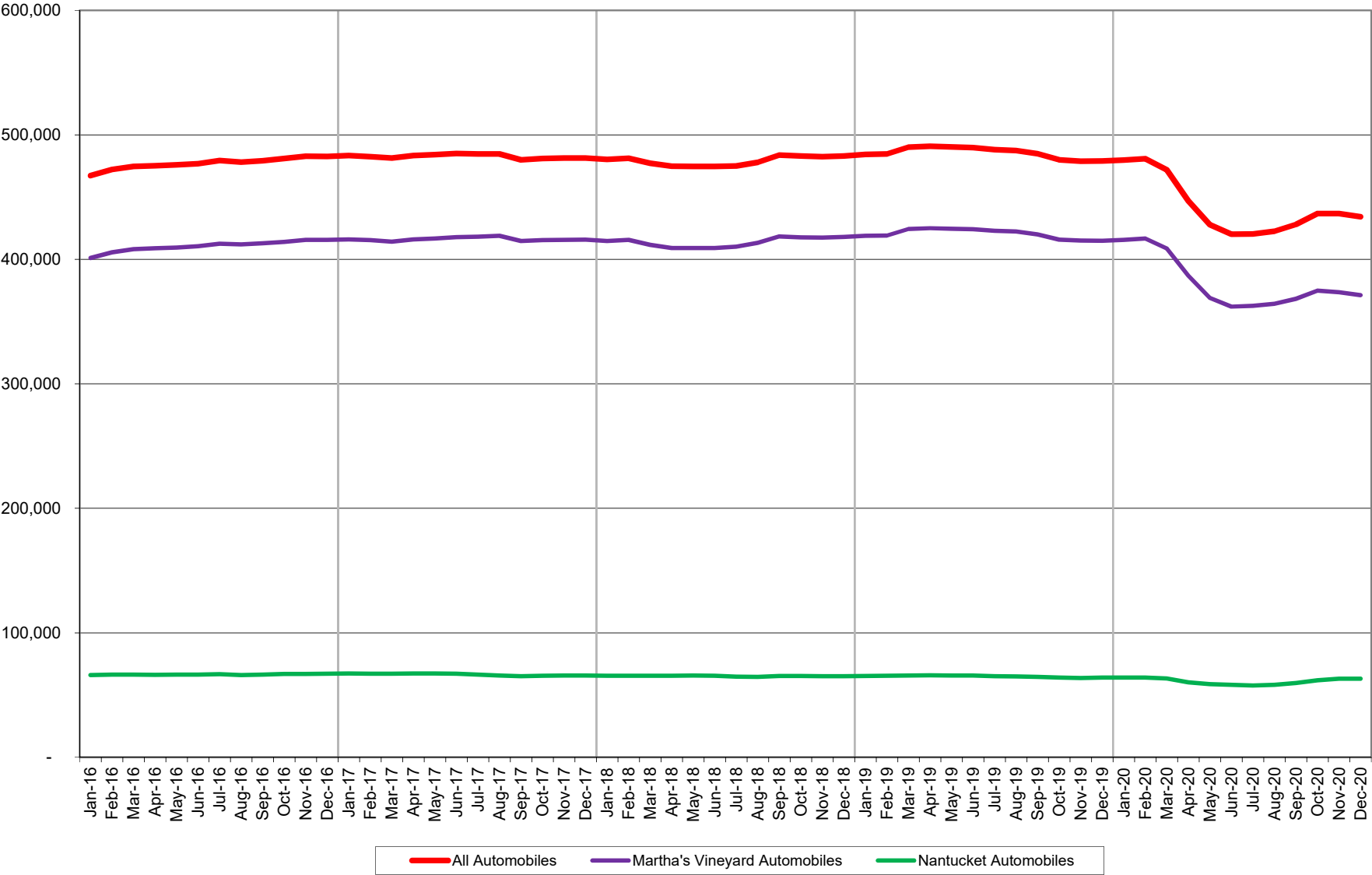
PROJECTED STATEMENTS OF NET ASSETS (BALANCE SHEET); STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (INCOME STATEMENT); AND STATEMENTS OF CASH FLOW FOR THE YEARS 2022 - 2026

The Authority will update its five (5) year operating budget projections based on anticipated annual growth rates in traffic volume and projected increases in operating expenses, including the additional depreciation expense related to the Woods Hole terminal project. The budget will provide an indication of additional revenue (rate increases) that will be needed to generate sufficient cash flow to meet the projected cost of service, including cash requirements of the special-purpose funds, based on the assumptions used.

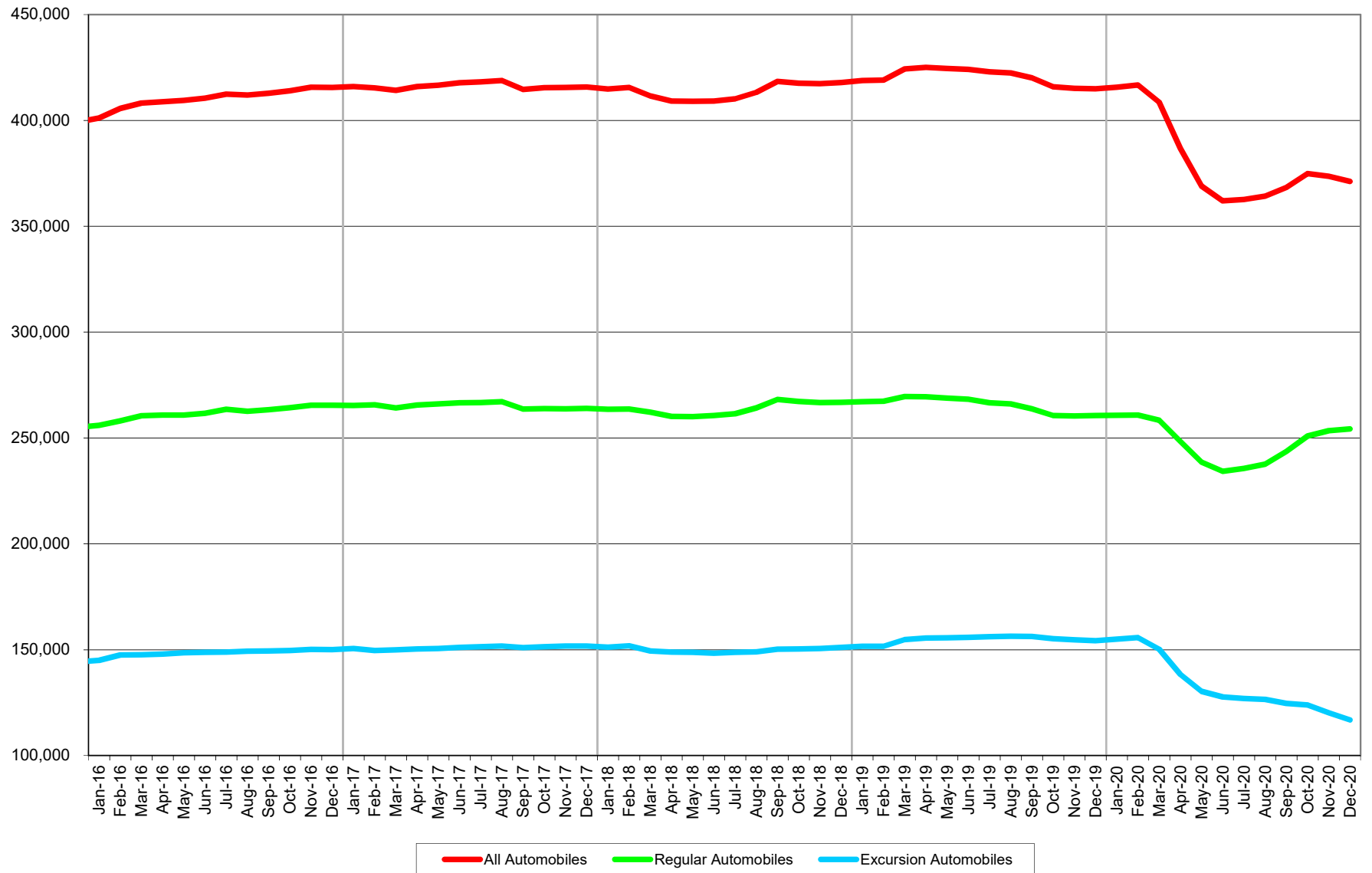
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority
Total Passengers Carried to/from Martha's Vineyard and Nantucket - Based on a Rolling 12 Months



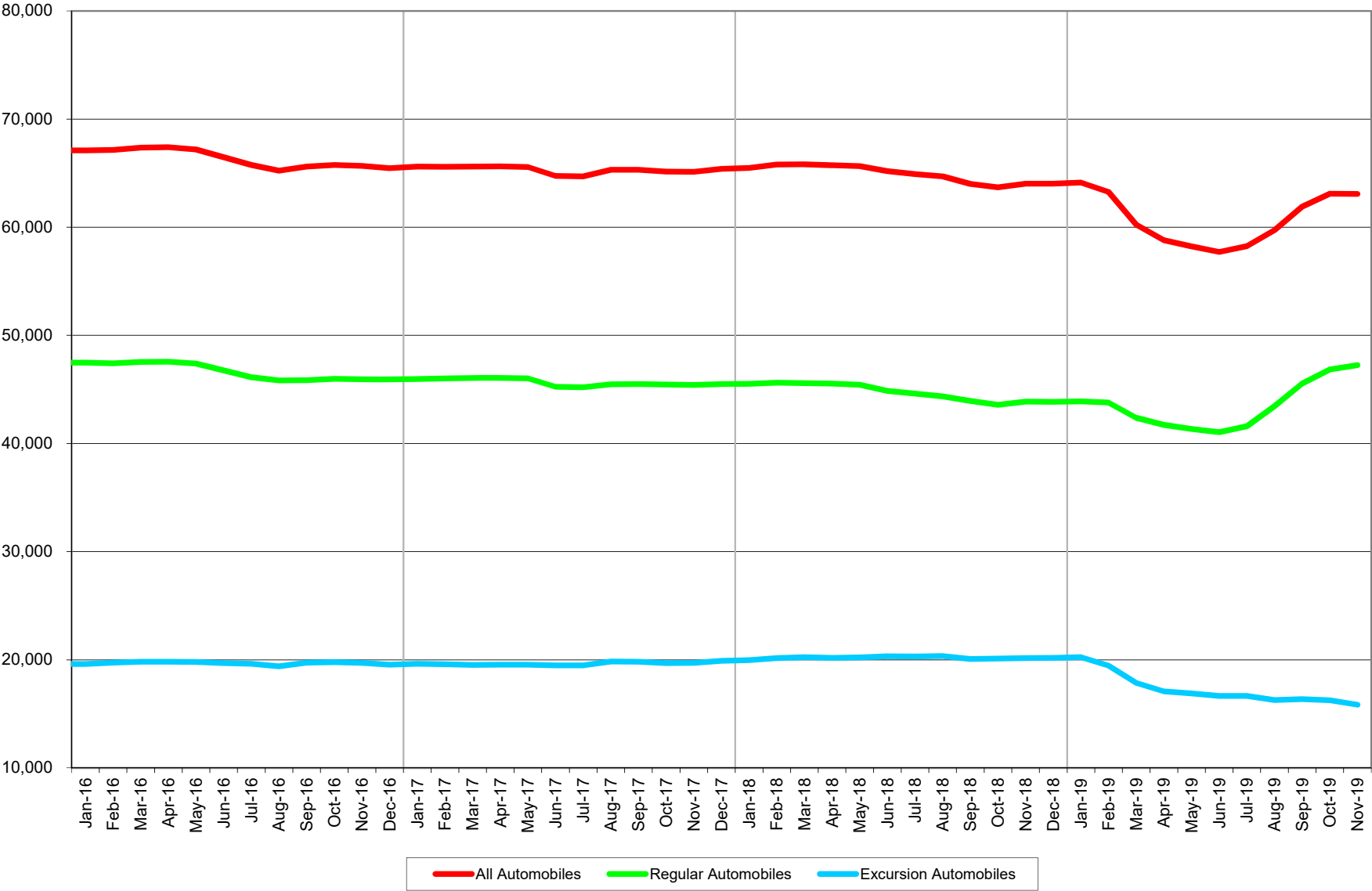
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority
Total Automobiles Carried to/from Martha's Vineyard and Nantucket - Based on a Rolling 12 Months

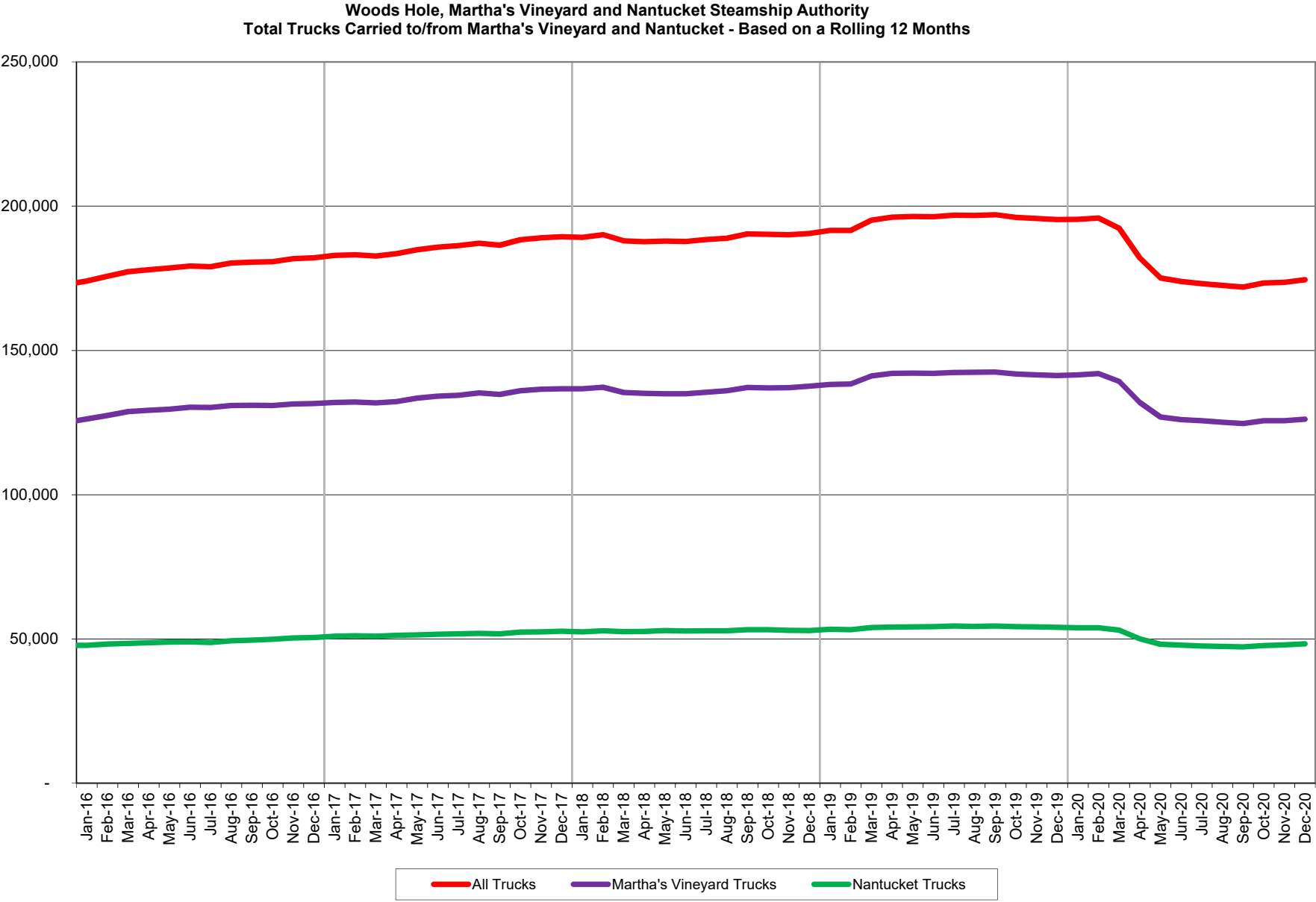


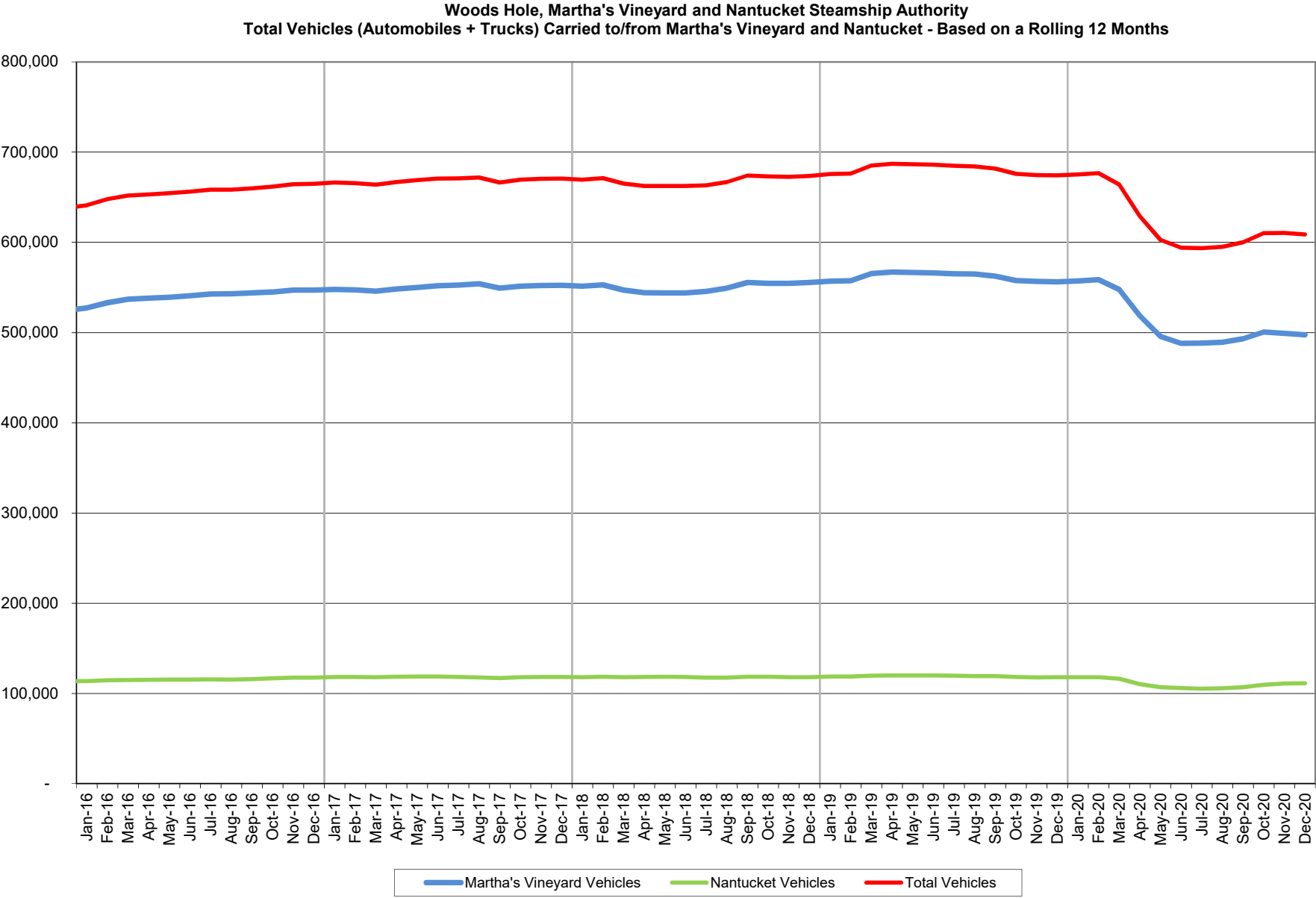
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority
Total Regular and Excursion Automobiles Carried to/from Martha's Vineyard - Based on a Rolling 12 Months

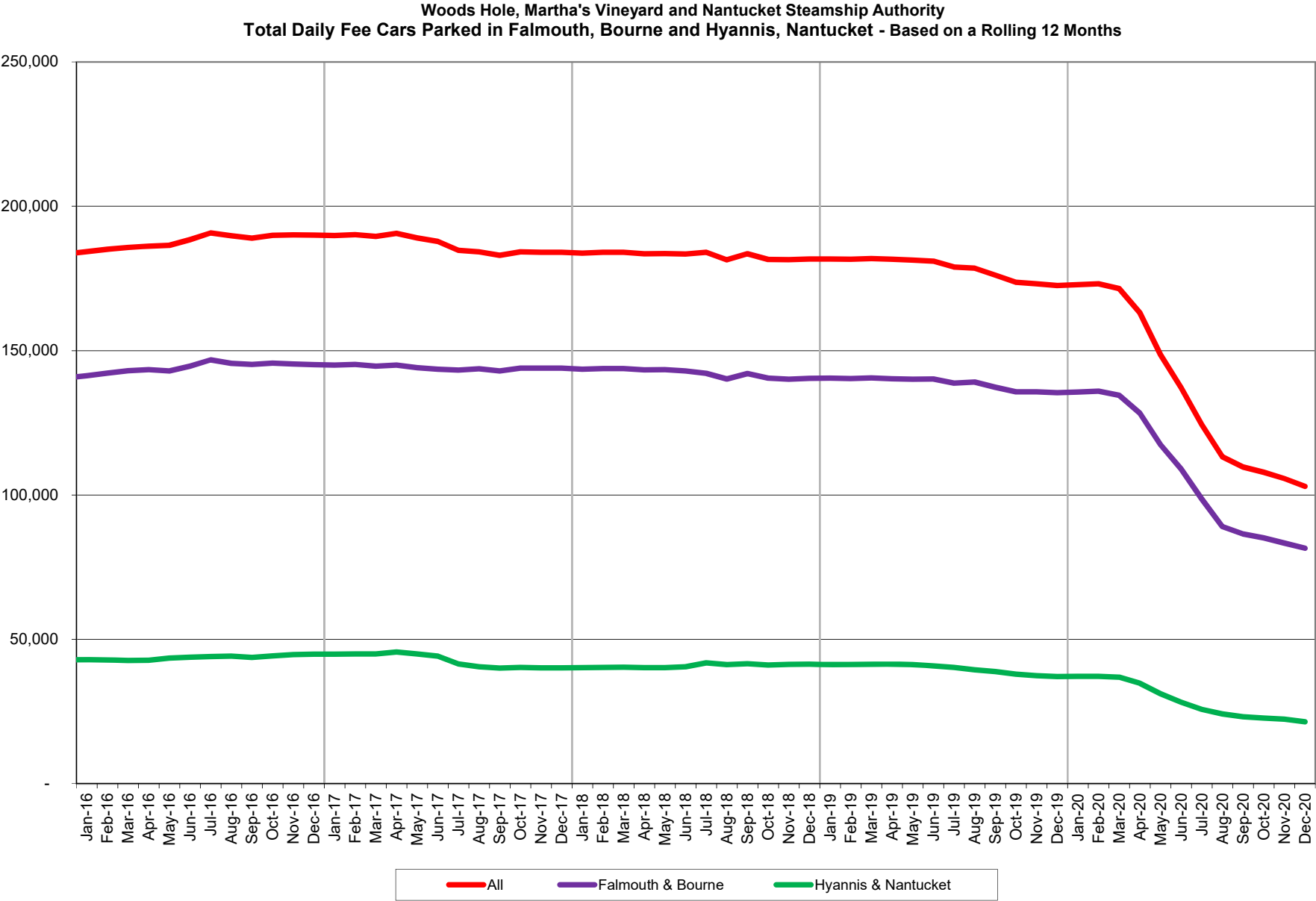


Woods Hole, Martha's Vineyard and Nantucket Steamship Authority
Total Regular and Excursion Automobiles Carried to/from Nantucket- Based on a Rolling 12 Months









STAFF SUMMARY

Date: May 14, 2021

File# MO-2021-03



TO:		FOR:		FROM:
X	General Manager	X	Vote	Dept.: Marine Operations Author: Mark H. Amundsen
X	Board Members		Information	Subject: Contract No. 11-2021, "Dry-dock and Overhaul Service for the M/V Martha's Vineyard"

PURPOSE:

To request the Members authorize the General Manager to award Contract No. 11-2021, "Dry-dock and Overhaul Services for the *"M/V Martha's Vineyard"*, to the lowest eligible and responsible bidder, Thames Shipyard and Repair Company of New London, CT for a Total Contract Price of \$1,423,986.

BACKGROUND:

The *M/V Martha's Vineyard* is scheduled to enter shipyard availability from September 10, 2021 to October 21, 2021 to undergo a required United States Coast Guard hull exam; rudder, propeller and shaft maintenance, bow thruster maintenance, anchor windlass overhauls, air compressor replacements, coating maintenance on underwater and superstructure areas and installation of a new fire detection system.

The 2021 Operating Budget estimate for Contract No. 11-2021, "Dry-dock and Overhaul Services for the *"Martha's Vineyard"*, including the above mentioned items, was \$1,051,600. The major discrepancies between the amounts budgeted in the 2021 Operating Budget and the bid results of Contract No. 11-2021, were:

- Increase in the area of blasting and coating the underwater hull of the vessel from \$ 51,000 to \$ 169,840
- A new Fire Detection system \$0 vs \$194,286 and
- Bow Thruster Maintenance and overhaul \$0 to \$252,483.

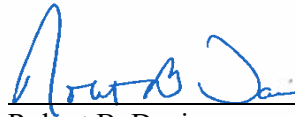
Drawings and specifications were sent to ten (10) shipyards. Two (2) responsive bids were received. See attached Bid Summary and Vendor Summary.

RECOMMENDATION:

To authorize the General Manager to award Contract No. 11-2021, "Dry-dock and Overhaul Services for the *M/V Martha's Vineyard*", to the lowest eligible and responsible bidder, Thames Shipyard and Repair Company of New London, CT for a Total Contract Price of \$1,423,986.



Mark H. Amundsen
Director of Marine Operations

APPROVED: 

Robert B. Davis
General Manager



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

Summary of Sealed Bid Results

DRYDOCK AND OVERHAUL SERVICES FOR THE MV MARTHA'S VINEYARD

Contract #11-2021

Contract Number 11-2021 was publicly opened and read aloud at 2:00 pm on Thursday, May 13, 2021. Present at the opening were Peggy Nickerson (Steamship Authority), Mark Amundsen (Steamship Authority) & Sean Holmes (Steamship Authority).

Two (2) bids were received as listed below.

<u>Bidder</u>	<u>Total Bid Price</u>
Thames Shipyard & Repair Co. New London, CT	\$1,423,986.00
Senesco Marine, LLC North Kingstown, RI	\$1,674,775.56

The Bids are being taken under advisement.

Sincerely,

Peggy Nickerson

Peggy Nickerson, Procurement Officer
Email: pnickerson@steamshipauthority.com
Voice: (508) 548-5011 ext. 515
Fax: (508) 457-5886

CONTRACT NO. 11-2021
Drydock & Overhaul Services for the M/V Martha's Vineyard

Bid packages were mailed to all vendors listed below:

Thames Shipyard & Repair Co., Inc. 2 Ferry Street New London, CT 06320	Colonna's Shipyard Inc. 400 East Indian River Rd. Norfolk, VA 23523	Senesco Marine LLC 10 Macnaught Street N. Kingstown, RI 02852	Lyon Shipyard 500 Rose Avenue Norfolk, VA 23504
Caddell Dry Dock & Repair Co. PO Box 327 – Foot of Broadway Staten Island, NY 10310	GMD Shipyard Corp. 63 Flushing Avenue, Unit 276 Brooklyn, NY 11205	Bayonne Dry Dock & Repair 51 Port Terminal Blvd Bayonne, NJ 07002	Detyens Shipyard Inc. 1670 Drydock Avenue N. Charleston, SC 29405
Gulf Marine Repair 1800 Grant Street Tampa, FL 33605	St. Johns Ship Building 560 Stokes Landing Rd. Palatka, FL 32177		

Bids were received from the following vendors:

Vendor	Amount	Comments
Thames Shipyard & Repair Co. New London, CT	\$1,423,986.00	Responsible
Senesco Marine, LLC North Kingstown, RI	\$1,674,775.56	Responsible

Contract awarded to:	Date of Award:	Amount of Contract:
Thames Shipyard & Repair Co. New London, CT	Pending Board Approval Meeting on 05/18/2021	\$1,423,986.00

STAFF SUMMARY

Date: May 17, 2021

File# GM-760



TO:		FOR:		FROM:
	General Manager	x	Vote	Dept.: Woods Hole Reconstruction Project Author: William J. Cloutier
x	Board Members	x	Information	Subject: Woods Hole Terminal Design Change Order # Contract #16-2017

PURPOSE:

To request a vote of the Board to authorize the General Manager to execute Change Order No. 151 for Contract No. 16-2017 "Woods Hole Ferry Terminal Reconstruction - Waterside" with Jay Cashman, Inc. ("Cashman") at a total cost of \$180,000.00

BACKGROUND:

In December 2020, GeoEnvironmental, Inc. ("GZA") developed two (2) procedures for the installations of the 8-foot diameter monopiles at Slip No. 1 to limit soil disturbances and structural movements in the surrounding area. A copy of GZA's procedures is attached hereto as *Exhibit A*. It was agreed that these procedures were not within the Contract's original specifications and Cashman would conduct the installations on a time and materials basis.

Change Order No. 151 addresses Cashman's additional labor costs to drive the 8-foot diameter monopiles according to the procedure prescribed by GZA. The procedure limited the continuous operation of the large vibratory hammer to forty-five (45) minutes, and also required a twenty-four (24) hour waiting period before the vibratory hammer could be used on a neighboring monopile. As a result, Cashman was required to switch from the vibratory hammer to the impact hammer many more times than they would have done without the procedure. Switching between the equipment was time consuming, but the procedure was effective in limiting soil disturbance and structural movements in the surrounding area. Cashman drove nine (9) monopiles (Nos. 22-31) utilizing GZA's procedures.

Cashman's original labor cost proposal relating to the procedures was \$279,415.46, but staff and the project's design and engineering team negotiated the cost down to a settlement amount of \$180,000.00.

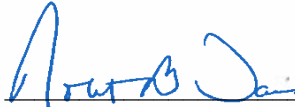
RECOMMENDATION:

The staff recommends that the Members vote to authorize the General Manager to execute Change Order No. 151 for Contract No. 16-2017 “Woods Hole Ferry Terminal Reconstruction - Waterside” with Jay Cashman, Inc. at a total cost of \$180,000.00



William J. Cloutier
Woods Hole Reconstruction Project Manager

APPROVED:



Robert B. Davis
General Manager

Exhibit A



Proactive by Design

GEOTECHNICAL
ENVIRONMENTAL
ECOLOGICAL
WATER
CONSTRUCTION
MANAGEMENT



MEMORANDUM – ASI 47

To: Lian Davis (BIA.studio)

Cc: Files

From: GZA

Prepared By: Dino Fiscaletti, P.E. (GZA)

Date: December 15, 2020

File No: 33931

Re: PH 4 Monopile Installation Procedure
Woods Hole Ferry Terminal Reconstruction
Woods Hole, MA

In an effort to limit soil disturbance during installation of the 8-foot diameter monopiles, the following two (2) procedures have been developed. Monopile installation for Phase 4 shall follow either procedure.

1 - Use of Vibratory Hammer to Designated Pile Tip Elevation

1. Set the monopile and record locations of monitoring points on nearby 16-inch diameter pier pile and on the recently installed sheet pile bulkhead. Monitoring points shall be located on pier pile and sheet pile closest to the monopile being installed.
2. Advance the pile with the vibratory hammer to elevation -55. Prepare driving log indicating rates of pile advancement. Record locations of the nearby monitoring points. Set only one monopile per day to limit running time of the vibratory hammer.
3. During driving, continuous survey of monitoring points is not required, however:
 - a. If movement of the 16-inch piles or the bulkhead is observed stop driving, notify SSA.
 - b. If advancement of the monopile slows to less than 1 foot per minute, stop driving, notify SSA.
4. Check for movement in the monitoring points at the end of the work shift. Notify SSA if there is any movement.
5. Hold the monopile at el. -55 for a 24± hour wait period. If no movement has been observed in the 16-inch piles (or the bulkhead), advance the monopile to the design tip elevation using the vibratory hammer.
6. There shall be a 24 hour wait period before using the vibratory hammer on another monopile.
7. Prior to driving another monopile, survey monitoring points. Cease driving and notify SSA if movement is observed.
8. During driving, limit the continuous running time of the vibratory hammer to 45 minutes.



2 – Set With Vibratory Hammer/Final Driving with Impact Hammer

1. In one work shift, advance up to three individual monopiles to tip elevation $-65\pm$ using the vibratory hammer. During installation, limit the continuous running time of the vibratory hammer to 45 minutes.
2. Survey and record locations of monitoring points on nearby 16-inch diameter pier pile(s) and on the recently installed sheet pile bulkhead before and after advancing each monopile to elev. -65 . Monitoring points shall be located on pier pile(s) and sheet pile(s) closest to the monopile being installed. If movement is observed at any time, cease monopile installation and notify SSA.
3. During driving, continuous survey of the monitoring points is not required, however:
 - a. If movement of the 16-inch piles or the bulkhead is visually observed stop driving, notify SSA.
 - b. If advancement of the monopile slows to less than 1 foot per minute, stop driving. Notify SSA
4. Hold the monopile(s) at el. -65 for a $24\pm$ hour wait period. After 24 hours, survey and record locations of monitoring points. If no movement has been observed at any of the monitoring points, advance the monopile to the design tip using the impact hammer. If movement is observed at any time, cease monopile installation and notify SSA.
5. Survey and record locations of monitoring points after advancing each monopile to the design tip elev. If no movement has been observed at any of the monitoring points, advance the next monopile to the design tip using the impact hammer. If movement is observed, cease monopile installation and notify SSA.
6. Following impact driving of multiple monopiles, there shall be a 24 hour wait period before using the vibratory hammer to set additional monopiles. If a single monopile is impact driven to the design tip elevation in a single work shift, a wait period will not be required before setting piles with the vibratory hammer.

j:\geo\33931.42.jjm\work\ph4 asi 47 monopile installation procedure\201215 asi 47 33931 gza memo_monopile driving procedure.docx

STEAMSHIP AUTHORITY CHANGE ORDER NOTIFICATION/ AUTHORIZATION FORM

☒ APPROVED☐ DENIED**Distributed To:**

- ☒ Treasurer
☒ General Manager
☒ File



PROJECT: Woods Hole Reconstruction Marine Contract
(Name, Address) 1 Railroad Ave
 Woods Hole MA 02543

CHANGE ORDER NO: 151
Cashman Change Request # CP-168
DATE: May 10, 2021

CONTRACTOR: Jay Cashman, Inc.
(Name, Address) 549 South Street
 Quincy, MA 02169

PROJECT NO: 16-2017
Account #: 175009
CONTRACT DATE: September 21, 2017

The contract is proposed to be changed as follows:

#	DESCRIPTION	COST
151	Change request to modify 96" monopile drive operations per ASI-47 and Project Meeting Discussions. See related emails.	\$180,000.00
Change Order Total:		\$180,000.00

*****NOT VALID UNTIL SIGNED BY AUTHORIZED MANAGERS*****☒ Final☐ Estimate

Is this change order request DIRECTLY related to approved contract work?

☒ Yes☐ No

If no, explain why the work is requested to be performed at this time?

Does the Change Order Request exceed **\$1,000?** ☒ Yes ☐ No

If yes, authorization by Project Manager and Treasurer is required.

Does the Change Order Request exceed **\$5,000?** ☒ Yes ☐ No

If yes, authorization by Project Manager, Treasurer and General Manager is required.

Does the Change Order Request exceed **\$100,000?** ☒ Yes ☐ No

If yes, authorization by Project Manager, Treasurer, General Managers and Board Approval is required.

The original Contract Sum was \$43,143,280.00

The Contract Sum will be increased by this Change Order in the amount of \$180,000.00

The Contract Time will be changed by (+/-) days TBD

The date of Final Completion as of the date of this Change Order will be

WILLIAM J CLOUTIER
 SSA PROJECT MANAGER

 Treasurer Signature/Date

 Project Manager Signature

 General Manager Signature/Date

5/10/2021

Date

☐ Yes ☐ No

Board Approval

Board Meeting Date

*Send finalized Change Order to Vendor and Project Manager(s).