



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

July 20, 2010

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 11:00 a.m. on July 20, 2010, in the second floor meeting room of the SSA's Hyannis terminal, located at 141 School Street, Hyannis Haven, Massachusetts. All five Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Vice Chairman Robert S. Marshall (Falmouth); Secretary John A. Tierney (New Bedford); H. Flint Ranney (Nantucket); and Robert L. O'Brien (Barnstable).

1. The SSA's Director of Engineering and Maintenance Carl R. Walker provided updated status reports on the SSA's current capital projects:
 - (a) Hyannis Slip Modifications Project – Mr. Walker reported that the passenger shelter will be completed today in time for the SSA's "after hours" event with the chamber of commerce this Wednesday. The SSA will begin docking the *Iyanough* at the new high-speed ferry slip and having passengers board and disembark there on Thursday.
 - (b) *Eagle* Mid-Life Refurbishment Project – Mr. Walker reported that the SSA is identifying the portions of the project that will be completed when the vessel is dry-docked this winter, and that all of the drawings for those portions are being submitted to the United States Coast Guard for approval. Meanwhile, before the end of this year, the SSA will issue an invitation for bids for the remaining portions of the project, and the contract for that work will be awarded in the spring of 2011 for completion after Thanksgiving 2011.

2. Mr. Walker also provided an update on the status of the *Governor*, which has been out of service for several weeks now while its drive motors are being repaired. The vessel should be ready for dock tests next Monday, July 26th, and sea trials next Tuesday, July 27th, so that it can be back in service by August 1st, if not sooner.
3. The Board approved management's proposed 2011 Winter and Spring Operating Schedules, which are similar to this past year's winter and spring schedules. The only differences are the starting and ending dates for each season. The 2011 Winter Operating Schedule will start on January 3, 2011 and end April 14, 2011. The 2011 Spring Operating Schedule will then start on April 15, 2011 and end May 23, 2011 (resulting in the 2011 Summer Operating Schedule starting four days later than this year).
4. The Board also approved management's recommendation to establish a 50% reduced rate for Nantucket residents who need to travel on the *Iyanough* for ten or more round trips during a three-month period for medical treatments on the mainland. (The Nantucket Cottage Hospital and Our Island Home are already able to purchase 10-ride ticket books for the *Iyanough* and distribute the coupons among different Nantucket residents who do not need to travel that often for medical treatments, effectively providing them with 20% discount from the regular fare.) In order for a Nantucket resident (as well as his or her companion) to be able to travel on the *Iyanough* at this 50% reduced rate, he or she must have at least ten scheduled medical appointments over a three-month period with the same medical condition, must provide supporting document from a doctor or medical office, and must request and arrange the reservations through the Reservation Manager or supervisor at the Mashpee office.
5. The Board also approved management's recommendation to establish a new inter-island motorcycle excursion fare. Customers eligible for excursion fares are now able to purchase inter-island motorcycle excursion fare tickets for round-trip travel between the two islands (by way of our two mainland terminals), provided that all four legs of the round trip between the islands are completed within 31 days. The rates are \$158 from May 15th through September 14th, and \$110 from September 15th through May 14th, and represent the combined total of the motorcycle excursion fares for each island.
6. Finally, the Board approved management's proposed 2011 Budget Policy Statement that sets forth the guidelines the SSA will be using in the preparation of its 2011 Operating Budget. As mentioned by the SSA's Treasurer/Comptroller, Robert B. Davis, the Budget Policy Statement requires the SSA, among other things, to identify significant terminal repairs and maintenance that will need to be accomplished, to schedule the vessels that will be dry-docked (the *Martha's Vineyard*, the *Eagle*, the *Nantucket*, the *Gay Head* and the *Katama*), to take into account the SSA's expected training expenses due to the continuation of STCW basic training, Marine Evacuation Slide (MES) training and other programs, and to factor in health care and insurance costs. Of course, the most difficult expense to estimate for next year will be the cost of fuel oil. However, as a result of the hedge program for vessel fuel the SSA instituted more than a year ago, its fuel oil

requirements for all of 2011 are already effectively capped at an average cost of \$3.15 per gallon. The budgeted cost of vessel fuel oil for 2011, however, will be based on the projected forecasts plus the premium cost of the hedging program. In addition, the SSA 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. After management prepares a preliminary budget using these guidelines, they will present it to the Board for discussion in September, and ask that the final version of the budget be approved in October.

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would not reconvene in public.

The next regular monthly meeting of the SSA's Board is currently scheduled for 10:30 a.m. on Tuesday, August 17, 2010, in the first floor meeting room of the Oak Bluffs Public Library, located at 56R School Street, Oak Bluffs, Massachusetts. The location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.