

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

The Meeting in Public Session

May 18, 2021

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met on May 18, 2021, beginning at 9:32 a.m., in the first-floor conference room of the Authority's administrative office building, located at 228 Palmer Avenue, Falmouth, Massachusetts. All five (5) Members were present and participated via Zoom videoconferencing: Chair Kathryn Wilson of Falmouth; Vice Chair Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert R. Jones of Barnstable; and James M. Malkin of Dukes County.

Port Council Vice Chairman Eric W. Shufelt was present and participated via Zoom. The following members of management were also present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark A. Amundsen; Reservations and Customer Relations Manager Angela C. Campbell; Woods Hole Reconstruction Project Manager William J. Cloutier; Director of Security Todd M. Falvey; Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; and Health, Safety, Quality and Environmental Manager Angela M. Sampson.

Video and Audio Recording of Today's Meeting:

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

Remote Participation by All Members:

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

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

Minutes:

IT WAS VOTED – upon a motion by Mr. Malkin, seconded by Mr. Ranney – to approve the minutes of the Board's April 20, 2021, meetings in public session.

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

Port Council's Report on its May 5, 2021 Meeting:

Mr. Shufelt reported the Port Council meeting included the following:

- An update on the Authority's efforts regarding COVID-19, including a report that the drive-on/drive-off services would resume on the Nantucket-Hyannis route.
- The March 2021 business summary.
- An update on the Woods Hole Terminal Reconstruction Project.
- An update on the dry-docking of the *M/V Governor*.
- An update on the Safety Quality Management System.
- An update on the website redesign project.
- The 2020 Cost of Service report and the draft 2022 budget policy statement, which the Port Council voted to recommend to the Board.
- A discussion about the design of a new vessel for the Authority.

Report on COVID-19:

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

- The Authority has continued its cleaning and sanitization efforts to reduce potential sources of the virus at the Authority's facilities, vessels, and buses.
- Per executive orders issued by Gov. Baker and President Biden, masks are to be worn on all public maritime vessels, including ferries, to mitigate the risk of spreading COVID-19.
- On March 22, 2021, the U.S. Coast Guard issued an update to its February 1, 2021, Marine Safety Information Bulletin titled "COVID-19 Safety Requirements in the Maritime Transportation System." This update, requires wearing of a mask, but also includes a list of exemptions, including children under two (2), individuals with a disability who cannot wear a mask, and for brief periods while passengers are eating, drinking, or taking medication.
- Vessel crews, before the beginning of their watches, are given a wellness check by trained medical professionals.
- All other personnel are given the wellness questionnaire, which they need to complete and provide to their supervisor to be given clearance to report to work or are sent home.
- Employees continue to be told that under no circumstances should they be coming to work while they are sick, for their own safety, the safety of their crewmembers and for the safety of the Authority's passengers. If any employee comes to work sick, they will be sent home.
- Updates continue to be posted on the Authority's dedicated landing page (www.steamshipauthority.com/2019coronavirus) as well as on its Facebook and Twitter pages, its eNews and through local media outlets. Mr. Davis noted that, since its inception, the COVID-19 landing page on the Authority's website had approximately 147,000 visits, with approximately 6,800 visits in the last thirty (30) days and nearly 2,100 in the past seven (7) days.
- The Authority continues to work with its concessionaire, Centerplate, on reopening plans, which include limited pre-packaged food and drink options and greater use of vending machines. Centerplate continues to "ramp up" operations and staffing, but concession sales are expected to start with the early summer schedule on May 19, 2021.
- Evaluations are ongoing regarding the ability to continue to hold public meetings via Zoom or a similar technology, and it is hoped that more guidance would be forthcoming from the state. Ms. Tierney asked, if the

Board were to meet in person, where it would be held; Mr. Davis said the schedule would be reviewed.

Results of Operations:

Mr. Davis reviewed the results of the March 2021 business summary via a PowerPoint presentation, which showed the Authority carried fewer passengers (down 6.2%) but more automobiles (up 4.9%) and trucks (up 2.6%) than the same month in 2019, which was the month used for the 2021 budget projections due to COVID-19.

Mr. Davis said the Authority's operating income for March 2021 was approximately \$5,795,000 and the operating expenses were approximately \$9,346,000, for a net operating loss for the month of some \$3,692,000, approximately \$268,000 less than anticipated in the 2021 operating budget. Year-to-date net operating losses were \$11,170,000, approximately \$1,774,000 below budget.

During the month of March 2021, the Authority's vessels were scheduled to make a combined 1,590 trips, of which fifteen (15) were canceled for mechanical reasons on the Vineyard route and zero (0) were canceled for mechanical reasons on the Nantucket route, he said.

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

Ms. Wilson said it seemed the Authority was on a more even keel financially than it was at this time last year; Mr. Davis confirmed that, and said versus the budget assumptions of 90% of pre-pandemic numbers for passenger travel and 100% of pre-pandemic numbers for automobile and truck traffic, the Authority was seeing actual traffic numbers that were close to those figures.

Woods Hole Terminal Reconstruction Project Update:

Mr. Davis said marine contractor Jay Cashman Inc. continued preparing the monopiles for the fenders. This includes welding the spool piece stand-off for the fenders and the pad eyes for the support chains, as well as filling the top four (4) feet of the monopile with concrete. The barge crews are also helping to drive the batter piles for the north head dolphin. Work on the passenger pier was suspended until the piles for the north head dolphin were completed.

The landside crew started driving the 18-inch diameter piles for the north head dolphin, Mr. Davis said. The landside crews have to splice additional pipe to the original piles in order to get to the designed capacity requirements.

Mr. Davis said the carpenters and ironworkers formed and poured the sheet pile cap for the bulkhead north of Slip No. 3. The carpenters and ironworkers then started to form the wall that is on top of that bulkhead. The railing contractor completed work on the north pier float railings and the siding. The divers started installing the anodes on the piles.

Thus far, the Authority has sent out 147 community email updates for the project.

Mr. Cloutier then shared a PowerPoint presentation with recent photographs from the site. The presentation also included a cost update for the project, showing the original contract price of \$43,143,280, change orders to date of \$9,258,861 (21.5% of the original contract price), and the total contract price of \$52,402,141, which is \$1,287,759 under the original waterside cost estimate.

Ms. Wilson asked for an update on the timeline of the project, to which Mr. Cloutier responded that the Authority was approximately 85% complete with the waterside work. However, quite a bit of work remained on Slip No. 1 and it was unlikely the slip would be open for the summer season. He said he anticipated a “significant” additional change order for the additional materials related to the 18-inch pipe piles.

Mr. Jones said he was concerned with the settlement of the passenger pier due to the pile driving; Mr. Cloutier said a portion of the pier settled approximately three (3) inches, which caused some hairline cracks but nothing more significant. The project engineers are not recommending any remedial work at this point. Mr. Jones said he recalled concrete settlement occurring at the Oak Bluffs terminal at one point, and Mr. Cloutier said that work resulted in a crack in the foundation that necessitated resetting or renewing the foundation. Mr. Jones said he did not think it was unusual for settlement to occur, but he is concerned about the long-range effects.

Mr. Jones asked for an update on the gravity structure planned for Slip No. 1, and Mr. Cloutier said materials should be on-site in the next week.

Regarding the landside portion of the project, Mr. Davis noted that staff, along with the design team, is preparing responses to questions related to the project design that were raised after the last community forum. A second session

to coincide with the completion of 90% of the schematic design work will be held in the next month or two.

M/V Governor Dry Dock Status:

Mr. Amundsen shared a PowerPoint presentation regarding the dry-docking of the *M/V Governor* at Thames Shipyard, which had been completed and the vessel had returned to the Fairhaven Maintenance Facility. The highlights of the project included an overhaul of the rudder, tail shafts, and bearings; an overhaul of the generators and alternators; and blasting and coating of hull areas. The total contract price was \$808,183, he said; with credits and change orders, the total price was now \$1,294,060.

In response to a question from Mr. Jones, Mr. Amundsen said the paint on the bottom of the vessel was an ablative anti-fouling paint.

SQMS Status:

Regarding the Safety Quality Management System (SQMS) project, Ms. Sampson said the deadline for certification had been moved to October 2021 to be sure the crews were comfortable with the system that is being put into place. Project vendor SMSLLC continues to work on the Support Operations Manual and would be on-site to get feedback on the Vessel Operations Manual that is now in place.

Website Update/Redesign Status:

Mr. Driscoll provided the following updates on the website redesign project:

- Following the close of the public survey in March 2021, the project team is working with consulting firm Regan Digital Studio to draft the Request for Proposals for the new website and mobile application.
- The team expects the RFP to be issued on or about June 1, 2021, and be due 45 to 60 days later.
- The project team expects to then review the proposals and bring a recommendation to the Board in the fall.

2020 Cost of Service Analysis:

Mr. Rozum then presented a PowerPoint with the 2020 Cost of Service analysis. The highlights of the analysis for the Vineyard route were as follows:

- The cost of vessel operations decreased by \$398,000, or 1.3%.
- Indirect non-vessel costs increased by \$121,000, or 0.4%.
- Overall, the cost of service decreased by \$277,000, or 0.4% versus 2019.
- The 2020 vehicle occupancy rate was 79.6% versus 79.1% for 2019.

Highlights of the analysis regarding the Nantucket route were as follows:

- The cost of vessel operations increased by \$187,000, or 0.9%.
- Indirect non-vessel costs decreased by \$173,000, or 1.0%
- Overall, the cost of service increased by \$14,000, or 0.0% versus 2019.
- The 2020 vehicle occupancy rate was 80.9% versus 82.8% for 2019.

Mr. Jones noted the purpose of the report was to ensure that no traffic segment was subsidizing another and to determine the effectiveness of the rate structure, but he said the report itself showed otherwise. For example, there is a big difference between the cost being paid by excursion rate vehicles and standard fare vehicles, which he said begged the question of whether the prices are solely based on the cost of their service. He said he had heard this argument for many years and said he was just throwing it out there but did wonder if the Authority was being fair to all its customers.

Mr. Davis said there have been different philosophies over the years as to how the rates were distributed between the groups of ratepayers and the two routes, but to Mr. Jones' point, it illustrates how much the islander rates are subsidized by standard-fare traffic.

2022 Budget Policy Statement

Mr. Rozum then reviewed the 2022 Budget Policy Statement, which he noted had similar methodology to last year's statement. He said during the budget process staff would continue to evaluate the effects of COVID-19 on travel, specifically the shift in travel dynamics toward more standard-fare automobiles and fewer excursion-fare automobiles. He noted that, at its May 5, 2021 meeting, the Port Council members voted to recommend approval to the Board.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Ms. Tierney, – to approve the 2022 Budget Policy Statement as presented and as recommended in Staff Summary No. A-661, dated May 14, 2021.

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

Contract No. 11-2021,
Dry-Dock and Overhaul Services for the *M/V Martha's Vineyard*:

Mr. Davis said the *M/V Martha's Vineyard* is scheduled to enter shipyard availability from September 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, including the above-mentioned items, was \$1,051,600, Mr. Davis said. The major discrepancies between the amounts budgeted in the 2021 Operating Budget and the bid results were an 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 from \$0 to \$194,286; and bow thruster maintenance and overhaul from \$0 to \$252,483.

Mr. Jones asked about the reason behind the increase in the cost of hull blasting, and Mr. Amundsen said it was a result of the surveys done of the superstructure after the project's budget was submitted.

IT WAS VOTED – upon a motion by Mr. Jones, seconded by Mr. Malkin – 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, Connecticut, for a total contract price of \$1,423,986, as recommended in Staff Summary No. MO-2021-03, dated May 14, 2021.

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

Preliminary April Traffic Numbers:

In response to a question from Mr. Malkin, Mr. Rozum noted that preliminary April traffic figures showed passenger traffic was down approximately 4.3%, but automobiles and trucks were roughly equal with expectations. Mr. Malkin asked if that meant it was fair to extrapolate the demand for vehicles is meeting or exceeding budget predictions, and Mr. Rozum said yes, including a more favorable mix of standard-fare vehicles versus excursion-fare vehicles.

Mr. Malkin then asked about reservation requests and the considerable inquiries he has been receiving regarding availability of vehicle spaces, and Mr. Rozum said the Authority was up approximately sixteen percent (16%) in reservations compared to 2019 at this point in time. Ms. Wilson asked if the current schedules and allocation of resources could satisfy that demand; Mr. Davis said it has been tight and staff were examining the vehicle allocations on the vessels to make sure they were correct. Mr. Davis said there typically was a buildup of demand as a change in the schedules approached.

Mr. Rozum then shared charts regarding the advanced reservation figures.

Change Order No. 151 for Contract No. 16-2017,
Woods Hole Ferry Terminal Reconstruction – Waterside:

Mr. Davis said, 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. 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 eight-foot-diameter monopiles according to the procedure designed 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.

IT WAS VOTED – upon a motion by Mr. Jones, seconded by Mr. Ranney – to authorize the general manager to execute Change Order No. 151 to Contract No. 16-2017, Woods Hole Ferry Terminal Reconstruction – Waterside, with Jay Cashman Inc., at a total cost of \$180,000, as recommended in Staff Summary No. GM-760, dated May 17, 2021.

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

Public Comment:

Mary Longacre thanked the Authority for continuing to provide service under stressful conditions, and said she has always loved the Authority and its vessels and the level of service it provides to Nantucket. She said she also liked being able to access the meetings remotely and hoped that would continue.

Ms. Longacre suggested a long-range transportation task force for Nantucket similar to the one set up for the Vineyard and noted that, as a member of Nantucket's Coastal Resiliency Advisory Committee, she was concerned about issues related to physical access to the Authority's facilities. She said she thought the island would benefit from such a task force to address issues that would be related to islanders not being able to leave in such a circumstance.

Ms. Longacre said one of the issues related to the ability to book a reservation might be related to Nantucket residents' inability to use an open ticket to waitlist travel on a boat. Ms. Campbell said island residents are not able to do so online due to a technicality of the reservation system but said they could call to use an open ticket to be added to a waitlist. Ms. Longacre thanked her for the clarification.

Dukes County Commissioner Leon Brathwaite noted that, since the *M/V Martha's Vineyard* was going into dry dock, it would be a good time to put signs in the elevator alerting passengers where they should exit. Mr. Davis said it would be taken care of.

At 11:03 a.m., Ms. Wilson entertained a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on April 20, 2021, to discuss the Authority's strategy with respect to pending litigation; and to discuss the Authority's strategy with respect to collective bargaining matters because a public discussion of those matters may have a detrimental effect on the Authority's negotiating and bargaining positions. These matters include:

- The litigation: "In re: Woods Hole, Martha's Vineyard and Nantucket Steamship Authority;" Civil Action No. 17-cv-12473-NMG; U.S. District Court for the District of Massachusetts; and
- 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.

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

IT WAS VOTED – upon a motion by Mr. Malkin, seconded by Ms. Tierney – to discuss and approve the minutes of the Authority’s meeting in executive session on April 20, 2021, to discuss the Authority's strategy with respect to pending litigation; and to discuss the Authority's strategy with respect to collective bargaining matters.

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

**Documents and Exhibits Used at the
May 18 2021, Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. May 18, 2021, Meeting Agenda, posted May 14, 2021.
2. Video and audio recording announcement.
3. Statement regarding remote participation.
4. Minutes of the Board's April 20, 2021, meeting in public session (draft).
5. Minutes of the Port Council's May 5, 2021, meeting in public session (draft dated May 14, 2021).
6. Business Summary for the month of March 2021.
7. PowerPoint presentation, Business Summary – March 2021, dated, May 18, 2021.
8. PowerPoint presentation, Woods Hole Terminal Reconstruction Project update, dated May 18, 2021.
9. PowerPoint presentation, *M/V Governor* Dry Dock, undated.
10. Staff Summary #A-663, 2020 Analysis of Rates Versus Cost of Service, dated May 13, 2021.
11. Staff Summary #A-661, 2022 Budget Policy Statement, dated May 14, 2021.
12. Staff Summary #MO-2021-01, Contract No. 11-2021, Dry-Dock and Overhaul Services for the *M/V Martha's Vineyard*, dated May 14, 2021.
13. Advanced Vehicle Reservation Activity by Month, All Routes as of May 16, 2021.
14. Staff Summary #GM-760, Woods Hole Terminal Design Change Order No. 151 to Contract No. 16-2017, dated May 17, 2021.
15. Statement to be read prior to going into executive session.