

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

The Meeting in Public Session

July 19, 2022

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met on July 19, 2022, beginning at 9:32 a.m. in the first-floor conference room of the Authority's administrative offices, 228 Palmer Avenue, Falmouth, Massachusetts. All five (5) Members were present and participated via Zoom videoconferencing: Chair Moira E. Tierney of New Bedford; Vice Chair Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; James M. Malkin of Dukes County; and Peter J. Jeffrey of Falmouth.

Port Council Chairman John F. Cahill of Tisbury was present and participated via Zoom. The following members of management were present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen (who participated via Zoom); Director of Shoreside Operations Alison A. Fletcher; Director of Human Resources Janice L. Kennefick; and Director of Information Technologies Curt J. Van Riper.

Video and Audio Recording of Today's Meeting:

Mr. Kenneally announced Mr. Driscoll was making an audio and video recording of the meeting; Louisa Hufstader (representing the *Vineyard Gazette*) and Rich Saltzberg (representing the *Martha's Vineyard Times*) indicated they were also making audio recordings of the meeting.

Remote Access to the Meeting:

Mr. Kenneally announced, pursuant to Section 20 of Chapter 20 of the Acts of 2021 and in line with social distancing guidelines followed during the COVID-19 pandemic, all members of the public were participating remotely in the meeting via the Zoom videoconferencing app as an adequate, alternative means of public access occurring in real time.

Minutes:

IT WAS VOTED – upon a motion by Mr. Malkin, seconded by Mr. Jeffrey – to approve the minutes of the Board’s June 21, 2022, meeting in public session, as amended.

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

Ms. Tierney abstained from voting on the motion.

Port Council Report:

Mr. Cahill then reviewed the Port Council’s July 12, 2022, meeting, which included an update and “healthy discussion” on the website design and development project, a recommendation to approve the proposed 2023 Summer and Fall Operating Schedules for the Nantucket route; as well as a recommendation to approve the engagement of RSM US LLP as the Authority’s independent auditors for 2022-2024.

Mr. Malkin asked if the Port Council had performed its evaluation of the general manager; Mr. Cahill said it had, and those documents had been forwarded to the Members for their review.

Website Update/Redesign Status:

Mr. Driscoll then introduced Sam Zoloth and Rob Erskine from ADK Group, who provided updates on the website redesign and app development project.

Mr. Zoloth reviewed the current progress of the project and updates to the design and elements of the website. Mr. Erskine then reviewed the engineering progress, which included building more than twenty-five (25) components of the website, more than sixty (60) component permutations, more than thirty (30) pages constructed, more than 100 “pull” requests and more than 650 code commits. Additionally, more than twenty (20) endpoints for the application

programming interface (API) have been built, and the API responses have been more than five (5) times faster and 90% more stable as work has progressed.

Mr. Zoloth then reviewed the design of interior web pages and said the three (3) principles for the design have been making everything easier to read, easier to find, and easier to manage. He then reviewed an end-to-end journey of how a user might interact with the core aspects of the Authority's website; namely, finding a reservation, booking that reservation, managing their trips and dealing with reservation changes.

Mr. Zoloth noted that the homepage design continues to be refined, as are the mobile application designs. Additionally, the website text continues to be developed, and photography and videography are in progress.

Mr. Jeffrey asked what the industry standard was for an API failure rate; Mr. Erskine said the project currently is at a 95% success rate, and the goal is to have 99.97% success rate over time. Mr. Jeffrey then asked what level of customer support would be offered at launch, and if both online and call-in support would be offered. Mr. Driscoll said discussions have begun on internal support materials that would be developed, and those discussions would continue prior to launch. Additionally, training would be held with the Reservations & Customer Relations staff members and other frontline personnel. Mr. Jeffrey said he felt that real-time, online support would be warranted in the first ninety (90) days after launch and asked about the ongoing costs for customer support; Mr. Driscoll said some of that work would be included in the current contract, and some would be in the ongoing support agreement that would be negotiated prior to launch. Ms. Tierney asked if having training videos playing on screens at terminals had been contemplated; Mr. Driscoll said as part of the Authority's digital signage project such videos could be displayed.

Mr. Ranney said the website designs look a lot like many airline designs and he did not think the transition would be difficult, although any help that could be provided would be great.

Mr. Jones said he thought some of the designs were difficult to read, and added that he hoped that the senior discounts would be featured on the website. Mr. Driscoll said information on senior discounts had been included, and that the site would be subject to accessibility checks to ensure the designs were readable and clear.

Mr. Malkin thanked Mr. Driscoll and the ADK team for focusing their presentation on the islander experience. He asked Mr. Driscoll to bring the Board up to speed on the potential delays in the project; Mr. Driscoll said, due to

extended time needed to integrate the Authority's new credit card processing firm into the website, as well as the need to engage a new company to provide content management system (CMS) services for the website. Mr. Driscoll said he was not ready to officially move the launch date from November 2022, but he said from the outset of the project that it was understood if that deadline did not get hit that the launch would have to wait until February 2023 to avoid launching too close to the general internet openings in January 2022.

Mr. Malkin also asked about the current reservation system and if it was presenting a problem with the website development. Mr. Erskine said, while the system is older, it is still extremely powerful. When those systems start to move to the cloud, the website will be able to adapt to that. In the meantime, it is not providing a hinderance for launch.

With Ms. Tierney's permission, Mr. Driscoll took public comment on the website presentation. Mary Longacre noted that she saw "a lot of good things" in the designs but said she had a concern about the flow to change a reservation, and that people would not realize their transaction was submitted and completed based on the current design. Mr. Driscoll thanked her for the feedback and said the design team had worked on various ways to ensure that process was completed, but it would continue to look at it.

Leon Brathwaite then said he thought the website would be intuitive and an easy switch. He then expressed concerns with the lack of diversity within the designs presented; Mr. Driscoll said the photos that were used were old, stock photos and that the new photography would take diversity into account.

Proposed 2023 Summer and Fall Nantucket Operating Schedules:

Mr. Davis then presented for approval the proposed 2023 Summer and Fall operating schedules for the Nantucket route, noting that no public comments had been raised regarding this route's schedule.

- The proposed operating schedules from May 18, 2023, to June 16, 2023, would start one (1) day later and end five (5) days earlier than in 2022 for the Nantucket route.
- The proposed operating schedules from June 17, 2023, to September 5, 2023, would start five (5) days earlier and end two (2) days earlier than in 2022 for the Nantucket route.
- The proposed operating schedules from September 6, 2023, to October 23, 2023, would start two (2) days earlier and end four (4) days later than in 2022 for the Nantucket route.

- The proposed operating schedules from October 24, 2023, to January 3, 2024, would start four (4) days later and would end one (1) day later than in late 2022 and early 2023.
- The proposed operating schedule for the high-speed service on the Nantucket route would run March 29, 2023, to January 3, 2024, and would start one (1) day earlier and end one (1) day later than in 2022.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Mr. Malkin – to approve the proposed 2023 Summer and Fall Operating Schedules for the Nantucket route, as proposed in Staff Summary #SO-2022-07, dated July 13, 2022.

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

Results of Operations:

Mr. Rozum reviewed the results of the May 2022 business summary via a PowerPoint presentation, which showed the Authority carried more passengers (up 6.8%), more trucks (up 5.8%) but fewer vehicles less than 20 feet (down 3.5%) than in the same month in 2021. Year-to-date, the Authority has carried more passengers (up 8.5%), fewer vehicles less than 20 feet (down 1.6%) and more freight trucks (up 2.7%) than the same period in 2021.

In May, the Authority's operating revenue was approximately \$12,326,000, and its operating expenses were approximately \$9,814,000, for a net operating income of \$2,492,000, approximately \$323,000 higher than budget, he said.

During the month of May 2022, the Authority's vessels were scheduled to make a combined 2,246 trips, of which fourteen (14) were canceled for mechanical reasons on the Martha's Vineyard route and sixteen (16) on the Nantucket route, he said.

Preliminary traffic data for June 2022 shows that the Authority carried more passengers on the Vineyard route (up 7.1%) and the Nantucket route (up 10.5%) than the same month last year. For vehicles, the Authority carried fewer to the Vineyard (down 1.9%) and to Nantucket (down 1.7%), he said.

Update on Fuel Hedge Program:

Mr. Rozum then presented an update on the Authority's fuel hedge program. He reviewed the vessel fuel cost calculation, which is the total cost of actual fuel deliveries plus the cost of purchased fuel option contracts, less any monthly option premiums received. He also reviewed the 2022 fuel hedge strike prices, the 2022 delivered fuel cost through July, and the 2023 fuel hedge strike prices. He noted that the cost of buying the hedges for 2023 had gone up considerably due to the volatility of fuel prices and would result in a nearly \$5,000,000 additional fuel cost in 2023, based on current estimates.

Mr. Rozum noted the program, despite the additional cost, gives the Authority price certainty for budgeting purposes. Due to the nature of the Authority's operations, he said it would be difficult to institute a fuel surcharge should prices increase during the year.

Appointment of RSM US LLP as the Authority's Independent Auditors:

Mr. Rozum then presented a proposal from RSM US LLP to provide comprehensive financial audit and related services for the fiscal year ending December 31, 2022, for a total fee of \$145,000; for the fiscal year ending December 31, 2023, for a total fee of \$150,800 (or \$133,500, if no single audit is required), and for the fiscal year ending December 31, 2024, for a total fee of \$156,900 (or \$138,900 if no single audit is required). Mr. Rozum noted that the firm had been doing the Authority's audits for the past ten (10) years. Additionally, he noted that the Port Council had voted to recommend approval at its July 12, 2022, meeting.

Mr. Jeffrey said, when the contract next came up for renewal, the Authority should issue a bid for the services on a competitive basis. He said he understood the Authority was one of the few quasi-public agencies to require these audits, and that only a few national auditing firms provided the service, but it would be appropriate due diligence to occasionally put the service out for proposals.

IT WAS VOTED – upon a motion by Mr. Jeffrey, seconded by Mr. Malkin – to reappoint RSM US LLP as the Authority’s independent auditors for the fiscal years ending December 31, 2022, 2023, and 2024, as recommended in Staff Summary #A-672, dated July 11, 2022.

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

Contract No. 12-2022,
Dry Dock and Overhaul Services for the *M/V Eagle*:

Mr. Davis said the *M/V Eagle* is scheduled to enter shipyard availability from October 23, 2022, to December 6, 2022, to undergo a required U.S. Coast Guard hull exam; rudder, propeller and shaft maintenance; bow thruster maintenance; coating maintenance on underwater and superstructure areas; and sea valve examination. Also hull plate renewal will be performed and installation of a new potable water ultraviolet treatment system, along with passenger deck seating replacements and ceiling replacements.

The 2022 Operating Budget estimate for Contract No. 12-2022 was \$1,344,435, Mr. Davis said. Drawings and specifications were sent to twelve (12) shipyards. Two (2) responsive bids were received.

Ms. Tierney said she was concerned about the low number of responsive shipyards; Messrs. Davis and Amundsen noted that other potentially responsive shipyards have been identified, and the Authority is getting shipyard packages out earlier than in the past, but the costs to position the vessels are also to be considered.

IT WAS VOTED – upon a motion by Mr. Malkin, seconded by Mr. Jones – to authorize the general manager to award Contract No. 12-2022, Dry Dock and Overhaul Services for the *M/V Eagle*, to the lowest eligible and responsible bidder, Senesco Marine LLC of North Kingstown, Rhode Island, for a total contract price of \$1,140,491, as recommended in Staff Summary #MO-2022-08, dated July 19, 2022.

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

Update on Contract No. 01-2022, Disposal of Surplus Property:

Mr. Davis said, last month, the Members authorized the disposal of accumulated surplus property at the Authority’s vehicle maintenance garage and warehouse in Falmouth. The equipment was no longer of use to the Authority and must be disposed in accordance with its Procurement Policy.

The procurement office occasionally utilizes the online auction website, Publicsurplus.com to dispose of the equipment no longer of any use to the Authority, he said. Fifty-four (54) of the sixty-one (61) items were sold for a total of \$38,924.50. Once the commission is deducted from the proceeds, the Authority will net \$33,085.82 from the disposal of these items.

Beach Road Weekend Music Festival:

Mr. Davis said staff has received a request from the Town of Tisbury to consider diverting the scheduled 8:30 p.m. departure from Oak Bluffs on August 26-28, 2022, “as a matter of public safety and safe egress from the (Beach Road) festival site ... to (Vineyard Haven) so people can walk from the festival to the ferry rather than shuttling approximately 800 people to (Oak Bluffs) in 30 minutes.”

Mr. Malkin noted that both he and the Vineyard representatives to the Port Council were approached by the concert promoter who wished to add additional

trips to support his endeavor. After much discussion, Mr. Malkin said it was made very clear that the Authority was not a charter operation and that staff would help the promoter contact the Authority's licensees or other entities to arrange such a service. Despite that conversation, Mr. Malkin said he understood that large numbers of tickets continued to be sold.

Additionally, Mr. Malkin said he recently was asked to speak to the Oak Bluffs Board of Selectmen about diversions from Oak Bluffs due to weather or other issues, so he found it "disappointing" that the Board is now in a situation where it is being asked to divert trips under the guise of public safety. Unless the Oak Bluffs and Tisbury Boards of Selectmen is willing to make a request, he said he would have a hard time supporting it.

Mr. Jeffrey said he agreed with Mr. Malkin and said he was additionally concerned about the effect on the Town of Falmouth. Mr. Jones concurred and said a private enterprise cannot dictate the Authority's transportation schedule.

Mr. Davis said he would confirm if the Town of Oak Bluffs has public safety concerns and relay that information to the Members.

Public Comment:

In response to a question from Mr. Saltzberg, Mr. Davis said the repairs to the *M/V Gay Head* had been made and the vessel was now back on the Hyannis-to-Nantucket run, and the *M/V Katama* was back on the dry dock at Thames Shipyard in New London, Connecticut.

At 10:58 a.m., Ms. Tierney entertained a motion to go into executive session to discuss and approve the minutes of the Authority's meeting in executive session on June 21, 2022; to review the Authority's strategy with respect to real estate, and collective bargaining negotiations because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions. These matters include:

- The condominium development at the corner of Union and Water streets in Vineyard Haven and impacts on the bus roundabout on Water Street;
- Anticipated and Ongoing Negotiations with Teamsters Union Local No. 59.
- Discussion with respect to a tentative collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's security employees.

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

IT WAS VOTED – upon a motion by Mr. Malkin, seconded by Mr. Jones – to enter into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on June 21, 2022; to review the Authority’s strategy with respect to real estate, and collective bargaining negotiations because a public discussion of these matters may have a detrimental effect on the Authority’s negotiating and bargaining positions.

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

A TRUE RECORD

ROBERT R. JONES, Board Secretary

Documents and Exhibits Used at the
July 19, 2022, Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

1. July 19, 2022, Meeting Agenda, posted July 15, 2022 (revised July 18, 2022).
2. Video and audio recording announcement.
3. Statement regarding remote access to the meeting.
4. Minutes of the Board's June 21, 2022, meeting in public session (draft).
5. Minutes of the Port Council's July 12, 2022, meeting (draft dated July 15, 2022).
6. Memorandum to Sean Driscoll from David Jensen, President, Regan Digital Studio, re: Website Development Process Third-Party Review, dated June 27, 2022.
7. Presentation, Project Update, Website Redevelopment Project, dated July 2022.
8. PowerPoint Presentation, Business Summary – May 2022, dated July 19, 2022.
9. Business Summary for the month of May 2022.
10. PowerPoint Presentation, 2022 & 2023 Vessel Fuel Price Update, dated July 19, 2022.
11. Staff Summary #A-672, Appointment of RSM LLP as the Authority's Independent Auditors, dated, July 11, 2022.
12. Staff Summary #MO-2022-08, Contract No. 12-2022, Dry Dock and Overhaul Services for the *M/V Eagle*, dated July 19, 2022.
13. Statement to be read prior to going into executive session.