MINUTES

OF THE

PORT COUNCIL

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

September 9, 2025

First-Floor Conference Room (Room 103)
Steamship Authority Administrative Offices
228 Palmer Avenue, Falmouth, Massachusetts

Port Council Members present:	Chair Nathaniel E. Lowell of Nantucket; Vice Chair Gordon M. Carr of New Bedford; Secretary Gregory R. Egan of Barnstable; and members Eric R. Dawicki of Fairhaven; Robert S.C. Munier of Falmouth; Joseph E. Sollitto Jr. of Oak Bluffs; and John F. Cahill of Tisbury. Messrs. Lowell, Dawicki, Munier, and Sollitto participated via Zoom videoconferencing.
Authority Board Members present:	Chair James M. Malkin of Dukes County, Vice Chair Peter J. Jeffrey of Falmouth, and Member Robert R. Jones of Barnstable. Mr. Jones observed the meeting via Zoom.
Authority Management present:	General Manager Robert B. Davis; Treasurer/Comptroller Mark K. Rozum; General Counsel Terence G. Kenneally; Chief Operating Officer Mark H. Amundsen; Communications Director Sean F. Driscoll; Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; Director of Engineering and Maintenance Zachary A. Lawrence; Director of Information Technologies Stephen M. Colman; Assistant Treasurer Courtney M. Oliveira; and Marketing and Creative Specialist Ian Chase Nichols.

1. Mr. Lowell called the meeting to order at 9:01 a.m.

2. Mr. Lowell announced Mr. Driscoll was making a video and audio recording of the day's meeting; Louisa Hufstader (representing the *Vineyard Gazette*) indicated she was making an audio recording of the meeting. During the meeting, Eunki Seonwoo (representing the

Martha's Vineyard Times, indicated to Mr. Driscoll that he had joined the meeting and was making an audio recording.

3. Mr. Lowell announced that, pursuant to Section 20 of Chapter 20 of the Acts of 2021, as amended, Port Council members were participating remotely in the day's meeting because their physical attendance would be unreasonably difficult. Those members were participating via Zoom videoconferencing and were clearly audible to one another. As a result of the members' remote participation, all votes taken were to be by roll call vote.

4. Upon a motion by Mr. Carr and a second by Mr. Egan, the Port Council **voted** 6-0 to approve the minutes of its joint meeting with the Board on August 19, 2025. Mr. Dawicki abstained from the vote.

5. Mr. Lawrence shared a PowerPoint update on the status of the *M/V Monomoy*. Recent milestones for the *M/V Monomoy* include installation of the main shafts and propellers; installation of the stern thruster and coating of the freight deck. The vessel was being undocked this week, and stability tests are tentatively scheduled for September 17, 2025.

6. Mr. Davis shared an update on the Woods Hole Terminal Reconstruction Project. Recent milestones at the utility building included roughing in of the elevator and associated electrical work; installation of pipes for the geothermal heating system; installation of wall and floor tile in the restrooms and showers; installation of aluminum door frames; regrading and surface coating of pavement, and rebar and form work to pour concrete for the generator pad at the east side of the building. Milestones at the terminal building include stone siding installation, and installation of insulation and rebar covering below-grade plumbing inside the building.

   Mr. Davis noted that, in collaboration with the Town of Falmouth, the Authority was rearranging some Jersey barriers along Luscombe Avenue to provide five (5) additional spots for rideshare and taxi vehicles waiting for passengers.

   Mr. Davis noted general contractor Colantonio Inc. is still on target and is about sixty-five percent (65%) done with the project. The utility building is expected to be done by the end of year, and the terminal building is expected to be done by the end of May 2026.

   Mr. Munier asked if the taxi and rideshare vehicles would have to back into the angled parking spaces; Mr. Davis said they would, and that was done to hit the targeted number of spaces in the area. Mr. Munier asked if Cahoon Park would then get smaller due to this addition, and Mr. Davis said this was a temporary condition. The permanent solution was a series of spaces on the north and south side of the staging area for short-term parking. Mr. Davis thanked the Falmouth Police Department and Department of Public Works for their assistance on this matter.

Mr. Davis added that, once the utility building and terminal building were done, there will be an interim condition before the site work and temporary terminal demolition are complete, and the traffic flow and location may need to be revisited during that time.

7. Mr. Rozum then delivered an update on the reservation system project. The Authority recently had a successful meeting with E-Dea and agreed in principle to the contract term. Five (5) functional meetings and one (1) technical meeting have been held to begin the exploratory phase of the project, and thirteen (13) meetings are scheduled starting September 23, 2025, when E-Dea will be on site for two (2) weeks.

   Mr. Cahill asked if the project was on schedule, and Mr. Rozum said it was, and the project team has been very happy and encouraged by work thus far.

   Mr. Lowell noted this system would help the Authority book the boats "tighter" and address concerns with empty spaces on vessels. Mr. Rozum concurred and said a significant change would be booking by lane feet and not the car-equivalent unit. The system will still require active management, however, for top performance. Mr. Amundsen noted there will be overall better efficiency and higher capacity on the vessels as a result.

8. Mr. Rozum then reviewed via a PowerPoint presentation the July 2025 business summary, which showed the Authority carried more passengers (up 2.2%), more vehicles of less than twenty (20) feet (up 0.1%) and more freight trucks (up 3.0%) than it did in the same period in 2024. Year-to-date figures show the Authority has carried more passengers (up 1.3%), more vehicles of less than twenty (20) feet (up 0.5%), and fewer freight trucks (up 0.2%) than it did for the same period in 2024.

   During July 2025, the Authority's vessels had 2,576 trips scheduled, of which sixteen (16) were canceled for mechanical reasons on the Vineyard route and seven (7) were canceled for mechanical reasons on the Nantucket route, he said.

   In July 2025, the Authority had approximately $21,705,000 in operating income and $13,060,000 in operating expenses, which, combined with nonoperating income and nonoperating expenses, resulted in a net operating income of $9,098,000, which was $419,000 lower than budgeted. Year to date, the Authority has seen a net operating gain of $2,696,000, about $904,000 lower than budgeted.

   Preliminary traffic data for August 1-21, 2025, showed the Authority carried more passengers (up 4.7%) and more vehicles of all sizes (up 0.6%) on both routes combined, he said.

   Mr. Munier said he was curious about why the Nantucket route was up to the extent it was; Mr. Lowell noted the *M/V Woods Hole* and *M/V Barnstable* were on the route this year, which provided more vehicular capacity. Mr. Rozum added that the *M/V Barnstable* was able to take more trucks, which made more car space available on the *M/V Eagle* and *M/V Woods Hole*. Mr. Munier noted there seemed to be pent-up demand on the Nantucket route.

9. Mr. Rozum and Ms. Oliveira presented the preliminary 2026 Operating Budget. Ms. Oliveira noted that the baseline for revenues is the actual traffic statistics from August 2024-July 2025 and the operating expenses are based on the approved 2026 Operating Schedule. Additionally, the budget reflects the *M/V Monomoy* coming online and the reservation system launching in the fourth quarter.

In 2026, the projected operating revenues are $152,742,907 and the projected operating expenses are $162,206,097 that, when combined with other income and expenses, results in a net income from operations of $2,748,239, Ms. Oliveira said.

Significant operating expense changes include vessel maintenance (up $3,065,129), payroll (up $2,737,797), depreciation (up $2,219,537), and terminal maintenance (up $1,913,950). Vessel fuel oil costs are projected to be down $255,360, she said. Ms. Oliveira reviewed specifics of the maintenance budgets, noting that thirty-two percent (32%) of the vessel maintenance budget was for five (5) dry dockings and fifty-four percent (54%) of the landside maintenance was for repairs to dolphins and docks.

Positive variations in projected operating revenue are $1,333,214 in passenger revenue and $765,650 in freight revenue, while negative variations are a drop of $1,732,583 in automobile revenue, $1,059,001 in rent revenue, and $33,929 in parking revenue, she said.

Ms. Oliveira noted that grant revenue income was expected to increase by $4.1 million, covering costs related to vessel dry docks, slip and pier repairs in Vineyard Haven, transfer bridge repairs in Fairhaven, and vessel engine and machinery parts.

Mr. Rozum noted several operational benefits from last year's budget, namely:

- increased preventative vessel maintenance investments
- continued investment in training costs
- settled all union contracts
- thirty-six percent (36%) decrease in mechanical trip cancellations compared to 2024
- fifty-eight percent (58%) decrease in crewing and schedule trip cancellations compared to 2024
- new reservation system expected to go live in 4th quarter 2026

Mr. Lowell noted that information was "pretty positive and eye opening." He noted the way that the Authority works to swap vessels due to service issues does not always make the paper but that it was positive work.

Mr. Carr noted it was good to see the benefits of the investments from last year's budget process and rate adjustments and that it's encouraging to see the improvements that the strategic plan is focused on.

10. Mr. Rozum then reviewed the draft proposed 2026 rate adjustments. After reviewing increases in maintenance, training, and IT expenses, he said the total rate adjustment revenue is $7,436,890, of which $4,397,962 will come from the Vineyard route and $3,038,928 will come from the Nantucket route.

The proposed fare adjustments by category are as follows:

- Passenger fares $ 1,810,043
- Excursion rates $ 489,559
- Standard fare vehicles $ 1,797,955
- Vehicles over 20' in length $ 1,991,234
- Parking – Permits & Daily Fee $ 1,269,457
- Miscellaneous $ 78,642

The proposed Vineyard route adjustments are as follows:

Rate	**Proposed Adjustment**	**Additional Revenue**
Standard fare vehicles under 20' in length	▪ $3.50-$5.50 for 1/1 - 5/14 and 11/1 - 12/31 ▪ $6.00 from 9/15 - 10/31 ▪ $6.00 Mon-Thurs & $8.00 Fri-Sun 5/15 - 9/14 ▪ $55.00 – Auto 10-Ride coupon book	$1,198,350
Excursion Fare	▪ $1.75 from 1/1 – 5/14 and 9/15 - 12/31, each segment ▪ $2.75 from 5/15 – 9/14, each segment	$350,026
Freight	5.5% increase	$866,449
Passengers	▪ $0.50 one-way Adult ▪ $0.25 one-way Child/Senior ▪ $4.50 per 10-Ride Adult book ▪ $2.75 per 10-Ride Child/Senior book ▪ $9.25 per 46-Ride book	$1,078,277
Daily Fee Parking	▪ $5.00 per day from 1/1 - 3/31 & 11/1 - 12/31 ▪ $8.00 per day from 4/1 - 5/14 & 9/15 - 10/31	$760,415
Parking Permits	$200 Woods Hole Lot; $50 Palmer Ave. Lot	$129,100

The proposed Nantucket rate adjustments are as follows:

Rate	Proposed Adjustment	Additional Revenue
Standard fare vehicles under 20’ in length	▪ $10 & $15 – 1/1-5/14 and 11/1-12/31 ▪ $15 – 5/15-9/14 ▪ $15 – 9/15-10/31 ▪ $80–Auto 6-Ride coupon book	$599,605
Excursion fare	▪ $4.50 one-way off-season ▪ $6.25 one-way peak season	$139,533
Vehicles 20’ and over in length	▪ 5.5% increase	$1,124,785
Passengers – High Speed Ferry	▪ $2 one-way Adult/$3 Same Day RT Adult ▪ $1.00 one-way Child/$2.00 Same Day RT Child ▪ 1.00 one-way Senior/$2.50 Same Day RT Senior ▪ $8-$16 per 10-Ride book (Adult, Child, Senior)	$496,289
Passengers – Conventional Ferry	▪ $1 one-way Adult ▪ $0.50 one-way Child/Senior ▪ $8.00 per 10-Ride Adult book ▪ $5.00 per 10-Ride Child/Senior book	$235,478
Daily Fee Parking	▪ $4.00-$7.00 per Calendar Day	$363,042
Parking Permits	▪ $75.00 and $50.00 annually	$16,900

Mr. Rozum then reviewed usage of excursion rate fares on both routes in 2024 and noted that the percentages are up significantly this year. Upon further examination of the data, he noted that, while ninety-two percent (92%) of all account holders on the Vineyard travel twenty-four (24) times or less per year, they take up only seventy-four percent (74%) of the excursion reservations, meaning eight percent (8%) of accounts are making one-quarter of the reservations. On the Nantucket route, ninety-four percent (94%) of all accounts travel nine or less times and take up seventy-nine percent (79%) of reservations, meaning six percent (6%) of accounts make twenty-one percent (21%) of all excursion reservations. He said staff wants to make sure the program is doing what it is intended to do, which is to aid year-round residents with the extra travel logistics that those living on the mainland do not have. Mr. Rozum noted it was not meant for subsidizing businesses.

Mr. Cahill asked if the new reservation system would have tools that could help this work, and Mr. Rozum said the discovery process had not proceeded that far yet, but it is a top topic of discussion.

Mr. Dawicki said this presentation was "solid work" and the best he's seen since joining the Authority. He said it would be good if the new system could help with the qualification and find ways to root out those taking advantage of the system. Mr. Rozum complimented his team for their hard work on the budget.

Mr. Munier noted there had been discussions about the excursion fare and how they were out of sync with the full fares, and nothing had been done to address that and asked why it was being punted again. Mr. Rozum said the proposal does increase the rate while waiting for the reservation system's new tools to help them further define the problem, and that it did not make sense to invest in changes to the current reservation system.

Mr. Carr noted that the real subsidy is going to a small subset of users and suggested a "Lifeline Rate" be offered for the first twenty-four (24) or thirty-six (36) trips, and then the price goes up dramatically.

Mr. Dawicki said to remember these islands are two (2) of the poorest communities in Massachusetts when considering year-round residents, so the Authority has to look at the charge it has to protect their capacity to afford travel.

Mr. Munier noted he did not disagree with any of these points, but the rate has been ignored for so long that the disconnect is wider than it should be. Mr. Carr agreed there had been a distorting effect by the number of years with an increase.

Mr. Sollitto asked how the Woods Hole Terminal Reconstruction Project was affecting the budget; Mr. Rozum said the costs were paid by capital funds, but it was affecting the operating budget via the interest expense on bonds, insurance, and depreciation costs.

Members then had discussion about tying the Excursion Program eligibility to voter registration, which Mr. Lowell cautioned would be difficult because of the ways one can become eligible to vote without necessarily living on the island full-time. He added the Authority had to be careful about how far it pushes the gas pedal on excursion qualification changes.

At 10:34 a.m., Mr. Dawicki ended his participation in the meeting.

Mr. Rozum noted the draft budget would be presented to the Board next week and open houses would be held on the budget in the coming weeks before the proposed budget is brought to the Port Council and Board at their respective October meetings. In the meantime, the accounting team would be looking at several other items, including if the R99 diesel fuel pilot will be expanded. The costs to use the fuel fleet-wide would be an additional $5 million; Mr. Amundsen noted the effectiveness of the fuel has been substantial, but it does come at a cost.

Mr. Cahill asked that the reservation system benefits for working on rates could be discussed in October. Mr. Rozum said it would more likely be November because of the scheduled sessions with E-Dea.

11. Mr. Davis noted staff had noted errors in the 2026 Operating Schedule, which do not change the trips that are running but changes the hazardous designations on certain trips on the Nantucket route. Trip 303 was noted as hazardous, but it should have been trip 305 from March 30-June 18, 2026, and trip 101 was noted as hazardous, but it should have been trip 305 from June 19-October 22, 2026.

12. Mr. Lowell asked Mr. Lawrence if the *M/V Iyanough* was seeing an engine replacement this year, and he said it was not.

13. In response to Mr. Lowell's call for public comment, Jonathan Chatinover asked if the reservation system was just the back end or if the website would change as well. Mr. Rozum said the new website will go live with the reservation system, but there will be a time where both sites and reservation systems will have to work in tandem.

14. Beth O'Connor said the Authority keeps saying the excursion fares cover only twenty-six percent (26%) of the cost but the fares themselves do not bear that out. Mr. Rozum said that calculation is done using the entire cost of each trip.

    Ms. O'Connor asked if a statement of work had been signed with E-Dea; Mr. Rozum said it had not, but it was not slowing the project down.

    Then, at 11:01 a.m., upon a motion from Mr. Sollitto and a second by Mr. Cahill, the Port Council **<u>voted</u>** 6-0 to adjourn its meeting.

A TRUE RECORD

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Gregory R. Egan, Secretary

Documents and Exhibits Used at the Port Council's September 9, 2025, Meeting

1. Agenda for the Port Council's September 9, 2025, meeting (posted September 5, 2025).
2. Recording announcement.
3. Statement regarding remote participation.
4. Minutes of the August 19, 2025, joint meeting in public session (draft).
5. Presentation, *M/V Monomoy* Conversion at Alabama Shipyard, dated September 9, 2025.
6. Presentation, Woods Hole Terminal Reconstruction Project Update, dated September 2025.
7. Presentation, July 2025 Business Summary, dated September 9, 2025.
8. July 2025 Business Summary.
9. Staff Summary #A-717, Preliminary Draft of Proposed 2026 Operating Budget, undated draft.
10. Staff Summary #A-718, Preliminary Draft of Proposed 2026 Rate Adjustments, undated draft.
11. Presentation, 2026 Proposed Operating Budget, dated September 9, 2025.
12. Presentation, 2026 Proposed Rate Adjustments, dated September 9, 2025.