

Winthrop Ferry Report



Prepared by: Terence Delehanty & Anthony Collins
Date: October 17, 2017

Introduction:

The following report is an analysis of the Town of Winthrop's Ferry Service to Boston and Quincy since inception.

As many of the readers are already aware the Town operates a single 72 passenger CAT-style vessel, 53 feet in length and 20 feet in beam. Evan's Boats, Inc., located in Maryland, built the vessel in 2015. The vessel is USCG Certified and powered by twin Cummins QSL9 Tier III marine diesel engines.¹

In 2010, the Town began operating a commuter ferry pilot service under contract with Boston Harbor Cruises (BHC). BHC received state funding to subsidize the service. The purpose of the pilot was to identify a probable number of riders, determine if ridership could be built to sustainable levels, to assist in planning operations and to verify the "right-size" of the vessel.²

BHC operated a half-season in 2010 and two five-month seasons in 2011 and 2012. The pilot study showed that ridership grew from approximately 5,000 riders in 2010 to approximately 10,000 in 2011. In 2012, ridership increased to 14,000.³ The ridership increase in 2012 could due to the additional service to the Boston Harbor Islands. It is also worthy to note the drastic increase between 2010 and 2011 was due to the fact that we ran a half of season in 2010 and full season in 2011.

After a long process, the Town of Winthrop acquired the 72-passenger vessel in December 2015. From April 15 through June 30, 2016 the Town ensured there was an extensive training period under the direction of BHC. This period was necessary to resolve scheduling conflicts, work out operational issues, and ensure proper training and procedures were implemented. The Town conducted this training while offering ferry services from Winthrop to Boston's Rowes Wharf.⁴

ANAYLSIS:

¹ See Addendum 1 for USCG Certificate and MOU.

² See Addendum 2 Winthrop Ferry Service Report & Commentary -Half-Season, 2016-17, James McKenna Town Manager, December 23, 2016 page 4.

³ See Addendum 2 Winthrop Ferry Service Report & Commentary -Half-Season, 2016-17, James McKenna Town Manager, December 23, 2016 page 4.

⁴ See Addendum 2 Winthrop Ferry Service Report & Commentary -Half-Season, 2016-17, James McKenna Town Manager, December 23, 2016 page 5.

The Unified Massachusetts Accounting System considers all subsidies sources of revenue. In accordance with these standards, the following analysis will show all subsidies as revenue.

FY16

FY16 was the first fiscal year in which ferry services were operational. The service was projected to collect revenue from 12,562 ticket sales and a Town subsidy of \$50,000. Expenses were projected to be \$227,448.⁵ According to the booking information from April 1 through June 30, 2016, there were 2,295 tickets sold totaling \$19,306.15.

The ticket sales are broken down as follows:⁶

| ITEM | Tickets/Packages | Total Received | |
|----------------------------------|------------------|----------------|--|
| Round Trip | 13 | 3700.28 | |
| Winthrop to Rowe's Wharf | 1315 | 9113.50 | |
| Winthrop to Spectacle Island | 34 | 208.54 | |
| Winthrop to Quincy | 0 | 0 | |
| Rowe's Wharf to Winthrop | 743 | 9113.50 | |
| Rowe's Wharf to Spectacle Island | 0 | 0 | |
| Rowe's Wharf to Quincy | 0 | 0 | |
| Quincy to Rowe's Wharf | 0 | 0 | |
| Quincy to Winthrop | 0 | 0 | |
| Quincy to Spectacle Island | 0 | 0 | |
| Spectacle Island to Winthrop | 34 | 213.50 | |
| Spectacle Island to Quincy | 0 | 0 | |
| | | | |
| | 2295 | \$19306.15 | |

The financial analysis performed by the finance department shows \$26,538.75 in revenue for FY16. The town transferred by motion \$125,000 bringing total revenue for FY16 to \$151,538.75.⁷

In FY15, the Town appropriated \$50,000 to the Ferry Enterprise Fund for startup expenses and costs. Of the FY15 appropriation, \$49,672 was carried into FY16 as retained earnings.⁸

⁵ See Addendum 2 and 3 Winthrop Ferry Service Report & Commentary -Half-Season, 2016-17, James McKenna Town Manager, December 23, 2016 page 6 and Winthrop Ferry Analysis and Projection through 6-30-2019.

⁶ See Addendum 4 Bookings Winthrop Ferry Fy16 through FY18 generated on 10/11/17.

⁷ See Addendum 5 Ferry Analysis as of 9/30/17, Elizabeth Zaleski revised 10.2.17.

⁸ See Addendum 6 Retained Earning Calculation -Enterprise Fund Culture and Tourism.

The projected expenses for FY16 were \$227,448.⁹ Actual expenses for the fiscal year were \$143,403.21. If the operation were a standalone, non-subsidized entity, losses would amount to \$116,864.46. If indirect costs, which are traditionally charged back to other enterprise funds, were included then losses would amount to \$197,544.33 in FY16.¹⁰

FY17

In FY17, the budget for the ferry was \$392,350.00¹¹. This did not include any indirect costs charged back to the enterprise account. The ferry service was projected to collect \$226,550 in ticket sales. The ticket sales along with a Town subsidy of \$100,000.00, \$10,000 in island trips, \$9,600 in concession stand receipts, \$1,200 in merchandise, and \$9,000 in advertisement amounted total revenue to \$392,350. Expenses were projected to be \$346,431.00 without any indirect charge backs for services or expenses that came from other departments/budgets.¹²

The ticket sale for FY 17 are broken down as follows:

| ITEM | Tickets/Packages | Total Received |
|--------------------------------|------------------|----------------|
| Round Trip | 38 | \$10828.27 |
| Winthrop to Rowe's Wharf | 1,937 | \$27,334.85 |
| Winthrop to Spectacle Island | 777 | \$5,662.68 |
| Winthrop to Quincy | 652 | \$4,063.34 |
| Winthrop to Moakley Courthouse | 184 | \$1,008.89 |
| Winthrop to Seaport | 440 | \$4,965.18 |
| Rowe's Wharf to Winthrop | 1,679 | \$9,615.03 |
| Rowe's Wharf to Seaport | 77 | \$521.20 |
| Rowe's Wharf to Quincy | 713 | \$4,166.88 |
| Quincy to Rowe's Wharf | 2,122 | \$14,804.14 |
| Quincy to Winthrop | 227 | \$1,585.84 |
| Quincy to Seaport | 291 | \$2,001.66 |
| Spectacle Island to Winthrop | 165 | \$1,063.84 |
| Spectacle Island to Quincy | 116 | \$745.16 |
| Seaport to Rowe's Wharf | 64 | \$448.34 |
| Seaport to Moakley Courthouse | 19 | \$74.47 |
| Seaport to Winthrop | 109 | \$554.65 |
| Boston Moakley Courthouse to | 149 | \$642.88 |

⁹ See Addendum 3 Winthrop Ferry Analysis and Projections through 6-30-2019, no date.

¹⁰ See Addendum 5 Ferry Analysis as of 9/30/17, Elizabeth Zaleski revised 10.2.17.

¹¹ See Addendum 7 Town of Winthrop Budget Enterprise Budget, FY17 and FY2018 as recommended by the Town Manager.

¹² See Addendum 7 Town of Winthrop Ferry Enterprise Budget FY2017 and FY2018, as recommended by the Town Manager..

| | | |
|-----------------------------|--------|--------------|
| Winthrop | | |
| Parade of the Tall Ships | 70 | \$4,773.40 |
| Tall Ships in Boston Harbor | 280 | \$6,595.28 |
| Field Trip Charters | | \$3,000.00 |
| | | |
| Total FY2017 | 12,652 | \$104,455.98 |

The finance department's analysis shows revenues received for FY17 to be \$108,349.22 and miscellaneous revenue shows an additional \$8,600.00. This revenue source has been identified as an insurance premium reimbursement which brought total revenue to \$116,949.22. Through the budget process, the Town appropriated \$100,000.00 to the Ferry Enterprise Fund. The Town also transferred \$75,000 by motion to the Ferry's budget at the end of the fiscal year¹³. This transfer was made so the fund would not experience a loss that would eventually be charged to the general fund. Total revenue for FY17 was \$291,949.22.¹⁴

The projected expenses for FY17 were \$296,600.¹⁵ Actual expenses for the fiscal year were \$325,497.25. At the end of FY17, expenses exceeded revenue by \$42,148.03. Expenses appear to exceed revenue even after the June Town Council transfer of \$75,000. The retained earnings from the prior fiscal year rectified this overage. However, if the operation were a standalone non-subsidized entity the loss would have been \$208,548.03. If indirect costs were included the total loss would amount to \$318,376.14.¹⁶

I cannot substantiate the FY17 Quincy subsidiary from my review of the documents and correspondences.

FY18:

In FY18, the budget for the Ferry was \$419,000.00. This does not include any indirect cost being charged back to the ferry enterprise fund. Its projected ticket sales were set at \$155,000.00. Along with the Town subsidy of \$100,000.00, a subsidy of \$150,000.00 from State (DEP), department revenue, snack shop and advertisement, of \$14,000.00, total revenue would amount to \$419,000.00. Expenses were projected to be \$419,000.00 without indirect charge backs for services or expenses from other budgets¹⁷.

As of the writing of this report, The DEP subsidy of \$150,000 has not been secured. On April 10, 2017, a letter requesting the subsidy was sent from the Town Manager

¹³ See Addendum 8 June 1, 2017 Memo requesting transfer of funds, from Elizebeth Zaleski.

¹⁴ See Addendum 5 Ferry Analysis as of 9/30/17, Elizabeth Zaleski revised 10.2.17.

¹⁵ See Addendum 3 Winthrop Ferry Analysis and Projections through 6-30-2019, no date.

¹⁶ See Addendum 5 Ferry Analysis as of 9/30/17, Elizabeth Zaleski revised 10.2.17.

¹⁷ See Addendum 7 Town of Winthrop Budget Book, FY17 and FY18 as recommended by the Town Manager.

to Mr. Gary Moran, the Deputy Commissioner of the Department Conservation and Recreation. On May 23, 2017, Ben Lynch, Program Chief of the Waterways Regulation Program, emailed a letter to the Town Manager requesting additional information. Joseph Domelowicz Jr. has been working with Ben Lynch to complete the process so we can receive the \$150,000 subsidy from DEP. ¹⁸

Due to the closing of two Quincy train stations, the Town received an award letter from Quincy in June 2017 stating the Town would receive \$75,000.00 from the Transit Authority. This is a one-year award that began on July 1, 2017. In late September, Ms. Cifuni, followed up on this award and I signed the contract shortly after. We have been told that we would receive the \$75,000 in two payment installations. As of the writing of this report we have received \$50,000 for services rendered. We will receive a separate payment for \$25,000 when the season has ended.¹⁹

The ticket sale for FY 18 are broken down as follows:

| ITEM | Tickets/Packages | Total Received | |
|---------------------------------------|------------------|--------------------|--|
| Round Trip | 25 | \$7,104.75 | |
| Winthrop to Rowe's Wharf | 1,283 | \$7,406.48 | |
| Winthrop to Seaport | 2,224 | \$13,307.85 | |
| Winthrop to Quincy | 105 | \$507.86 | |
| Quincy to Rowe's Wharf | 1,435 | \$9,140.83 | |
| Quincy to Seaport | 285 | \$1,912.49 | |
| Quincy to Winthrop | 248 | \$1,447.71 | |
| Rowe's Wharf to Quincy | 837 | \$4,517.68 | |
| Rowe's Wharf to Seaport | 259 | \$1,120.41 | |
| Rowe's Wharf to Winthrop | 406 | \$2,097.13 | |
| Seaport to Rowe's Wharf | 187 | \$978.42 | |
| Seaport to Winthrop | 462 | \$1,410.67 | |
| Boston Harbor Island Narrative Cruise | 67 | \$1,096.24 | |
| Twilight Cruise | 185 | \$4,515.15 | |
| Retail Sales | 7 | \$107.87 | |
| | | | |
| Total | 8,015 | \$56,671.54 | |

¹⁸ See Addendum 8 Letter from Town Manager to Mr. Moran and email from DEP to the Town Manager on May 23, 2017.

¹⁹ See Addendum 9 Subsidy Agreement Between the Town of Winthrop and The Massachusetts Bay Transportation Authority, dated 5th day of July, 2017.

The finance department's financial analysis shows revenue received in FY18, from July 1 through September 30, 2017 to be \$56,812.22. When including ferry merchandise sales of \$143.90, and refunds of \$500.00 for a prior year, total revenue amounts to \$57,456.16. Through the budget process, the Town appropriated \$100,000.00²⁰ to the ferry enterprise fund bringing total revenue to \$157,456.16.

Although we have not received the \$75,000 subsidy as of the writing of this report, I am confident that we will receive it by the end of this calendar year. The funding would bring total revenue to \$232,456.16

The projected expenses for FY18 were estimated to be \$419,000.²¹ Actual expenses up until September 30, 2017 have amounted to \$137,505.94. The Ferry season has been extended until November 30, 2017 and we are scheduled to begin Ferry Services earlier than last year.

Conclusion:

I, as well as the prior Town Manager, feel a Ferry Service for Winthrop is not practical without subsidies. We have heard a lot of discussion about ferry services and subsidies at the State House as well as references in the nautical periodicals that show a growing interest to subsidize Ferry Services.

At the end of each ferry season a survey is distributed through the Town Website, four Town Facebook pages, and the Town Manager's Blog email distribution list. The survey results show that a ferry service for recreational purposes is more appealing to Winthrop residents than a ferry for commuting²². However, we are under contract with the Massachusetts Department of Transportation to transport commuters, therefore we will continue to do so.²³ I believe that instead of using Town resources to fund Ferry operations, we should look to the state or private industries for opportunities to subsidize operations.

Therefore the following possible courses of action include:

- 1) Engage private enterprises to subsidize the Ferry through private funds.
- 2) Collaborate with our state representatives to assist the Town Ferry to be subsidized by agencies, organizations or governmental entities.
- 3) Publish an RFP for the Town Ferry to be operated by a private company willing to pay the expenses of the Ferry and ensure that Winthrop will

²⁰ See Addendum 7 Town of Winthrop Budget Book, FY17 and FY18 as recommended by the Town Manager.

²¹ See Addendum 3 Winthrop Ferry Analysis and Projections through 6-30-2019, no date.

²² See Addendum 11 Winthrop Ferry ridership survey end of season 2016 and 2017.

²³ See Addendum 12 Contract between the Town of Winthrop and the Massachusetts Department of Transportation, signed on 12/2/2014.

receive commuting services and pleasure cruises similar to what we had this particular season for similar or same pricing.

ADDENDUM 1



Certificate of Inspection

Vessel Name: VALKYRIE

A CHILD SIZE WEARABLE LIFE PRESERVER APPROVED IN ACCORDANCE WITH EITHER 46 CFR 160.002, 160.005, OR 160.055 SHALL BE PROVIDED FOR EACH PERSON ON BOARD UNDER 90 POUNDS.

NOT AUTHORIZED FOR OPERATION AS AN UNINSPECTED VESSEL.

---Hull Exams---

| Exam Type | Next Exam | Last Exam | Prior Exam |
|--------------------|-----------|-----------|------------|
| DryDock | 30Sep2017 | 17Sep2015 | |
| Internal Structure | 30Sep2017 | 17Sep2015 | |

---Stability---

| Type | Issued Date | Office |
|--------|-------------|----------------------------|
| Letter | 30Oct2015 | Marine Safety Center (MSC) |

---Lifesaving Equipment---

Total Equipment for 0 Persons

| Primary Lifesaving Equipment | Quantity | Capacity | Required |
|------------------------------|----------|----------|----------------------------|
| Lifeboats (Total) | 0 | 0 | Life Preservers (Adult) 77 |
| Lifeboats (Port) | 0 | 0 | Life Preservers (Child) 8 |
| Lifeboats (Starboard) | 0 | 0 | Ring Buoys (Total) 1 |
| Motor Lifeboats | 0 | 0 | With Lights 1 |
| Lifeboats W/Radio | 0 | 0 | With Line Attached 1 |
| Rescue Boats/Platforms | 0 | 0 | Other 0 |
| Inflatable Rafts | 0 | 0 | Immersion Suits 0 |
| Life Floats/Buoyant App | 0 | 0 | Portable Lifeboat Radios 0 |
| Inflatable Bouyant App (IBA) | 0 | 0 | Equipped with EPIRB? NO |

--- Fire Fighting Equipment ---

Number of Fireman Outfits - Number of Fire Pumps - 2

Hose Information

| Location | Quantity | Diameter | Length |
|-------------------------|----------|----------|--------|
| Aft Accommodation Space | 1 | 1.5 | 50 |

Fixed Extingulshing Systems

| Location | Type | Capacity |
|------------------|--------------------------------------|---------------------|
| Port Engine Room | Halocarbon (Formerly: FM 200, FE241) | 500 Cubic Foot |
| STBD Engine Room | Halocarbon (Formerly: FM 200, FE241) | 500 Cubic Foot |

Fire Extinguishers - Hand portable and semi-portable

| Quantity | Class Type |
|----------|------------|
| 1 | A-II |



United States of America
Department of Homeland Security
United States Coast Guard

Certification Date: 23 Dec 2015
Expiration Date: 23 Dec 2020

Certificate of Inspection

Vessel Name: VALKYRIE

| | |
|---|------|
| 1 | B-I |
| 1 | B-II |

END



UNITED STATES OF AMERICA

DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD

NATIONAL VESSEL DOCUMENTATION CENTER

CERTIFICATE OF DOCUMENTATION

| | | | | | |
|--|----------------------|--|---------------------------------------|------------------------------|--|
| VESSEL NAME VALKYRIE | | OFFICIAL NUMBER 1262943 | IMO OR OTHER NUMBER EVR63004HD16 | YEAR COMPLETED 2015 | |
| HAILING PORT WINTHROP MA | | HULL MATERIAL FRP (FIBERGLASS) | | MECHANICAL PROPULSION YES | |
| GROSS TONNAGE 21GRT | NET TONNAGE 17NRT | LENGTH 63.0 | BREADTH 21.0 | DEPTH 7.1 | |
| PLACE BUILT CRISFIELD MD | | | | | |
| OWNERS MASSACHUSETTS STATE OF | | | OPERATIONAL ENDORSEMENTS COASTWISE | | |
| MANAGING OWNER MASSACHUSETTS STATE OF TOWN OF WINTHROP TOWN MANAGER'S OFFICE ONE METCALF SQ ROOM 16 WINTHROP MA 02162 | | | | | |
| RESTRICTIONS NONE | | | | | |
| ENTITLEMENTS NONE | | | | | |
| REMARKS NONE | | | | | |
| ISSUE DATE AUGUST 27, 2016 | |  DIRECTOR NATIONAL VESSEL DOCUMENTATION CENTER | | | |
| THIS CERTIFICATE EXPIRES AUGUST 31, 2016 | | | | | |
|  | | | | | |

ADDENDUM 2

WINTHROP FERRY SERVICE REPORT & COMMENTARY - HALF-SEASON, 2016-17

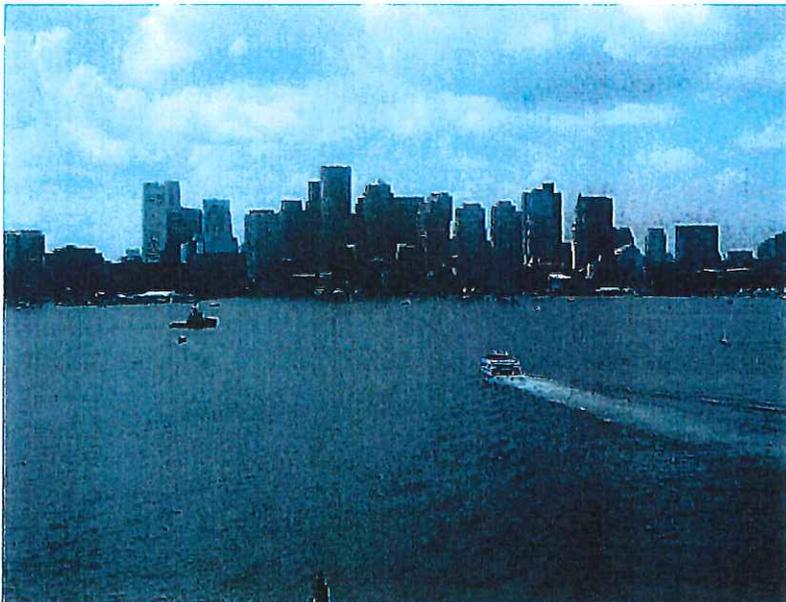
James McKenna, Town Manager

December 23, 2016

Introduction

The following report is a brief recapitulation of the first half of the 2017 season for the Town of Winthrop's Ferry Service to Boston. This report is proposed as an evaluation tool for purposes of advising the Water Transit Advisory Committee, Nathan Peyton, Deputy Chief of Staff, Secretary Stephanie Pollack, MassDOT.

We hope that this report serves to highlight both the challenges and opportunities for municipally sponsored water transit service for Boston's inner harbor.



Overview

With our maiden 4-month half-season behind us, we have learned much from operating our single-vessel ferry service between Winthrop and Boston. The town's general interest in establishing ferry service between Winthrop and Boston was to bolster the town as a viable bedroom community option for members of the Boston workforce. Our intention was not to run the ferry as a profit making venture, but to cover the costs of the service and to enable some level of retained earnings to continue to make improvements to the boat and related service needs. The Winthrop Town Council agreed to provide an annual operating subsidy of \$100,000

per year over three years with the intention to revisit the viability of the service after three years of operations.

The present ferry service for Fiscal 2017 is scheduled to be an eight month service, with four months starting July 1, 2016 and continuing to the end of October 30, 2016, a brief interruption due to weather and for boat maintenance, and once again starting up on March 1, 2017 and continuing through June 30, 2017, with this schedule repeating annually thereafter.

The Service:

Our service operates a single 77-passenger CAT-style vessel, 53 feet in length and 20 feet in beam. The vessel was built in 2015 by Evan's Boats, Inc., Maryland. The vessel operates with twin Cummins QSL9 Tier III marine diesel engines, and is USCG certified. (Please see the attached specifications for more detail). The vessel is ADA compliant, has two heads, and may offer lite concessions. Ticketing presently occurs either online through our website (www.thetownofwinthropferry.com) or on the vessel during operations. See Appendix 1 for detailed Winthrop Ferry drawings.

We made arrangements with Rick Nolan and Alison Nolan at Boston Harbor Cruises to assist us with our start-up efforts. The Nolans and everyone at Boston Harbor Cruises were extremely helpful and generous with their time, talent and expertise in many aspects of helping us to achieve our successful launch of service. BHC gave us on-the-job training for our captains and crews, and also helped us to avoid many of those annoying mistakes that a start-up venture makes in terms of technology, policies and procedures, and establishing proper business standards for our operations. Through the Nolans, we were able to use our first few trial weeks as training for our teams and to ensure proper implementation of all of the necessary elements for running a small ferry service. This also helped us with costs and time loss avoidance. In addition, we worked out an arrangement with BHC to be our backup service should the Valkyrie require service or repair during operational periods.

Summary Findings:

In summary, we have learned that while there is significant desire to have water transit that connects the region with strategic points of interest in the inner harbor of Boston, several significant issues and challenges must be considered:

Water transit is expensive. When considering cost versus passengers served, water transit has obvious limitations that make the marginal cost for providing this service on the higher end of the spectrum versus other modes of regional transit. Thus, achieving break-even without government subsidy support is difficult at best.

Winthrop's first year of service is on track to achieve 58% of break-even, with a per ridership cost of \$14.70. As a start-up enterprise, we believe this is a positive result when considering that it took the South Shore Commuter vessels several years to achieve the same per rider cost. Still, achieving break-even will still be difficult to achieve by the end of year three without subsidy support.

Assuming reasonable subsidy support continuing for local sources, ferry service from Winthrop appears economically sustainable, if the service does the following:

- A. follows a strategic plan
- B. leverages the experience and collaboration of regional transportation leaders
- C. hires knowledgeable staff
- D. continues to be supported locally
- E. properly scales the service and scheduling to meet demand
- F. establishes early success to cultivate and retain a core customer base.

Other factors key to successful launch:

- Geography and proximity to Boston is vital, as this impacts the type of boat procured, and the service to be provided – all of which impacts cost of service
- Frequency and length of runs
- Offering pleasant, fast and reliable service is the differentiated value to justify the ticket pricing
- Landing locations and landing times available at Rowes Wharf and other points of service demand
- Congestion and competition at dockage determines run time availability

Ferry Operations:

Operating a ferry service is not just about having a boat. It's about having the operating infrastructure to support a full service public water transit enterprise, including:

- Marine transit experienced leadership/management
- Crew
- Training - certified
- Customer service
- Ticketing
- Fiscal management
- Consistent and reliable scheduling of service

- Parking & Landside support
- Integrated Regional Marketing Strategy
- Local demand and support
- Local integration with Harbormaster Department
- Local pledge of financial support to encourage tourism, housing and economic development

Background

The Town of Winthrop began serious pursuit of water transit service between Winthrop and Boston in the mid-1990s. Following a feasibility study and lengthy planning process, the town was fortunate to acquire substantial state and federal assistance to build a new Town Pier and Marina at the Winthrop Town Landing in 2005. Following several stops and starts, the construction of the pier commenced around 2007. The town received additional state and federal grants in 2009 to help construct the ferry terminal and harbormaster building adjacent to the Town Pier. Construction of the ferry terminal building was begun in late 2010 and completed in 2012.

However, by 2010, with the pier and docking system in place and a federal 2009 Ferry Boat Discretionary (FBD) grant in hand, the town began operating a commuter ferry pilot service under contract with Boston Harbor Cruises with state funding to help subsidize the service. The pilot was designed to identify a likely number of riders for the service, to help determine if ridership could be built to sustainable levels over time, and to assist in planning of operations and to "right-size" the vessel needed.

BHC operated a half-season pilot service in 2010 and then followed that with two five-month seasons of service in 2011 and 2012. The pilot study showed growth in the ridership in each of the three years, with 2010 ridership at around 5,000 riders, 2011 ridership jumping to more than 10,000 riders and 2012 growing to around 14,000, thanks in part to the addition of service to the Boston Harbor Islands..

The data from the pilot service showed that over time the ridership could grow to a level of approximately 18,000 riders per year, which was the goal to prove sustainability. With that data on hand, the town worked with state officials to access the 2009 FBD award - which provided up to \$950,000 for 80-percent of the costs of procuring a vessel.

After a year-long process to approve a procurement document and another year-long construction period; the Town of Winthrop acquired the 72-passenger double hull catamaran ferry (Valkyrie) in December, 2015.

Pre-season Training (April 15 – June 30, 2016)

For the next ten weeks, the town undertook an extensive training period, under the tutelage of and in collaboration with Boston Harbor Cruises. This period was necessary to resolve scheduling conflicts; work out any operational issues; and ensure proper training and procedures were implemented. We conducted this training while offering ferry service from Winthrop to Boston's Rowes Wharf. However, we recognized that our ridership numbers were still weak. Our marketing effort was somewhat limited to a Billboard on Rt 1A, and significant local efforts to spread the word about the ferry. Still, our passenger numbers were not where we thought they would be, particularly in June, when we should have been seeing greater demand, particularly for early morning commuter service.

We began to consider alternative schedules and points of service to improve ridership and revenue generation. This also encouraged us to explore potential partnerships.

We first met with officials from UMass/Boston and the JFK Library to test interest in water transit service from Rowes Wharf to these facilities, as we had heard comments from hoteliers on the Boston waterfront about the need to provide improved tourism access to Columbia Point. While these discussions were positive, there remained significant obstacles to allow for service during the Summer of 2016. There was neither an accessible pier at JFK Library, nor was there adequate access for service to the UMass/Boston pier due to adjacent construction activity on the Campus. However, representatives from both facilities expressed the need to establish water access to Columbia Point in the near future.

We then engaged in discussions with Quincy officials (Mayor Koch, Senator Keating, Representative Ayers, and others), as the Quincy Economic Development Department had made inquiries regarding our ferry service business plan. Upon discussions with Quincy and Commissioner Leo Roy of the Commonwealth's Department of Conservation and Recreation (owners of the Squantum Park Pier), Winthrop was awarded a license by the DCR to provide water transit service to Quincy at Squantum Park (adjacent to Marina Bay) for a 90-day pilot program to see if there was sufficient demand. Squantum Park is operated by the DCR and has a 1,000 car parking facility. Quincy officials reported to us that there had been ferry service to Boston in prior years that operated out of a location at Fore River, but this service was eliminated while the MBTA was under restructuring several years ago. However, Mayor Koch noted that there remained significant interest among Quincy residents to restore water transit service between Quincy and Boston. On August 1, 2016, the Winthrop Ferry also began service for the City of Quincy at Squantum Point/Marina Bay. This service was a combined scheduling of service between Winthrop/Boston/Quincy/Harbor Islands. (See the Appendix 2 for 2016 Service Schedule).

July – October 2016 Results

The performance results of this 4-month season are summarized below:

| | Actual | Projected | |
|--------------------------|----------------------|----------------------|-------------------|
| | 1 st Half | 2 nd Half | Total |
| Ridership: | 12,562 | 14,520 | 26,982 |
| Expenses: | \$227,448 | \$164,321 | \$392,350 |
| Local Subsidy: | \$50,000 | \$50,000 | \$100,000 |
| State Operating Subsidy: | \$0 | \$0 | \$0 |
| Revenues: | \$93,456 | \$131,750 | \$225,206 |
| Surplus/deficit | | | (\$67,144) |
| Cost/tix sold: | \$18.10 | \$11.31 | \$14.70 |
| Tix Price | \$8.50 | \$8.50 | \$8.50 |
| Price DIFF | \$9.60 | \$2.81 | \$6.20 |
| Tix Sales to B/E | 46,158 | | |
| % Sales to B/E | 27% | 31% | 58% |

Projected Costs/Revenues 3-year:

| | Year 1 | Year 2 | Year 3 |
|------------------------|-----------------|-----------------|-----------------|
| Proj Ops Budget (2.5%) | \$392,350 | \$402,158 | \$412,216 |
| Proj Tix Sales | 26,982 | 35,484 | 43,646 |
| Proj Revenue (deficit) | \$67,144 | \$80,431 | \$41,221 |

Lessons Learned:

1. **Built-in Advantage for Existing Transit makes innovative water transit more difficult to compete.**

There are many good reasons why municipalities are not in the transportation business, and why most successful public transit is performed on a regional basis, with state and/or federal support. Also, cities and towns within regional transit service areas are assessed through the local distribution "cherry sheet" for support for regional transit. Independent water transit such as the Winthrop Ferry does not receive such direct assessment support. For example, Winthrop is assessed approximately \$400,000 in local aid offset that goes towards MBTA service to the community. Despite this established advantage of support to regional bus and train service, our ferry service pricing must compete with other forms of transit to be a viable alternative to all income levels of passengers.

We have learned that the typical "start small and grow" model of successful small business development doesn't apply to transportation, as consumers have built-in high expectations for transportation service that must be:

- Reliable;
- Inexpensive or cost effective;
- Fully integrated with other transportation modes;
- Flexible schedules;
- Multiple points of service
- Accessible and parking;
- Safe, clean and comfortable; and
- Food/Beverage concessions
- Generally a good experience such that it engenders positive results and creates returning customers.

Water transit that meets these expectations is expensive to provide. That said, when done well, water transit can generate a very loyal following, and become a preferred form of transit service, as we saw from a growing group of returning customers both in Winthrop and in Quincy. Also, the success of the Hingham & Hull ferries indicates that long-term customer loyalty and can be achieved and sustained.

Based upon our recent survey that generated 300 responses (see Appendix 3), we seem to have developed a loyal albeit still small core of 40-60 daily users. Still, many express the need to continue to be price sensitive, while expressing the need to expand service to other areas of the Boston waterfront to create options and choices for access to Boston and to improve accessibility to other areas and transportation options.

While we plan to achieve 58% of break-even in our first season, some would say that is an admirable result for the first year of any new start-up business. However, reliance on word-of-mouth and limited marketing to a somewhat limited catchment area will not build this business to sustainability without seeking additional means to mitigate the substantial fixed and other operating costs that are necessary to provide this service. What seems clear is that to achieve breakeven or better and to build a sustainable service model will require greater emphasis on the following:

- **Explore potential partnership** to enable the service to reach critical mass and to lower the marginal cost of fixed expenses and to consolidate service under a single entity that provides coordinated service and connectivity throughout the waterfront and Inner Harbor.
- **Coordinated Marketing** of the service to a wider audience of potential users
- Explore **expansion of the service** to enable greater access to a variety of points of demand/interest to include the following (see Appendix 4 for Ferry Route Maps:

Boston's Inner Harbor



JFK Library/Kennedy Institute



Boston's Seaport District



U.Mass/Boston



Logan Airport



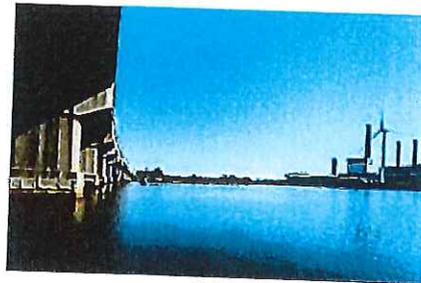
Lovejoy Wharf/North Station



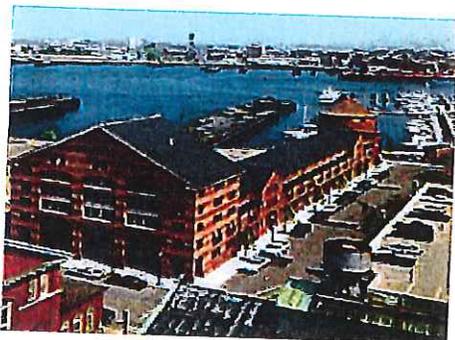
Quincy Squantum Point/Marina Bay



Everett Casino



Charlestown



East Boston, Chelsea, Somerville, Cambridge



Integration with other services such as Salem & Hingham, Hull

However, one boat cannot serve all these points of interest, due to limitations of the vessel, available times for docking, varying demands for service times, fueling, and other operating and logistical challenges.

Regional Transit Integration:

We believe that cooperation with the MBTA is key to providing a full-service transportation solution for water transit for Boston's Inner Harbor and regional services. Many ferry customers become "T" customers once on the ground in Boston. Conversely, many T riders become ferry

riders to access points of interest in the Boston Harbor and adjacent communities. Water transit must become part of the core mission of the MBTA, and not be considered a “premium” service. Water transit does not and cannot effectively compete with MBTA subway, bus and/or commuter rail services. However, it can be an effective complement to those services, if the water transit service is coordinated and incorporated into the overall public transit mission. This requires consideration of the following:

- Greater Integration and co-branding with the MBTA
- Need for cost competitiveness
- Ratio: Fixed costs / # of vessels
- Scalable service decrease marginal operating costs and to increase points of access on the Boston Waterfront
 - Customers demand for more Landing choices. This builds customer base and grows catchment area;
- Water transit should be integrated with MBTA service. Ferries create customers for the MBTA
- Network of System Support

Recommendation:

We believe that what is needed is a small fleet of boats that can work together in a single organization that enables integration of labor and expense, that reduces marginal cost per rider and that allows for coordination of service plan to enable water transit to be sustainable in Boston’s Inner Harbor. The service itself needs to be scalable to enable greater customer choice that generates sufficient demand to improve cost per rider ratio and to limit the need for government subsidy.

Schedules should be more coordinated and co-located on the internet and in kiosks, so all Boston Harbor ferry riders can find information in the same place. Loyal ferry riders of one service are likely to try other routes for different needs, if the network is a viable alternative for more integration with Quincy and possibly other communities and/or points of service so as to share in the fixed costs of providing this alternative water transit service, as it can serve as a significant economic development attraction for communities adjacent to Boston’s Inner Harbor.

Explore possible integration of service with the MBTA

i.e. Charlie Card acceptance

Coordination with other public transit modes (bus, rail and light rail)

Co-marketing opportunities with other public transit (bus, rail and light rail)

Pursue other lines of income generation, such as:

Advertising/promotional campaigns with other retail/restaurants/tourism;

Charter & group sales;

Concession sales;

FINAL THOUGHTS:

Macro-benefits of Coordinated Regional Water Transit:

1. Property Value Enhanced

As we stated above, the cost of providing water transit can be high when considering the expenses on a per rider basis. However, our experience here in Winthrop shows that the cost of providing water based transit service to residents should not be analyzed strictly on a dollar per rider basis. Rather, the benefit of providing for the expense of water transit should be analyzed through the lens of ancillary benefits to the communities they serve and the region as a whole. For instance, **we know about several recent real estate sales here in Winthrop where the Winthrop ferry was key to those sales transactions. Simply put, the more accessible a community is to jobs and regional economic/cultural venues, the more attractive their real estate becomes.**

2. Improving Access - Housing the Region's Workforce

As Boston's Housing 2030 Plan indicates, Boston has a need for 44,000 additional units of workforce housing. To supplement this need, the stress on the region's housing market will continue. This demand will also put further stress on regional transit. Thus, planning for and creating integrated water transit is necessary to anticipate this housing growth and its stress on regional transit. Creating sustainable water transit is a strategic need for the region that will create greater accessibility options while offsetting to some degree the stress and impact that growth will have on other transit service.

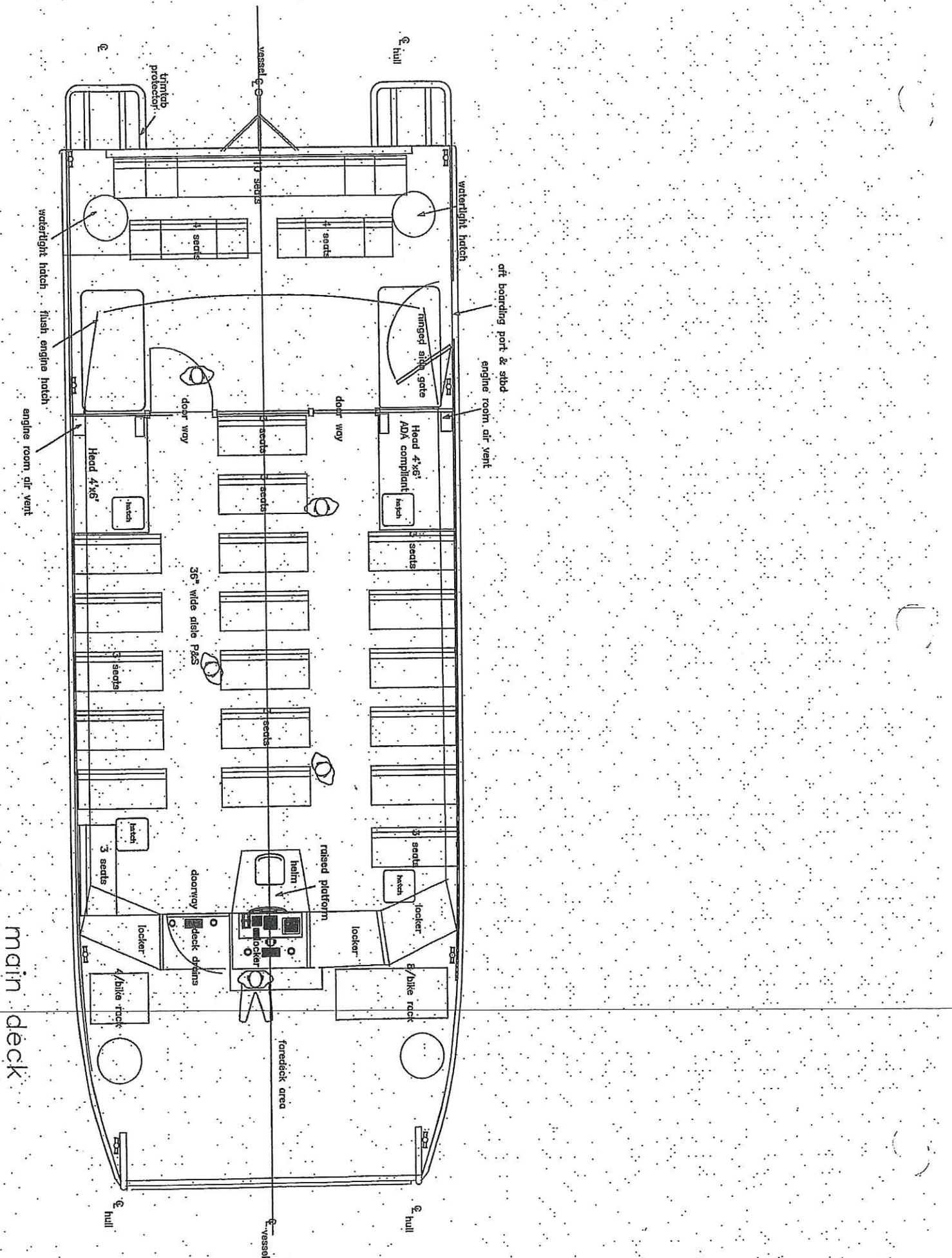
3. Water Transit is less capital intensive as compared to other land-based transit

While water transit may be costly from an operational standpoint as compared to other rail and bus service per passenger served, it is considerably less expensive from a capital cost perspective. For example, the MBTA FY 2016 Capital Investment Program (CIP) outlined \$333 million in capital spending on State of Good Repair and Expansion projects for just one year. The cost of the CIP over the next five years is estimated to be in the billions of dollars. Looking at just one expansion project, for instance, the Green Line Extension would add an estimated 21,000

daily riders to the MBTA system, but at a total capital cost of \$2.3 billion for four miles of track, seven new stations and new trains to reduce travel times during peak periods.

By contrast, the Town of Winthrop ferry cost just \$1 million to build and has current average daily ridership of 100 riders per day for 260 days per service year. Depreciated over a 20-year term, the per rider cost of the ferry is just \$1.92 per rider. However, if we depreciate the cost of the Green Line Extension (GLX) over 40 years, the per rider cost is still \$7.50 for the GLX.

4. Alternative Transit - Water Transit provides alternative transit for communities that are geographically challenged or not otherwise proximate to other transportation options.



main deck

Specifications:

Low wake wash catamaran, 20 knot cruise.

Hand laid up fiberglass and composite construction to USCG standards

USCG Certified to carry passengers on a Lakes Bays and Sounds Route

53' length

20' beam

4' draft

4' loaded freeboard

77 passenger capacity, fixed seating including aft open deck seating.

Climate control interior heating and air conditioning

Bow boarding

Bicycle storage racks (12) on bow

ADA accessible including secure lash downs

Twin Cummins QSL9 Tier III marine diesel engines, 405 BHP, with ZF marine gears

All USCG required safety gear, fire suppression system and navigations lights.

Pilot station with cable controls and USCG required electronics.

Fixed cabin windows

One fore and two aft cabin doors

Non-skid flooring and decking

2x200 gallon USCG approved aluminum fuel tanks with water separator auxiliary filters.

Winthrop Ferry Schedule

Weekdays starting August 8th

| Day | Depart Winthrop | Arrive Quincy | Depart Quincy | Arrive Spectacle Island | Depart Spectacle Island | Arrive Winthrop | Depart Winthrop | Arrive Quincy | Depart Quincy | Arrive Spectacle Island | Depart Spectacle Island | Arrive Winthrop |
|--------------------------------------|-----------------|---------------|---------------|-------------------------|-------------------------|-----------------|-----------------|---------------|---------------|-------------------------|-------------------------|-----------------|
| Monday - Friday | 6:35 AM | 7:00 AM | 7:05 AM | 7:25 AM | 7:30 AM | 8:00 AM | 8:05 AM | 8:30 AM | 8:35 AM | 9:00 AM | 9:05 AM | 9:30 AM |
| Monday - Friday | 8:05 AM | 8:30 AM | 8:35 AM | 9:00 AM | 9:05 AM | 9:30 AM | 9:35 AM | 10:00 AM | 10:05 AM | 10:30 AM | 10:35 AM | 11:00 AM |
| Monday - Friday | 11:20 AM | 11:40 AM | 11:45 AM | 12:05 PM | 3:35 PM | 3:40 PM | 4:05 PM | 4:10 PM | 4:15 PM | 4:40 PM | 4:45 PM | 5:10 PM |
| Monday - Friday | 2:50 PM | 3:10 PM | 3:15 PM | 3:35 PM | 3:40 PM | 4:05 PM | 4:10 PM | 4:15 PM | 4:20 PM | 4:45 PM | 4:50 PM | 5:15 PM |
| Monday - Friday | 4:15 PM | 4:40 PM | 4:45 PM | 5:10 PM | 5:15 PM | 5:40 PM | 5:45 PM | 6:10 PM | 6:15 PM | 6:40 PM | 6:45 PM | 7:10 PM |
| Monday, Tuesday | 6:15 PM* | 6:40 PM* | 6:45 PM* | 7:10 PM* | 7:15 PM | 7:40 PM | 7:45 PM | 8:10 PM | 8:15 PM | 8:40 PM | 8:45 PM | 9:10 PM |
| Monday - Friday | 7:15 PM | 7:40 PM | 7:45 PM | 8:10 PM | 8:15 PM | 8:40 PM | 8:45 PM | 9:10 PM | 9:15 PM | 9:40 PM | 9:45 PM | 10:10 PM |
| **Thurs and Fri | 8:15 PM*** | 8:40 PM*** | 8:45 PM*** | 9:10 PM*** | 9:15 PM*** | 9:40 PM*** | 9:45 PM*** | 10:10 PM*** | 10:15 PM*** | 10:40 PM*** | 10:45 PM*** | 11:10 PM*** |
| Weekends starting August 16th | | | | | | | | | | | | |
| Saturday - Sunday | 10:20 AM | 10:45 AM | 10:50 AM | 11:15 AM | 11:20 AM | 11:45 AM | 11:50 AM | 12:15 PM | 12:20 PM | 12:45 PM | 12:50 PM | 1:15 PM |
| Saturday - Sunday | 2:30 PM | 2:55 PM | 3:00 PM | 3:25 PM | 3:30 PM | 3:55 PM | 4:00 PM | 4:25 PM | 4:30 PM | 4:55 PM | 5:00 PM | 5:25 PM |
| Saturday - Sunday | 5:30 PM | 5:55 PM | 6:00 PM | 6:25 PM | 6:30 PM | 6:55 PM | 7:00 PM | 7:25 PM | 7:30 PM | 7:55 PM | 8:00 PM | 8:25 PM |
| Saturday - Sunday | 7:20 PM | 7:45 PM | 8:10 PM | 8:35 PM | 8:40 PM | 9:05 PM | 9:10 PM | 9:35 PM | 9:40 PM | 10:05 PM | 10:10 PM | 10:35 PM |
| ***Saturday Only | 9:10 PM*** | 9:35 PM*** | 9:45 PM*** | 10:10 PM*** | 10:15 PM*** | 10:40 PM*** | 10:45 PM*** | 11:10 PM*** | 11:15 PM*** | 11:40 PM*** | 11:45 PM*** | 12:10 PM*** |

General Passenger Ticket \$8.50 one way
Seniors \$6.50
Children 10 and under Free (with an adult)
Limit 2 children per adult ticket

ADDENDUM 3

Winthrop Ferry Analysis and Projection through 6-30-2019

Model Prototype

| | Fiscal Year 1 | | Fiscal Year 2 | | Fiscal Year 3 | |
|---------------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| | 7-1-16 to 12-31-16 | 1/1/17 to 6-30-17 | 7-1-17 to 12-31-17 | 1/1/18 to 6-30-18 | 7-1-18 to 12-31-18 | 1/1/19 to 6-30-19 |
| Ridership | Actual | Projected | Projected | Projected | Projected | Projected |
| Trips taken (one way) | 9,475 | 1,800 | 9,000 | 2,000 | 11,000 | 2,200 |
| Winthrop | 2,305 | 1,000 | 3,000 | 2,000 | 5,000 | 2,200 |
| Quincy | 782 | 750 | 5,000 | 1,500 | 7,000 | 1,700 |
| Other | | | | | | |
| Total | 12,562 | 3,550 | 17,000 | 5,500 | 23,000 | 6,100 |
| Revenue | | | | | | |
| Operations | 93,456 | 5,000 | 100,000 | 6,000 | 104,000 | 7,000 |
| Commuter Ticket Sales | - | 3,000 | 3,000 | 4,000 | 4,000 | 5,000 |
| Vessel Charter | | 500 | 3,000 | 1,000 | 3,000 | 2,000 |
| Food/Drink | | | | | | |
| Other | | | | | | |
| Total | 93,456 | 8,500 | 106,000 | 11,000 | 111,000 | 14,000 |
| Grants | | | | | | |
| Donations | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Winthrop | | 75,000 | 75,000 | | 75,000 | |
| Quincy | | | 150,000 | | 150,000 | |
| Other | | | | | | |
| Total | 50,000 | 125,000 | 275,000 | 50,000 | 275,000 | 50,000 |
| Total Revenue | 143,456 | 133,500 | 381,000 | 61,000 | 386,000 | 64,000 |
| Expenses | | | | | | |
| Vessel Operation | 105,815 | 50,054 | 106,000 | 70,600 | 106,000 | 70,600 |
| Salaries | | | | | | |
| Benefits | | | | | | |
| Fuel | 29,200 | 23,450 | 30,000 | 30,000 | 30,000 | 30,000 |
| Licenses/Fees | | | | | | |
| Docking Fees | | | | | | |
| Insurance | 26,000 | 13,540 | 26,000 | 8,000 | 26,000 | 8,000 |
| Supplies | 660 | | 8,000 | 8,000 | 8,000 | 8,000 |
| Ticket Sales Expense | | | | | | |
| Total | 161,675 | 87,044 | 170,000 | 108,600 | 170,000 | 108,600 |
| In Season Maintenance | 5,400 | 1,800 | 5,400 | 3,600 | 5,400 | 3,600 |
| Routine Maintenance | 2,000 | 500 | 1,250 | 1,250 | 1,250 | 1,250 |
| Extraordinary Maintenance | 7,400 | 2,300 | 6,550 | 4,850 | 6,650 | 4,850 |
| Total | 14,800 | 4,600 | 13,200 | 9,700 | 13,300 | 9,700 |
| Off Season Maintenance | 750 | 750 | 750 | 750 | 750 | 750 |
| Storage Expense | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Winter Repairs | | | | | | |
| Other | | | | | | |
| Total | 3,250 | 3,250 | 3,250 | 3,250 | 3,250 | 3,250 |
| Total Expense | 227,448 | 164,321 | 179,900 | 116,700 | 179,900 | 116,700 |
| Net Profit/(Loss) | (83,992) | (30,821) | 201,100 | (55,700) | 206,100 | (52,700) |

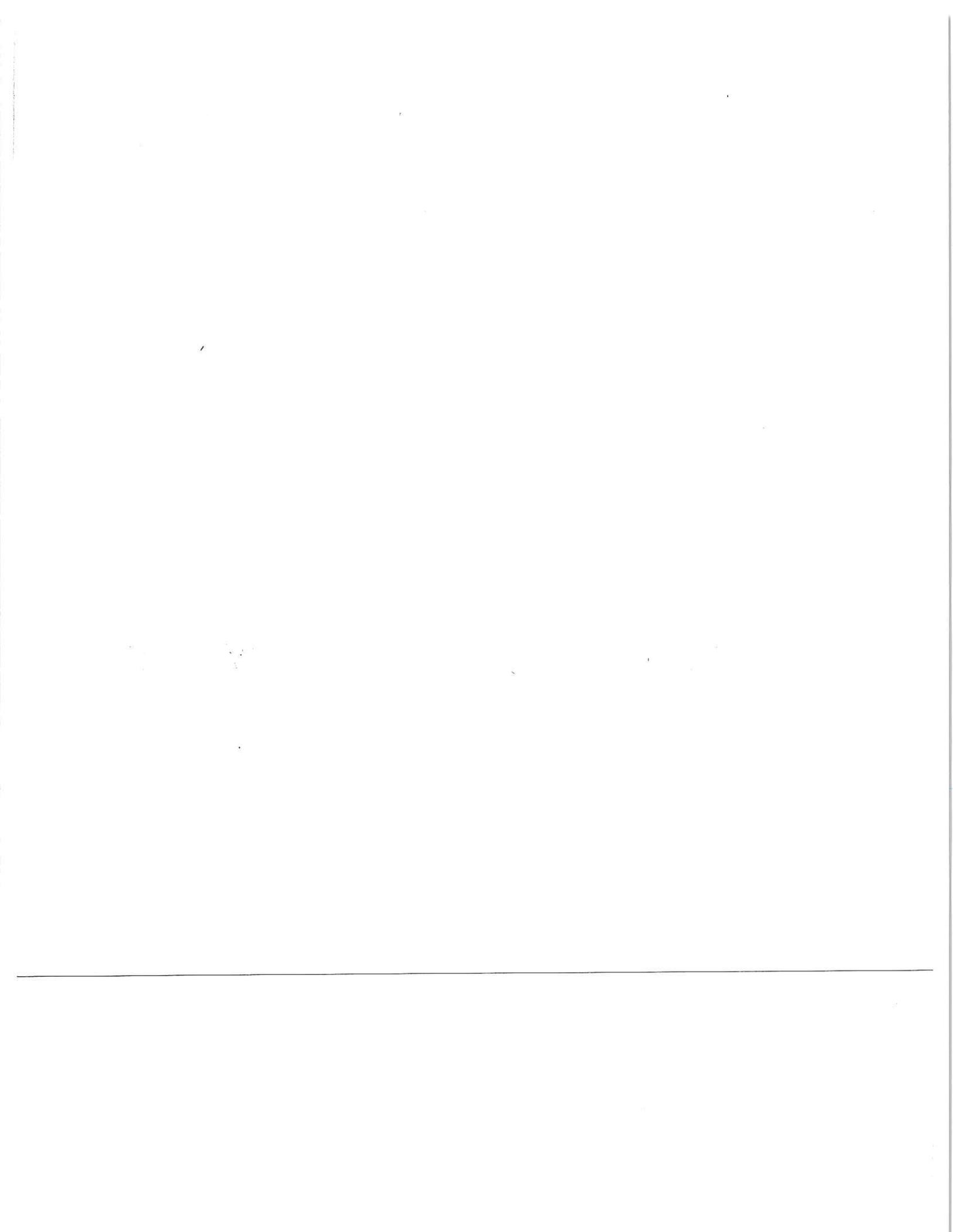
ADDENDUM 4

Bookings
 Availabilities on 5/1/16 - 6/30/16
 Winthrop Ferry

Generated 10/11/17 @ 1:11pm

| Item | Bookings | | | | | | | |
|------------------------------|---------------|-------------|--------------------|---------------|--------------------|--------------------|-----------------|----------------------------------|
| | # of Bookings | # of Pax | Subtotal | Tax | Total | Total Paid | Processing Fees | Total Paid after Processing Fees |
| Round Trip Package | 13 | 13 | \$3,770.00 | \$0.00 | \$3,770.00 | \$3,770.00 | \$69.72 | \$3,700.28 |
| Rowe's Wharf to Winthrop | 433 | 743 | \$5,093.00 | \$0.00 | \$5,093.00 | \$5,042.00 | \$99.47 | \$4,942.53 |
| Spectacle Island to Winthrop | 22 | 34 | \$213.50 | \$0.00 | \$213.50 | \$213.50 | \$4.96 | \$208.54 |
| Winthrop to Rowe's Wharf | 692 | 1315 | \$9,488.00 | \$0.00 | \$9,488.00 | \$9,301.00 | \$187.50 | \$9,113.50 |
| Winthrop to Spectacle Island | 67 | 190 | \$1,361.50 | \$0.00 | \$1,361.50 | \$1,361.50 | \$20.20 | \$1,341.30 |
| 5 items | 1227 | 2295 | \$19,926.00 | \$0.00 | \$19,926.00 | \$19,688.00 | \$381.85 | \$19,306.15 |

+ 4272.00 - BHC
\$ 23,578.15



Bookings
 Availabilities on 7/1/16 - 6/30/17
 Winthrop Ferry

Generated 10/11/17 @ 1:15pm

| Bookings | | | | | | | | |
|---|---------------|--------------|---------------------|---------------|---------------------|---------------------|-------------------|----------------------------------|
| Item | # of Bookings | # of Pax | Subtotal | Tax | Total | Total Paid | Processing Fees | Total Paid after Processing Fees |
| ✓ Boston Moakley Courthouse to Winthrop | 101 | 149 | \$673.50 | \$0.00 | \$673.50 | \$656.50 | \$13.62 | \$642.88 |
| ✓ Parade of the Tall Ships | 31 | 70 | \$5,250.00 | \$0.00 | \$5,250.00 | \$4,875.00 | \$101.60 | \$4,773.40 |
| ✓ Quincy to Rowe's Wharf | 1032 | 2122 | \$15,172.50 | \$0.00 | \$15,172.50 | \$15,140.50 | \$336.36 | \$14,804.14 |
| ✓ Quincy to Seaport | 91 | 291 | \$2,050.00 | \$0.00 | \$2,050.00 | \$2,050.00 | \$48.34 | \$2,001.66 |
| ✓ Quincy to Winthrop | 123 | 227 | \$1,664.50 | \$0.00 | \$1,664.50 | \$1,625.50 | \$39.66 | \$1,585.84 |
| ✓ Round Trip Package | 38 | 38 | \$11,020.00 | \$0.00 | \$11,020.00 | \$11,020.00 | \$191.73 | \$10,828.27 |
| ✓ Rowe's Wharf to Quincy | 438 | 713 | \$4,303.50 | \$0.00 | \$4,303.50 | \$4,269.50 | \$102.62 | \$4,166.88 |
| ✓ Rowe's Wharf to Seaport | 35 | 77 | \$543.50 | \$0.00 | \$543.50 | \$530.50 | \$9.30 | \$521.20 |
| ✓ Rowe's Wharf to Winthrop | 1037 | 1679 | \$9,884.00 | \$0.00 | \$9,884.00 | \$9,824.50 | \$209.47 | \$9,615.03 |
| ✓ Seaport to Boston Moakley Courthouse | 15 | 19 | \$76.50 | \$0.00 | \$76.50 | \$76.50 | \$2.03 | \$74.47 |
| ✓ Seaport to Rowe's Wharf | 25 | 64 | \$454.50 | \$0.00 | \$454.50 | \$454.50 | \$6.16 | \$448.34 |
| ✓ Seaport to Winthrop | 76 | 109 | \$589.50 | \$0.00 | \$589.50 | \$570.00 | \$15.35 | \$554.65 |
| ✓ Spectacle Island to Quincy | 48 | 116 | \$768.00 | \$0.00 | \$768.00 | \$768.00 | \$22.84 | \$745.16 |
| ✓ Spectacle Island to Winthrop | 66 | 165 | \$1,101.00 | \$0.00 | \$1,101.00 | \$1,084.00 | \$20.16 | \$1,063.84 |
| ✓ Tall Ships in Boston Harbor | 89 | 280 | \$7,000.00 | \$0.00 | \$7,000.00 | \$6,750.00 | \$154.72 | \$6,595.28 |
| ✓ Winthrop to Boston Moakley Courthouse | 74 | 184 | \$1,062.00 | \$0.00 | \$1,062.00 | \$1,028.00 | \$19.11 | \$1,008.89 |
| ✓ Winthrop to Quincy | 321 | 652 | \$4,129.00 | \$0.00 | \$4,129.00 | \$4,129.00 | \$65.66 | \$4,063.34 |
| ✓ Winthrop to Rowe's Wharf | 1970 | 4098 | \$27,866.00 | \$0.00 | \$27,866.00 | \$27,844.50 | \$509.65 | \$27,334.85 |
| ✓ Winthrop to Seaport | 440 | 822 | \$5,396.00 | \$0.00 | \$5,396.00 | \$5,074.00 | \$108.82 | \$4,965.18 |
| ✓ Winthrop to Spectacle Island | 273 | 777 | \$5,750.50 | \$0.00 | \$5,750.50 | \$5,750.50 | \$87.82 | \$5,662.68 |
| 20 items | 6323 | 12652 | \$104,754.50 | \$0.00 | \$104,754.50 | \$103,521.00 | \$2,065.02 | \$101,455.98 |

Plus \$300 charters for field trips \$ 104,455.98 ^{300.00}

Bookings
 Availabilities on 7/1/17 - 10/31/17
 Winthrop Ferry

Generated 10/11/17 @ 1:18pm

| Item | Bookings | | | | | | | |
|---|---------------|-------------|--------------------|---------------|--------------------|--------------------|-------------------|----------------------------------|
| | # of Bookings | # of Pax | Subtotal | Tax | Total | Total Paid | Processing Fees | Total Paid after Processing Fees |
| ✓ Boston Harbor Island Narrative Cruise | 38 | 67 | \$1,675.00 | \$0.00 | \$1,675.00 | \$1,125.00 | \$28.76 | \$1,096.24 |
| ✓ Quincy to Rowe's Wharf | 589 | 1435 | \$9,367.50 | \$0.00 | \$9,367.50 | \$9,350.50 | \$209.67 | \$9,140.83 |
| ✓ Quincy to Seaport | 83 | 285 | \$1,948.50 | \$0.00 | \$1,948.50 | \$1,948.50 | \$36.01 | \$1,912.49 |
| ✓ Quincy to Winthrop | 153 | 248 | \$1,479.50 | \$0.00 | \$1,479.50 | \$1,479.50 | \$31.79 | \$1,447.71 |
| ✓ Retail | 6 | 7 | \$109.00 | \$0.94 | \$109.94 | \$109.94 | \$2.07 | \$107.87 |
| ✓ Round Trip Package | 25 | 25 | \$7,250.00 | \$0.00 | \$7,250.00 | \$7,250.00 | \$145.25 | \$7,104.75 |
| ✓ Rowe's Wharf to Quincy | 461 | 837 | \$4,642.00 | \$0.00 | \$4,642.00 | \$4,620.50 | \$102.82 | \$4,517.68 |
| ✓ Rowe's Wharf to Seaport | 183 | 259 | \$1,144.50 | \$0.00 | \$1,144.50 | \$1,147.00 | \$26.59 | \$1,120.41 |
| ✓ Rowe's Wharf to Winthrop | 239 | 406 | \$2,195.50 | \$0.00 | \$2,195.50 | \$2,136.00 | \$38.87 | \$2,097.13 |
| ✓ Seaport to Rowe's Wharf | 94 | 187 | \$995.50 | \$0.00 | \$995.50 | \$995.50 | \$17.08 | \$978.42 |
| ✓ Seaport to Winthrop | 350 | 462 | \$1,462.00 | \$0.00 | \$1,462.00 | \$1,453.50 | \$42.83 | \$1,410.67 |
| ✓ Twilight Cruise | 85 | 185 | \$4,625.00 | \$0.00 | \$4,625.00 | \$4,625.00 | \$109.85 | \$4,515.15 |
| ✓ Winthrop to Quincy | 83 | 105 | \$522.50 | \$0.00 | \$522.50 | \$522.50 | \$14.64 | \$507.86 |
| ✓ Winthrop to Rowe's Wharf | 584 | 1283 | \$7,609.50 | \$0.00 | \$7,609.50 | \$7,550.00 | \$143.52 | \$7,406.48 |
| ✓ Winthrop to Seaport | 1026 | 2224 | \$13,858.00 | \$0.00 | \$13,858.00 | \$13,543.00 | \$235.15 | \$13,307.85 |
| 15 items | 3999 | 8015 | \$58,884.00 | \$0.94 | \$58,884.94 | \$57,856.44 | \$1,184.90 | \$56,671.54 |

ADDENDUM 5

FERRY ANALYSIS
AS OF 9/30/17

| | 2018 TO DATE 9/30/17 | | | | | TOTAL SINCE INCEPTION | AS PER OPERATIONS | |
|--|----------------------|--------------|--------------|--------------|--------------|-----------------------|-----------------------------|--------------|
| | 2015 | 2016 | 2017 | AS RECORDED | 2018 | | APRIL 2017 - SEPTEMBER 2018 | |
| REVENUE | | | | | | | | |
| 604-427100 Advertisement Revenue | - | - | - | - | - | - | - | - |
| 604-427301 Snack Shop Revenue | - | - | - | - | - | - | - | - |
| 504-427302 FERRY MERCHANDISE | - | - | - | - | - | - | - | - |
| 504-427300 MUNICIPAL DISTRIBUTIONS | - | - | - | 143.94 | 143.94 | 143.94 | 143.94 | 143.94 |
| 504-427000 CHARGES FOR SERVICES | - | - | - | - | - | - | - | - |
| 504- REFUNDS OF A PRIOR YEAR | - | 26,503.25 | 108,349.22 | 56,812.22 | 191,664.69 | 191,664.69 | 85,075.90 | 85,075.90 |
| 504- MISCELLANEOUS REVENUE | - | - | - | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 |
| J87000 SUBTOTAL REVENUE | - | 35.50 | 8,600.00 | - | 8,635.50 | 8,635.50 | - | - |
| 304-497000 TRANSFER IN (BUDGETED) | 50,000.00 | 26,538.75 | 116,949.22 | 100,000.00 | 57,456.16 | 200,944.13 | 86,720.84 | 86,720.84 |
| 304-497000 TRANSFER IN BY MOTION | - | - | 100,000.00 | 75,000.00 | 100,000.00 | 250,000.00 | 100,000.00 | 100,000.00 |
| 3055 REVENUE | 50,000.00 | 125,000.00 | 75,000.00 | 157,456.16 | 200,000.00 | 650,944.13 | 261,720.84 | 261,720.84 |
| 066051-511100 PERMANENT EMPLOYEES | - | 65,592.00 | 133,116.65 | 4,295.01 | 222,943.66 | 46,685.54 | 46,685.54 | 46,685.54 |
| 066051-512000 Temporary Employees | - | - | - | 15,975.90 | 15,080.18 | 31,056.08 | 7,764.00 | 7,764.00 |
| 066051-517100 WORKERS COMPENSATION | - | - | - | - | - | - | - | - |
| 066052-526600 Motor Vehicle Maintenance | - | - | - | - | - | - | - | - |
| 066052-530500 CONSULTING | - | 5,469.68 | 20,890.48 | 462.91 | 21,353.39 | 9,607.57 | 1,418.47 | 1,418.47 |
| 066052-534200 INTERNET ACCESS | - | - | 3,287.89 | 850.00 | 9,607.57 | 1,395.18 | 1,395.18 | 1,395.18 |
| 066052-538100 BANKING SERVICES | - | 429.75 | 3,530.44 | 697.90 | 4,228.34 | 1,501.46 | 1,501.46 | 1,501.46 |
| 066053-542300 GENERAL OFFICE SUPPLIES | - | - | 2,089.68 | 1,130.17 | 3,649.60 | 1,691.24 | 1,691.24 | 1,691.24 |
| 066053-543700 VEHICLE MAINTENANCE SUPPLIES | - | - | 1,401.67 | - | 1,401.67 | 3,287.51 | 3,287.51 | 3,287.51 |
| 066053-548103 BOAT FUEL | - | - | 3,665.10 | 222.41 | 8,984.90 | 4,279.96 | 4,279.96 | 4,279.96 |
| 066053-548900 CONCESSION STAND | - | 8,521.38 | 49,409.34 | 31,054.18 | 88,984.90 | 3,292.41 | 3,292.41 | 3,292.41 |
| 066053-558201 UNIFORMS | - | - | - | - | - | - | - | - |
| 066053-558900 MISC. SUPPLIES | - | 8,494.11 | 1,915.00 | 485.00 | 2,350.00 | 1,733.00 | 1,733.00 | 1,733.00 |
| 066053-574900 LIABILITY INSURANCE | - | - | 18,451.81 | 8,879.26 | 35,825.18 | 10,761.94 | 10,761.94 | 10,761.94 |
| 166055-578200 LICENSES | - | - | 300.00 | - | 300.00 | 207.38 | 207.38 | 207.38 |
| 166058-585100 COMMUNICATIONS EQUIPMENT | - | - | 2,032.75 | - | 2,032.75 | 8,157.18 | 8,157.18 | 8,157.18 |
| 5-576601 OTHER OPERATING EXPENSES | 285.00 | 54,956.29 | (106.16) | - | 55,135.13 | 191,887.65 | 191,887.65 | 191,887.65 |
| 66055-578100 RESERVE FUND APPROPRIATIONS | - | - | - | - | - | - | - | - |
| 66058-585000 EQUIPMENT | - | - | - | - | - | - | - | - |
| 66056-561001 DOT FERRY GRANT MATCH | - | - | - | 207.38 | 207.38 | 207.38 | 207.38 | 207.38 |
| 255 EXPENDITURES | 285.00 | 143,403.21 | 17,330.70 | 137,505.94 | 17,330.70 | 606,691.40 | 191,887.65 | 191,887.65 |
| NET OF TRFS | (285.00) | (116,864.46) | (208,548.03) | (80,049.78) | (405,747.27) | (105,166.81) | (105,166.81) | (105,166.81) |
| RECT COSTS | | | | | | | | |
| RY TANI @70% | 41,262.84 | 49,691.50 | 52,157.26 | 12,342.55 | 155,454.15 | 26,298.87 | 26,298.87 | 26,298.87 |
| RY SORDILLO 50% | - | 14,646.63 | 18,733.33 | 37,995.33 | 5,441.57 | 9,999.99 | 9,999.99 | 9,999.99 |
| RODRIGUEZ @30% | 3,906.92 | 1,534.65 | 5,301.74 | 1,275.27 | 9,077.01 | 2,703.20 | 2,703.20 | 2,703.20 |
| RISA WOJCIK 10% | - | 2,500.00 | 16,882.34 | 4,393.38 | 22,924.78 | 48,521.05 | 48,521.05 | 48,521.05 |
| Y POWERS 50% | - | - | 93,074.67 | 4,072.79 | 41,263.88 | 8,733.79 | 8,733.79 | 8,733.79 |
| SS PAYROLL CHARGED TO OTHER FUNDS | 45,169.76 | 68,372.77 | 12,307.10 | 22,626.58 | 41,263.88 | 57,254.84 | 57,254.84 | 57,254.84 |
| GE 18% | 8,130.56 | 12,307.10 | 109,828.11 | 26,699.37 | 270,507.65 | 162,421.65 | 162,421.65 | 162,421.65 |
| LI INDIRECTS | 53,300.31 | 80,679.87 | 109,828.11 | 26,699.37 | 270,507.65 | 162,421.65 | 162,421.65 | 162,421.65 |
| TT(LOSS) INCLUDING INDIRECTS | (53,385.31) | (197,544.33) | (318,376.14) | (106,749.15) | (676,254.92) | (162,421.65) | (162,421.65) | (162,421.65) |

ADDENDUM 6

SUBMITTED BY Elizabeth Zaleski
 FIELD REP Martin Dimunah

COMMUNITY Winthrop
 FUND Culture & Tourism
Effective Date: 7/1/16

RETAINED EARNINGS CALCULATION - ENTERPRISE FUND

PART I
 CASH

61,526

SUBTRACT:

CURRENT LIABILITIES, DESIGNATIONS OF FUND BALANCE

| | |
|------------------|-------|
| Warrants Payable | |
| Encumbrances | 2,775 |
| Expenditures | 9,078 |
| | |
| | |
| | |

OTHER

TOTAL

49,672

PART II

RETAINED EARNINGS - UNDESIGNATED

49,672

SUBTRACT:

ACCOUNTS RECEIVABLE (NET)

| | |
|--|--|
| | |
| | |
| | |
| | |
| | |

OTHER

TOTAL

49,672

PART III

FIXED ASSETS:

DEBITS

CREDITS

| | | | |
|----------------------|---|--|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | - | | - |
| FIXED ASSET VARIANCE | - | | - |

REVIEWED BY Martin Dimunah

PLEASE SEE CERTIFICATION LETTER
 FOR DIRECTOR OF ACCOUNTS APPROVAL

ADDENDUM 7



Enterprise Funds

Ferry Revenue

| 660 Ferry Enterprise | FY2014 Actual | FY2015 Actual | FY2016 Budget | FY2017 Request | FY2017 Recommended | Percent Change |
|---------------------------------------|------------------|------------------|------------------|-------------------|-----------------------|-------------------|
| Departmental Revenue | | | | | | |
| 427100 Advertisement Revenue | | | | 9,000 | 9,000 | |
| Sub-Total Departmental Revenue | 0 | 0 | 0 | 9,000 | 9,000 | |
| User Charges | | | | | | |
| Ferry Tickets | | | | 262,550 | 262,550 | |
| Island Trips | | | | 10,000 | 10,000 | |
| 484003 Concession Stand Receipts | | | | 9,600 | 9,600 | |
| Merchandise | | | | 1,200 | 1,200 | |
| Sub-Total User Charges | 0 | 0 | 0 | 283,350 | 283,350 | |
| Misc Non Recurring | | | | | | |
| 497100 Transfers In From General Fund | | | | 100,000 | 100,000 | |
| Sub-Total Misc Non Recurring | 0 | 0 | 0 | 100,000 | 100,000 | |
| Total Ferry Enterprise Revenue | \$ - | \$ - | \$ - | \$ 392,350 | \$ 392,350 | |

Winthrop Ferry Schedule

April - May 27th

Weekdays

| | Depart Winthrop | Arrive Rows Wharf | Depart Rows Wharf | Arrive Winthrop |
|-----------------------------|-----------------|-------------------|-------------------|-----------------|
| | 7:00 AM | 7:25 AM | 7:30 AM | 7:55 AM |
| | 8:05 AM | 8:30 AM | 8:35 AM | 9:00 AM |
| | 5:15 PM | 5:40 PM | 5:45 PM | 6:10 PM |
| | 6:15 PM | 6:40 PM | 6:45 PM | 7:10 PM |
| <i>*Thursday and Friday</i> | 9:00 PM* | 9:25 PM* | 9:30 PM* | 9:55 PM* |

April - May 30th

Weekends

| | Depart Winthrop | Arrive Rows Wharf | Depart Rows Wharf | Arrive Winthrop |
|-------------------------|-----------------|-------------------|-------------------|-----------------|
| | 10:20 AM | 10:45 AM | 10:50 AM | 11:15 AM |
| | 11:20 AM | 11:45 AM | 11:50 AM | 12:15 AM |
| | 4:00 PM | 4:25 PM | 4:50 PM | 5:15 PM |
| | 5:40 PM | 6:05 PM | 6:30 PM | 6:55 PM |
| <i>*Sundays only</i> | 7:20:00 PM* | 7:45 PM* | 8:10 PM* | 8:35 PM* |
| <i>**Saturdays only</i> | 9:00 PM** | 9:25 PM** | 9:30 PM** | 9:55 PM** |

www.town.winthrop.ma.us
 General - \$8.50
 Senior over 65 - \$6.50
 Children under 10 - Free



www.facebook.com/thewinthropferry

Enterprise Funds



Ferry Budget

| 660 Ferry Enterprise | FY2014 Actual | FY2015 Actual | FY2016 Budget | FY2017 Request | FY2017 Recommended | Percent Change |
|---|------------------|------------------|------------------|-------------------|-----------------------|-------------------|
| Personnel Services | | | | | | |
| 511000 Permanent Employees | 0 | 0 | 0 | 150,000 | 150,000 | |
| 512000 Temporary Employees | 0 | 0 | 0 | 17,000 | 17,000 | |
| 517000 Fringe Benefits | 0 | 0 | 0 | 18,000 | 18,000 | |
| Sub-Total Personnel Services | 0 | 0 | 0 | 185,000 | 185,000 | |
| Purchased Services | | | | | | |
| 524000 Repairs and Maintenance | 0 | 0 | 0 | 20,700 | 20,700 | |
| 530000 Professional and Technical | 0 | 0 | 0 | 48,000 | 48,000 | |
| 534000 Communication | 0 | 0 | 0 | 3,600 | 3,600 | |
| 538000 Other Purchased Services | 0 | 0 | 0 | 11,250 | 11,250 | |
| Sub-Total Purchased Services | 0 | 0 | 0 | 83,550 | 83,550 | |
| Supplies | | | | | | |
| 542000 Office Supplies | 0 | 0 | 0 | 2,250 | 2,250 | |
| 543000 Repairs and Maintenance Supplies | 0 | 0 | 0 | 900 | 900 | |
| 548000 Vehicular Supplies | 0 | 0 | 0 | 42,000 | 42,000 | |
| 549000 Food and Food Service Supplies | 0 | 0 | 0 | 2,250 | 2,250 | |
| 558000 Other Supplies | 0 | 0 | 0 | 26,000 | 26,000 | |
| Sub-Total Supplies | 0 | 0 | 0 | 73,400 | 73,400 | |
| Other Charges and Expenses | | | | | | |
| 574000 Insurance Premiums | 0 | 0 | 0 | 24,000 | 24,000 | |
| 578000 Other Classified Items | 0 | 0 | 0 | 26,400 | 26,400 | |
| Sub-Total Other Charges and Expenses | 0 | 0 | 0 | 50,400 | 50,400 | |
| Total Ferry Enterprise Expenditures \$ | - \$ | - \$ | - \$ | 392,350 | \$ 392,350 | |
| Net \$ | - \$ | - \$ | - \$ | - \$ | - \$ | |

Budget Highlights:

- First full year of Ferry operations
- Operating subsidy from General Fund to be scaled down as operations become self-sustaining



Ferry Enterprise Revenue

| Ferry Enterprise | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2018 Request | FY2018 Recom | Percent Change |
|---------------------------------------|------------------|------------------|------------------|-------------------|------------------|-------------------|
| Recurring Revenue | | | | | | |
| State Aid | | | | | | |
| 460000 State Revenue | 0 | 0 | 0 | | 150,000 | |
| State Aid Sub-Total | 0 | 0 | 0 | | 150,000 | |
| Departmental Revenue | | | | | | |
| 427100 Advertisement Revenue | | | 9,000 | 0 | 6,000 | -33.3% |
| 427301 Snack Shop Revenue | | | 9,600 | 0 | 8,000 | -16.7% |
| 480000 Miscellaneous Revenue | 0 | 36 | 1,200 | 0 | | |
| Departmental Revenue Sub-Total | 0 | 36 | 19,800 | 0 | 14,000 | -29.3% |
| User Charges | | | | | | |
| 427000 Charges For Services | 0 | 26,503 | 272,550 | 250,000 | 155,000 | -43.1% |
| User Charges Sub-Total | 0 | 26,503 | 272,550 | 250,000 | 155,000 | -43.1% |
| Other Revenue | | | | | | |
| 497000 Transfer In | 50,000 | 250,000 | 100,000 | 100,000 | 100,000 | 0.0% |
| Other Revenue Sub-Total | 50,000 | 250,000 | 100,000 | 100,000 | 100,000 | 0.0% |
| Sub-Total Recurring Revenue | \$50,000 | \$276,539 | \$392,350 | \$350,000 | \$419,000 | 6.8% |
| Ferry Enterprise Revenue | \$50,000 | \$276,539 | \$392,350 | \$350,000 | \$419,000 | 6.8% |



Ferry Enterprise Budget

| 660 Ferry Enterprise | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2018 Request | FY2018 Recom | Percent Change |
|---|------------------|------------------|------------------|-------------------|------------------|-------------------|
| Personnel Services | | | | | | |
| 511 Permanent Employees | 0 | 65,532 | 150,000 | 17,000 | 17,000 | -88.7% |
| 512 Temporary Employees | 0 | 0 | 17,000 | 150,000 | 150,000 | 782.4% |
| 517 Fringe Benefits | 0 | 0 | 18,000 | 18,000 | 15,975 | -11.3% |
| Sub-Total Personnel Services | \$0 | \$65,532 | \$185,000 | \$185,000 | \$182,975 | -1.1% |
| Purchased Services | | | | | | |
| 524 Repairs and Maintenance | 0 | 0 | 20,700 | 20,000 | 20,000 | -3.4% |
| 530 Professional and Technical | 0 | 4,999 | 48,000 | 0 | 10,000 | -79.2% |
| 534 Communication | 0 | 0 | 3,600 | 3,600 | 3,600 | 0.0% |
| 538 Other Purchased Services | 0 | 0 | 11,250 | 5,000 | 5,000 | -55.6% |
| Sub-Total Purchased Services | \$0 | \$4,999 | \$83,550 | \$28,600 | \$38,600 | -53.8% |
| Supplies | | | | | | |
| 542 Office Supplies | 0 | 8,494 | 2,250 | 2,200 | 2,200 | -2.2% |
| 543 Repairs and Maintenance Supplies | 0 | 0 | 900 | 3,000 | 3,000 | 233.3% |
| 548 Vehicular Supplies | 0 | 8,521 | 42,000 | 118,440 | 118,440 | 182.0% |
| 549 Food and Food Service Supplies | 0 | 0 | 2,250 | 2,250 | 4,000 | 77.8% |
| 558 Other Supplies | 0 | 0 | 26,000 | 22,000 | 19,000 | -26.9% |
| Sub-Total Supplies | \$0 | \$17,015 | \$73,400 | \$147,890 | \$146,640 | 99.8% |
| Other Charges and Expenses | | | | | | |
| 574 Insurance Premiums | 285 | 54,956 | 24,000 | 56,000 | 26,000 | 8.3% |
| 578 Other Classified Items | 0 | 0 | 26,400 | 26,400 | 23,785 | -9.9% |
| Sub-Total Other Charges and Expenses | \$285 | \$54,956 | \$50,400 | \$82,400 | \$49,785 | -1.2% |
| Capital Outlay | | | | | | |
| 585 Additional Equipment | 0 | 0 | 0 | 1,000 | 1,000 | |
| Sub-Total Capital Outlay | \$0 | \$0 | \$0 | \$1,000 | \$1,000 | |
| Ferry Enterprise Total | \$285 | \$142,503 | \$392,350 | \$444,890 | \$419,000 | 6.8% |

ADDENDUM 8



TOWN OF WINTHROP FINANCE DEPARTMENT

Town Hall, 1 Metcalf Square, Winthrop, MA 02152 Telephone: 617-846-1852 x 1023

Elizabeth A. Zaleski
Budget & Finance Manager

June 1, 2017

To: Town Council

Cc: James McKenna, Town Manager
Michael Perez, CFO

To the members of the Town Council,

As the Budget & Finance Manager for the Town of Winthrop, my job is to ensure that our financial accounts are in good order.

At my request the Town Manager submitted a motion to Fund the Ferry Enterprise Fund through the end of Fiscal Year 2017 in the amount of \$75,000.

Based on the financial data attached the Ferry Enterprise Fund is currently in deficit in the amount of \$26,353.13 (5/31/17) with additional estimated expenditures in the amount of \$36,735 (based on June 2016 expenses). ***The total estimated deficit for Fiscal Year 2017 is \$63,098.13.***

Fund Balance Deficits can have a negative effect on the Town's Free Cash Calculation and the Tax Rate Recapitulation in any given year. This can be a serious situation that is frowned upon by the Department of Revenue/Division of Local Services.

The hope of the Finance Department is that although the Ferry is a topic of contention the Town Council will approve the above referenced motion.

Should you have any questions, please feel free to contact me at 617-846-1852 x 1023 or on my cell at 774-392-0808.

Sincerely,

Elizabeth A. Zaleski
Certified Governmental Accountant
Town of Winthrop
Budget & Finance Manager

FERRY ENTERPRISE SUMMARY ANALYSIS SINCE INCEPTION

Financial Summary Ferry Enterprise Fund w/ GF Supplements

| Revenue Type | <i>Fiscal Year 2017 through 5/31/17 as recorded in the General Ledger (this amount does not include revenue or expense not yet posted)</i> | | | | Notes: |
|-----------------------|--|-------------------------|--|--|--|
| | <i>Fiscal Year 2015</i> | <i>Fiscal Year 2016</i> | <i>Total Operational Income/ Expense Since Inception</i> | <i>Total Operational Income/ Expense Since Inception</i> | |
| Charges for Services | - | 26,503.25 | 85,283.22 | 111,786.47 | Ridership Revenue |
| Advertising Revenue | - | | - | - | |
| Snack Shop Revenue | - | | - | - | |
| Miscellaneous Revenue | - | 35.50 | 8,600.00 | 8,635.50 | 2017 Misc Rev is an insurance rebate from FY2016 |
| Transfer from GF | 50,000.00 | 125,000.00 | 100,000.00 | 275,000.00 | GF Supplement |
| | <u>50,000.00</u> | <u>151,538.75</u> | <u>193,883.22</u> | <u>395,421.97</u> | |
| Expenditure Summary | <u>285.00</u> | <u>142,503.21</u> | <u>278,986.89</u> | <u>421,775.10</u> | |
| Accrued Payroll | | (2,775.00) | | | |
| Net Income/Loss | <u>49,715.00</u> | <u>139,728.21</u> | <u>(85,103.67)</u> | <u>(26,353.13)</u> | |
| Add Beginning Balance | | 49,715.00 | 58,750.54 | | |
| | | 61,525.54 | (26,353.13) | | |

Financial Summary Ferry Enterprise w/o GF Supplement

| Revenue Type | <i>Fiscal Year 2017 through 5/31/17 as recorded in the General Ledger (this amount does not include revenue or expense not yet posted)</i> | | | | Notes: |
|-----------------------|--|-------------------------|--|--|--|
| | <i>Fiscal Year 2015</i> | <i>Fiscal Year 2016</i> | <i>Total Operational Income/ Expense Since Inception</i> | <i>Total Operational Income/ Expense Since Inception</i> | |
| Charges for Services | - | 26,503.25 | 85,283.22 | 111,786.47 | Ridership Revenue |
| Advertising Revenue | - | | - | - | |
| Snack Shop Revenue | - | | - | - | |
| Miscellaneous Revenue | - | 35.50 | 8,600.00 | 8,635.50 | 2017 Misc Rev is an insurance rebate from FY2016 |
| Transfer from GF | - | - | - | - | GF Supplement |
| | <u>-</u> | <u>26,538.75</u> | <u>93,883.22</u> | <u>120,421.97</u> | |
| Expenditure Summary | <u>285.00</u> | <u>142,503.21</u> | <u>278,986.89</u> | <u>421,775.10</u> | |
| Accrued Payroll | | (2,775.00) | | (2,775.00) | |
| Net Expense | <u>285.00</u> | <u>139,728.21</u> | <u>278,986.89</u> | <u>419,000.10</u> | |
| Net Income/(Loss) | <u>(285.00)</u> | <u>(113,189.46)</u> | <u>(185,103.67)</u> | <u>(298,578.13)</u> | |
| | FY2015 | FY2016 | FY2017 | | |

2017

FINANCIAL DATA
FERRY ENTERPRISE FUND

Trial Balance Sheet (Deficit)

Year to Date 5/31/17 Revenue as recorded

Year to Date 5/31/17 Expenditures as recorded

Town of Winthrop
Trial Balance
From 07/01/2016 to 05/31/2017

| Fund | 660 Ferry Enterprise | Debits | Credits | Balance |
|-----------------------|---|-------------------|-------------------|-------------|
| 1-ASSET | | | | |
| | 660-117000 - POOLED CASH | 283,683.15 | 310,036.28 | -26,353.13 |
| | 1170 Total | 283,683.15 | 310,036.28 | -26,353.13 |
| Subfund 1 | ASSET Ending Bal | 283,683.15 | 310,036.28 | -26,353.13 |
| 2-LIABILITY | | | | |
| | 660-211000 - ACCRUED WAGES PAYABLE | 2,775.00 | 2,775.00 | 0.00 |
| | 2110 Total | 2,775.00 | 2,775.00 | 0.00 |
| Subfund 2 | LIABILITY Ending Bal | 2,775.00 | 2,775.00 | 0.00 |
| 3-FUND BALANCE | | | | |
| | 660-321300 - FB Reserved for encumbrances | 0.00 | 9,078.46 | -9,078.46 |
| | 3213 Total | 0.00 | 9,078.46 | -9,078.46 |
| | 660-359000 - Unreserved Fund Balance | 0.00 | 49,672.08 | -49,672.08 |
| | 3590 Total | 0.00 | 49,672.08 | -49,672.08 |
| | 660-391000 - Revenue Control | 25.50 | 193,908.72 | -193,883.22 |
| | 3910 Total | 25.50 | 193,908.72 | -193,883.22 |
| | 660-393000 - Expenditure Control | 307,235.78 | 28,248.89 | 278,986.89 |
| | 3930 Total | 307,235.78 | 28,248.89 | 278,986.89 |
| Subfund 3 | FUND BALANCE Ending Bal | 307,261.28 | 280,908.15 | 26,353.13 |
| Fund 660 | Ferry Enterprise Ending Bal | 593,719.43 | 593,719.43 | 0.00 |
| Report Total | | 593,719.43 | 593,719.43 | 0.00 |

Town of Winthrop
2017 Revenue Statement with MTD
 From 07/01/2016 to 05/31/2017

| | | MTD Revenue 05/01/2017-05/31/2017 | Estimated | YTD Actual | Amt Uncollected | |
|---------------------------|-----------------------|--------------------------------------|------------|------------|-----------------|---------|
| 6604-427000 | CHARGES FOR SERVICES | 6,198.68 | 272,550.00 | 85,283.22 | 187,266.78 | 31.29% |
| Total 4270 | | 6,198.68 | 272,550.00 | 85,283.22 | 187,266.78 | 31.29% |
| 6604-427100 | Advertisement Revenue | | 9,000.00 | 0.00 | 9,000.00 | 0.00% |
| Total 4271 | | | 9,000.00 | 0.00 | 9,000.00 | 0.00% |
| 6604-427301 | Snack Shop Revenue | | 9,600.00 | 0.00 | 9,600.00 | 0.00% |
| Total 4273 | | | 9,600.00 | 0.00 | 9,600.00 | 0.00% |
| 6604-480000 | MISCELLANEOUS REVENUE | | 1,200.00 | 8,600.00 | -7,400.00 | 716.66% |
| Total 4800 | | | 1,200.00 | 8,600.00 | -7,400.00 | 716.66% |
| 6604-497000 | TRANSFER IN | | 100,000.00 | 100,000.00 | 0.00 | 100.00% |
| Total 4970 | | | 100,000.00 | 100,000.00 | 0.00 | 100.00% |
| Fund 660 Ferry Enterprise | | 6,198.68 | 392,350.00 | 193,883.22 | 198,466.78 | |
| Grand Total | | 6,198.68 | 392,350.00 | 193,883.22 | 198,466.78 | |

Town of Athrop
All Departmental Expenditure Report
From 07/01/2016 to 05/31/2017

| 660 - Ferry Enterprise Account | Description | Carry Fwd | Orig Bud | Amended | Encumb | Expend | Unencum Bal | % Exp |
|--|------------------------------|-------------------|---------------------|------------------|-------------------|---------------------|---------------------|----------------|
| 660 - CULTURE & TOURISM | | | | | | | | |
| 66066051-511100 | PERMENANT EMPLOYEES | | \$150,000.00 | \$-23,000.00 | | \$119,871.01 | \$7,128.99 | 94.38 % |
| 66066051-512000 | Temporary Employees | | \$17,000.00 | \$23,000.00 | | | \$40,000.00 | 0.00 % |
| 66066051-517100 | WORKERS COMPENSATION | | \$18,000.00 | \$-2,024.10 | | \$15,975.90 | | 100.00 % |
| 66066052-526600 | Motor Vehicle Maintenance | | \$20,700.00 | | | \$20,137.96 | \$562.04 | 97.28 % |
| 66066052-530500 | CONSULTING | | \$48,000.00 | \$-43,756.00 | | \$3,287.89 | \$956.11 | 77.47 % |
| 66066052-534200 | INTERNET ACCESS | | \$3,600.00 | | | \$3,305.80 | \$294.20 | 91.82 % |
| 66066052-538100 | BANKING SERVICES | | \$11,250.00 | \$-7,000.00 | | \$1,585.05 | \$2,664.95 | 37.29 % |
| 66066053-542300 | GENERAL OFFICE SUPPLIES | | \$2,250.00 | | | \$1,401.67 | \$848.33 | 62.29 % |
| 66066053-543700 | VEHICLE MAINTENANCE SUPPLIES | \$80.99 | \$900.00 | | \$550.00 | \$3,665.10 | \$-3,234.11 | 429.67 % |
| 66066053-548103 | BOAT FUEL | | \$42,000.00 | \$26,524.10 | | \$39,735.88 | \$28,788.22 | 57.98 % |
| 66066053-549300 | CONCESSION STAND | | \$2,250.00 | \$-500.00 | | | \$1,750.00 | 0.00 % |
| 66066053-558401 | UNIFORMS | | \$3,000.00 | \$-500.00 | | \$617.00 | \$1,883.00 | 24.68 % |
| 66066053-558900 | MICS SUPPLIES | \$4,950.11 | \$23,000.00 | \$-4,000.00 | \$2,164.74 | \$17,640.37 | \$4,145.00 | 82.69 % |
| 66066055-574300 | LIABILITY INSURANCE | | \$24,000.00 | \$31,256.00 | | \$32,206.00 | \$23,050.00 | 58.28 % |
| 66066055-578100 | RESERVE FUND APPROPRIATIONS | | \$24,000.00 | \$-23,848.72 | | | \$151.28 | 0.00 % |
| 66066055-578200 | LICENSES | | \$2,400.00 | | | \$300.00 | \$2,100.00 | 12.50 % |
| 66066058-585100 | Communications Equipment | | | \$2,032.72 | | \$2,032.72 | | 100.00 % |
| 66066056-561001 | DOT FERRY GRANT MATCH | | | \$21,816.00 | | \$17,330.70 | \$4,485.30 | 79.44 % |
| 6605-576601 | Other Operating Expenses | | | \$-106.16 | | \$-106.16 | | 100.00 % |
| 660 - CULTURE & TOURISM Total | | \$5,031.10 | \$392,350.00 | \$-106.16 | \$2,714.74 | \$278,986.89 | \$115,573.31 | 70.90 % |
| 660 - Ferry Enterprise Total | | \$5,031.10 | \$392,350.00 | \$-106.16 | \$2,714.74 | \$278,986.89 | \$115,573.31 | 70.90 % |
| Grand Total | | \$5,031.10 | \$392,350.00 | \$-106.16 | \$2,714.74 | \$278,986.89 | \$115,573.31 | 70.90 % |

2016

FINANCIAL DATA
FERRY ENTERPRISE FUND

Trial Balance Sheet 6/30/16

Revenue as recorded through 6/30/16

Expenditures as recorded 6/30/16

Town of Winthrop
Trial Balance
From 07/01/2015 to 06/30/2016

| Fund | 660 FERRY TOURISM CULTURE ENTERPRI | Debits | Credits | Balance |
|-----------------------|---|-------------------|-------------------|-------------|
| 1-ASSET | | | | |
| | 660-117000 - POOLED CASH | 203,599.00 | 142,073.46 | 61,525.54 |
| | 1170 Total | 203,599.00 | 142,073.46 | 61,525.54 |
| Subfund 1 | ASSET Ending Bal | 203,599.00 | 142,073.46 | 61,525.54 |
| 2-LIABILITY | | | | |
| | 660-211000 - ACCRUED WAGES PAYABLE | 0.00 | 2,775.00 | -2,775.00 |
| | 2110 Total | 0.00 | 2,775.00 | -2,775.00 |
| Subfund 2 | LIABILITY Ending Bal | 0.00 | 2,775.00 | -2,775.00 |
| 3-FUND BALANCE | | | | |
| | 660-321300 - FB Reserved for encumbrances | 0.00 | 9,078.46 | -9,078.46 |
| | 3213 Total | 0.00 | 9,078.46 | -9,078.46 |
| | 660-352000 - FB Designated for Expenditures | 49,715.00 | 49,715.00 | 0.00 |
| | 3520 Total | 49,715.00 | 49,715.00 | 0.00 |
| | 660-359000 - Unreserved Fund Balance | 9,078.46 | 58,750.54 | -49,672.08 |
| | 3590 Total | 9,078.46 | 58,750.54 | -49,672.08 |
| | 660-391000 - Revenue Control | 151,538.75 | 151,538.75 | 0.00 |
| | 3910 Total | 151,538.75 | 151,538.75 | 0.00 |
| | 660-393000 - Expenditure Control | 142,073.46 | 142,073.46 | 0.00 |
| | 3930 Total | 142,073.46 | 142,073.46 | 0.00 |
| Subfund 3 | FUND BALANCE Ending Bal | 352,405.67 | 411,156.21 | -58,750.54 |
| Fund 660 | FERRY TOURISM CULTURE ENTERPRI Ending | 556,004.67 | 556,004.67 | 0.00 |
| Report Total | | 556,004.67 | 556,004.67 | 0.00 |

Town of Winthrop
2016 Revenue Statement with MTD
 From 07/01/2015 to 06/30/2016

| | | MTD Revenue | | | |
|-------------|--------------------------------|-----------------------|------------|------------|-----------------|
| | | 06/01/2016-06/30/2016 | Estimated | YTD Actual | Amt Uncollected |
| 6604-427000 | CHARGES FOR SERVICES | 19,327.00 | 125,000.00 | 26,503.25 | 98,496.75 |
| Total 4270 | | 19,327.00 | 125,000.00 | 26,503.25 | 98,496.75 |
| 6604-427100 | Advertisement Revenue | | 0.00 | 0.00 | 0.00 |
| Total 4271 | | | 0.00 | 0.00 | 0.00 |
| 6604-427301 | Snack Shop Revenue | | 0.00 | 0.00 | 0.00 |
| Total 4273 | | | 0.00 | 0.00 | 0.00 |
| 6604-480000 | MISCELLANEOUS REVENUE | | 0.00 | 35.50 | -35.50 |
| Total 4800 | | | 0.00 | 35.50 | -35.50 |
| 6604-497000 | TRANSFER IN | | 0.00 | 125,000.00 | -125,000.00 |
| Total 4970 | | | 0.00 | 125,000.00 | -125,000.00 |
| Fund 660 | FERRY TOURISM CULTURE ENTERPRI | 19,327.00 | 125,000.00 | 151,538.75 | -26,538.75 |
| Grand Total | | 19,327.00 | 125,000.00 | 151,538.75 | -26,538.75 |

Town of Vithrop
All Departmental Expenditure Report
From 07/01/2015 to 06/30/2016

| Account | Description | Carry Fwd | Orig Bud | Amended | Encumb | Expend | Unencum Bal | % Exp |
|---|--------------------------------|-------------|----------|--------------|--------|--------------|--------------|----------|
| 660 - FERRY TOURISM CULTURE ENTERPRI | | | | | | | | |
| 660 - CULTURE & TOURISM | | | | | | | | |
| 6605-511000 | SALARY PERMANENT | | | \$68,000.00 | | \$65,532.00 | \$2,468.00 | 96.37 % |
| 6605-521601 | GAS | | | \$16,000.00 | | \$8,521.38 | \$7,478.62 | 53.25 % |
| 6605-530800 | PROCESSING SERVICES FAREHARBOR | | | \$445.32 | | \$429.75 | \$15.57 | 96.50 % |
| 6605-542005 | Supplies & Equipment | | | \$8,494.11 | | \$8,494.11 | | 100.00 % |
| 6605-544350 | Contract Services | | | \$20,000.00 | | \$4,569.68 | \$15,430.32 | 22.84 % |
| 6605-576100 | Reserve | | | \$125,000.00 | | \$54,956.29 | \$125,000.00 | 0.00 % |
| 6605-576601 | Other Operating Expenses | \$49,715.00 | | \$12,060.57 | | \$6,819.28 | \$157,211.79 | 88.96 % |
| 660 - CULTURE & TOURISM Total | | \$49,715.00 | | \$250,000.00 | | \$142,503.21 | \$157,211.79 | 47.54 % |
| 660 - FERRY TOURISM CULTURE ENTERPRI Total | | | | | | | | |
| | | \$49,715.00 | \$0.00 | \$250,000.00 | \$0.00 | \$142,503.21 | \$157,211.79 | 47.54 % |
| Grand Total | | | | | | | | |

2015

FINANCIAL DATA
FERRY ENTERPRISE FUND

Trial Balance Sheet 6/30/15

Year to Date 6/30/15 Revenue as recorded

Year to Date 6/30/15 Expenditures as recorded

Town of Winthrop
 Trial Balance
 From 07/01/2014 to 06/30/2015

| Fund | 660 FERRY TOURISM CULTURE ENTERPRI | Debits | Credits | Balance |
|-----------------------|---|-------------------|-------------------|-------------|
| 1-ASSET | | | | |
| | 660-117000 - POOLED CASH | 50,000.00 | 285.00 | 49,715.00 |
| | 1170 Total | 50,000.00 | 285.00 | 49,715.00 |
| Subfund 1 | ASSET Ending Bal | 50,000.00 | 285.00 | 49,715.00 |
| 3-FUND BALANCE | | | | |
| | 660-352000 - FB Designated for Expenditures | 0.00 | 49,715.00 | -49,715.00 |
| | 3520 Total | 0.00 | 49,715.00 | -49,715.00 |
| | 660-359000 - Unreserved Fund Balance | 49,715.00 | 49,715.00 | 0.00 |
| | 3590 Total | 49,715.00 | 49,715.00 | 0.00 |
| | 660-391000 - Revenue Control | 50,000.00 | 50,000.00 | 0.00 |
| | 3910 Total | 50,000.00 | 50,000.00 | 0.00 |
| | 660-393000 - Expenditure Control | 285.00 | 285.00 | 0.00 |
| | 3930 Total | 285.00 | 285.00 | 0.00 |
| Subfund 3 | FUND BALANCE Ending Bal | 100,000.00 | 149,715.00 | -49,715.00 |
| Fund 660 | FERRY TOURISM CULTURE ENTERPRI Ending | 150,000.00 | 150,000.00 | 0.00 |
| Report Total | | 150,000.00 | 150,000.00 | 0.00 |

Town of Winthrop
2015 Revenue Statement with MTD
 From 07/01/2014 to 06/30/2015

| | | MTD Revenue 06/01/2015-06/30/2015 | Estimated | YTD Actual | Amt Uncollected |
|---|-----------------------|--------------------------------------|-----------|------------|-----------------|
| 6604-427000 | CHARGES FOR SERVICES | | 0.00 | 0.00 | 0.00 |
| Total 4270 | | | 0.00 | 0.00 | 0.00 |
| 6604-427100 | Advertisement Revenue | | 0.00 | 0.00 | 0.00 |
| Total 4271 | | | 0.00 | 0.00 | 0.00 |
| 6604-427301 | Snack Shop Revenue | | 0.00 | 0.00 | 0.00 |
| Total 4273 | | | 0.00 | 0.00 | 0.00 |
| 6604-480000 | MISCELLANEOUS REVENUE | | 0.00 | 0.00 | 0.00 |
| Total 4800 | | | 0.00 | 0.00 | 0.00 |
| 6604-497000 | TRANSFER IN | | 0.00 | 50,000.00 | -50,000.00 |
| Total 4970 | | | 0.00 | 50,000.00 | -50,000.00 |
| Fund 660 FERRY TOURISM CULTURE ENTERPRI | | | 0.00 | 50,000.00 | -50,000.00 |
| Grand Total | | | 0.00 | 50,000.00 | -50,000.00 |

Town of Vithrop
All Departmental Expenditure Report
From 07/01/2014 to 06/30/2015

| Account | Description | Carry Fwd | Orig Bud | Amended | Encumb | Expend | Unencum Bal | % Exp |
|--------------------------------------|--------------------------|-----------|----------|-------------|--------|----------|-------------|--------|
| 660 - FERRY TOURISM CULTURE ENTERPRI | | | | | | | | |
| 660 - CULTURE & TOURISM | Other Operating Expenses | | | \$50,000.00 | | \$285.00 | \$49,715.00 | 0.57 % |
| 660 - CULTURE & TOURISM | Total | | | \$50,000.00 | | \$285.00 | \$49,715.00 | 0.57 % |
| 660 - FERRY TOURISM CULTURE ENTERPRI | Total | | | \$50,000.00 | | \$285.00 | \$49,715.00 | 0.57 % |
| | Grand Total | \$0.00 | \$0.00 | \$50,000.00 | \$0.00 | \$285.00 | \$49,715.00 | 0.57 % |

ADDENDUM 9



TOWN OF WINTHROP

OFFICE OF THE TOWN MANAGER

Town Hall, 1 Metcalf Square, Winthrop, MA 02152 Telephone: 617-846-1077 Fax: 617-846-5458

James McKenna
Town Manager

R. J. McGINNIS

April 10, 2017

Mr. Gary Moran
Deputy Commissioner
Department Conservation and Recreation
One Winter Street, 2nd Floor
Boston, MA 02108

Re: Winthrop Ferry

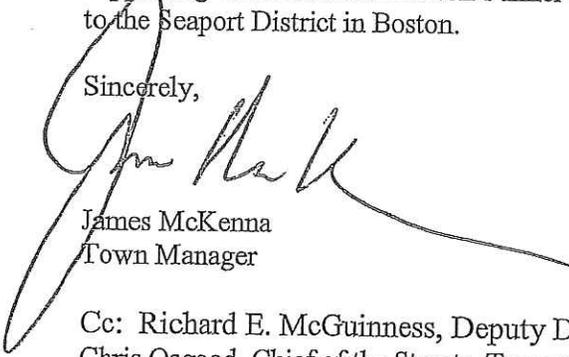
Dear Commissioner Moran:

As you may be aware, the Town of Winthrop has agreed to provide the City of Boston with Inner Harbor ferry service for the upcoming season, from April 17th through November 30th, 2017. Specifically, we will be providing water transportation service between East Boston, the New England Aquarium pier and the Fan Pier water transit facility in the Seaport District. Attached is a proposed water transit schedule for your review. To support this endeavor, the Town of Winthrop requests supplemental funding, as identified and consistent with the Chapter 91 Water Transportation and Operating Infrastructure Subsidies fund, that is administered by your agency. Our request is for \$150,000 to subsidize a pro rata percentage or approximately one-third of this service for the season.

We believe that this service is in high demand for both workers and visitors to the Seaport District, as well as for encouraging greater connectivity between East Boston, downtown and the Seaport District. In preparing for this service, the town of Winthrop conducted two separate surveys, before its season last year and at the end of the season. The results of those surveys clearly show a strong interest in enhancing public access via water transit to the Inner Harbor waterfront.

If you have any questions or would like to discuss our request in greater detail, please feel free to contact me by calling 617-846-1852 ext. 1010 or by e-mail at jmckenna@town.winthrop.ma.us. Thank you for your consideration of this request and for supporting water transit in Boston's Inner Harbor and for supporting greater water transit access to the Seaport District in Boston.

Sincerely,



James McKenna
Town Manager

Cc: Richard E. McGuinness, Deputy Director for Waterfront Planning
Chris Osgood, Chief of the Streets, Transportation & Sanitation
Speaker Robert DeLeo, Massachusetts House of Representatives

Laurisa Wojcik

From: Lynch, Ben (DEP) <ben.lynch@state.ma.us>
Sent: Wednesday, May 24, 2017 3:53 PM
To: James McKenna
Subject: letter re: ferry funding
Attachments: DOC052417-004.pdf

Hi Mr. McKenna- I have attached DEP's response to you w/ regard to your April 10 letter to Deputy Commissioner Gary Moran. Please let me know if you have any questions. Thanks.

Ben Lynch
Program Chief
Waterways Regulation Program
(617)292-5615



Department of Environmental Protection

One Winter Street, Boston, MA 02108 • 617-292-5500

Charles D. Baker
Governor

Matthew A. Beaton
Secretary

Karyn E. Polito
Lieutenant Governor

Martin Suuberg
Commissioner

May 23, 2017

James McKenna, Town Manager
Town Hall
1 Metcalf Square
Winthrop, MA 02152

Re: April 10, 2017 Funding Request for the 2017 Winthrop Ferry Season

Dear Mr. McKenna,

Thank you for your April 10, 2017 seeking funding for the Winthrop-Boston Inner Harbor 2017 Ferry service. We are now evaluating the request and intend to provide you with a response within the next few weeks to that request for the support of the service. In the meantime, it would be very helpful for the Department's waterways program to receive more detail on the operation of the service as we complete the review.

Specifically, receipt of the below listed items would accelerate the review of the request:

1. The proposed round trip and/or one-way fee structure for users of the service;
2. The proposed weekday and weekend scheduled service;
3. The contractual cost to the Town for the service provider;
4. The projected net cost to the Town for the April 17-November 30 service, including the expected revenues for ticket sales and parking (if any parking is included at the Town's facility);
5. How the requested funding would be utilized, including the percentage of funding used to directly subsidize the fares; and,
6. More information on the proposed stop in East Boston.

In an effort to track the effectiveness of the Department's funding, this information would be required as a deliverable at the end-of-year accounting for the Department's Water Transportation Operating

This information is available in alternate format. Contact Michelle Waters-Ekanem, Director of Diversity/Civil Rights at 617-292-5751.

TTY# MassRelay Service 1-800-439-2370

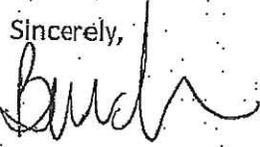
MassDEP Website: www.mass.gov/dep

Printed on Recycled Paper

and infrastructure funds. To the extent that the Town can provide this information on the service now, recognizing that this is the inaugural season and the Town will have better information at the end of the scheduled service, it would be extremely useful to MassDEP's evaluation and approval.

Please feel free to me by phone or email (see contact info below) if you have any further questions. The Department looks forward to the establishment and support of a regular annual Winthrop service. Thank you.

Sincerely,



Ben Lynch
Section Chief
Waterways Regulation Program
Mass DEP

Cc: Gary Moran, Mass DEP Deputy Commissioner
Stephanie Cooper, Chief of Staff, MassDEP
Susan You, WRP, Mass DEP
WRP files

ADDENDUM 10

SUBSIDY AGREEMENT
BETWEEN
THE TOWN OF WINTHROP
AND
THE MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

THIS SUBSIDY AGREEMENT ("Agreement") is made this 5th day of July, 2017 by and between the Massachusetts Bay Transportation Authority (hereinafter "MBTA"), a body politic and corporate and a political subdivision of the Commonwealth of Massachusetts existing pursuant to Massachusetts General Laws, Chapter 161A, as amended, with offices at Ten Park Plaza, Boston, Massachusetts 02116 and the Town of Winthrop (hereinafter "Winthrop"), a body politic and a political subdivision of the Commonwealth of Massachusetts, with offices at 1 Metcalf Square, Winthrop, MA 02152, acting by and through its Town Council. The MBTA and Winthrop shall hereinafter sometimes collectively be referred to as the "Parties".

WHEREAS, Winthrop currently operates a ferry service known as the Winthrop-Boston-Quincy Ferry ("Winthrop Ferry Service"); and

WHEREAS, the MBTA wishes to subsidize the Winthrop Ferry Service to ensure that the Marina Bay Ferry schedule attached at Exhibit A is maintained without interruption, save for good cause interruptions, as defined herein.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1 - TERM

The term of this Agreement shall commence on June 30, 2017 and shall terminate on November 30, 2017, unless sooner terminated as provided in this Agreement.

ARTICLE 2 - PROVISIONS

2.1 Winthrop's Responsibilities:

- (a) Winthrop is responsible for funding all costs associated with the Winthrop Ferry Service.
- (b) Winthrop shall maintain without interruption, save for good cause interruptions, as defined in Article 3, the schedule as set forth on Exhibit A, attached hereto.
- (c) To the extent permitted by law, Winthrop shall indemnify, defend and otherwise hold harmless MBTA from and against any and all suits, claims and any other losses, including without limitation attorneys' fees (collectively, "Claims"), to the extent that such Claims arise from or in connection with all safety or service issues with respect to the Winthrop Ferry Service. In the event MBTA receives notice of any action or

event which gives rise to the indemnification obligations contained herein, MBTA shall, within 20 days after receipt of such notice, notify Winthrop of the occurrence of such action or event, as the case may be. If such Claim involves assertion of liability by a third party, Winthrop shall have the right to undertake (through counsel of its choosing, such counsel to be reasonably acceptable to MBTA) the defense, compromise or settlement of such Claim on behalf of and at the risk of Winthrop. In the event that Winthrop party does not elect (by written notice to MBTA) to undertake such defense, MBTA shall have the right to undertake (through counsel of its choosing, such counsel to be reasonably acceptable to Winthrop) the defense, compromise or settlement of such Claim on behalf of and at the risk of the indemnifying party. Neither Winthrop nor MBTA shall compromise or settle the Claim without the consent of the other party unless such settlement involves a release of the other party, provided that such consent shall not be unreasonably withheld or delayed.

2.2 MBTA's Responsibilities:

- (a) MBTA will pay to the Town of Winthrop a \$75,000.00 subsidy in three (3) payments of \$25,000.00 each, provided the schedule within Exhibit A is maintained.
- (b) The first payment shall be made on or before July 30, 2017; the second payment shall be made on or before August 31, 2017 and the third payment shall be made on or before November 30, 2017.

ARTICLE 3 - TERMINATION

The MBTA may terminate this Agreement if the schedule attached as Exhibit A is not adhered to without good cause. Good cause shall include any interruption in said schedule caused by weather conditions, Coast Guard rules and regulations, orders of civil authorities and/or requirements, safety and force majeure events (as commonly defined). Boat Maintenance issues will not be considered an exception to this provision.

ARTICLE 4 - GENERAL PROVISIONS

Section 4.1 Notices. All notices or other communications required or permitted to be given hereunder shall be signed by a duly authorized officer of either Party and shall be deemed delivered hereunder if mailed postage prepaid, first class mail, or delivered by hand to the principal offices of the Intended Party which is as follows, unless otherwise designated by written notice to the other Party:

| | |
|------------|---|
| Winthrop: | Town of Winthrop 1 Metcalf Square Winthrop, Massachusetts 02152 |
| Attention: | James McKenna, Town Manager |

MBTA: Massachusetts Bay Transportation Authority
Ten Park Plaza
Boston, MA 02116
Attention: Mimi Lannin, Deputy Director Finance - RR Ops

4.2 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without regard to the choice of law rules thereof.

4.3 Survival of Obligations. All obligations which arise, but are not satisfied during the term of this Agreement, shall survive termination of this Agreement.

4.4 Personal Liability. No recourse shall be had by either Party of any claim against any officer, director, stockholder, employee or agent of either Party alleging personal liability on the part of such person with respect to performance of Winthrop's or MBTA's obligations under this Agreement.

4.5 Successors and Assigns. Winthrop's rights, duties and obligations under this Agreement may not be assigned, transferred, or delegated without the prior written approval of MBTA. If Winthrop makes any such assignment, pledge or transfer without the prior written consent of MBTA, the Agreement shall be voidable, at the election of MBTA.

(i) This Agreement shall be binding upon, and inure to the benefit of, the respective successors and permitted assigns of the Parties. For this purpose, any Party hereunder entering into an agreement shall obligate any successor or assign to all the terms and conditions of this Agreement.

(ii) Any Party of this Agreement shall remain liable, jointly and severally, with any successor or permitted assign, for any breach of this Agreement which occurred, and any charges or obligations which accrued, prior to the date of the assignment, notwithstanding the assumption by the successor of such liabilities, charges or obligations.

4.6 Entire Agreement. This Agreement contains the entire agreement of the Parties hereto with respect to the matters described in this Agreement and supersedes any and all prior or contemporaneous agreements and understandings, whether oral or written, between the Parties with respect to such matters. This Agreement may not be altered or amended except by written agreement signed by the Parties.

4.7 Effect of Invalidity. In the event that any provision of this Agreement is found to be invalid or unenforceable in any respect, the remaining provisions shall nevertheless be binding with the same effect as if the invalid or unenforceable provision was originally deleted.

4.8 Third Party Beneficiary. This Agreement and each and every provision hereof are for the exclusive benefit of the Parties hereto, not for the benefit of any third party. Nothing herein contained shall be construed or interpreted as creating or increasing any right in any third person to recover by way of damages or otherwise against either of the Parties hereto.

4.9 Counterparts, This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Winthrop and MBTA have caused this Agreement to be executed by their duly authorized officers as of the day and year first written above.

MASSACHUSETTS BAY
TRANSPORTATION AUTHORITY

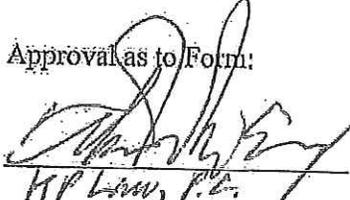
Approval as to Form:



John Englander
General Counsel
MBTA/MassDOT

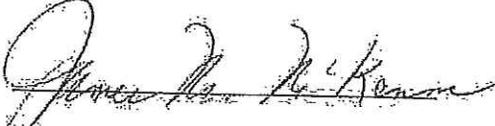
Steve Poftak
Acting General Manager - MBTA

Approval as to Form:



KP Lewis, P.C.
Town Solicitor, Town of Winthrop

TOWN OF WINTHROP

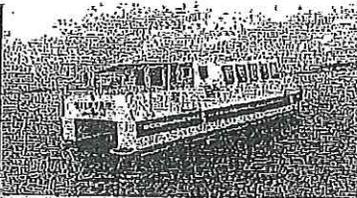


James McKenna, Town Manager

Exhibit A
2017 Summer Schedule
Marina Bay Ferry

MARINA BAY FERRY

at Squantum Point Park
Visit Quincy, Winthrop, Boston's Rowes Wharf & Seaport Fan Pier



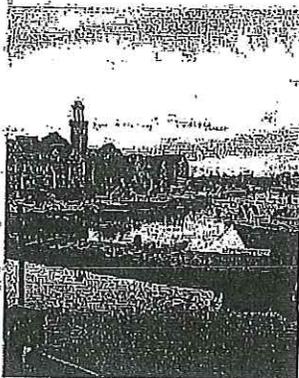
2017 SUMMER SCHEDULE runs through October.
Please confirm times with MBFerry.com

Winthrop-Quincy-Boston Ferry WEEKDAY Schedule

| MONDAY-FRIDAY AM DEPARTURE TIMES | |
|----------------------------------|------------|
| Winthrop | 6:00 a.m. |
| Quincy | 6:30 a.m. |
| Rowes Wharf | 6:55 a.m. |
| Quincy | 7:30 a.m. |
| Winthrop | 7:55 a.m. |
| Seaport | 8:20 a.m. |
| Rowes Wharf | 8:35 a.m. |
| Quincy | 9:00 a.m. |
| Seaport | 9:30 a.m. |
| Rowes Wharf | 9:50 a.m. |
| Quincy | 10:05 a.m. |
| Rowes Wharf | 10:35 a.m. |
| Quincy | 11:00 a.m. |

| MONDAY-FRIDAY PM DEPARTURE TIMES | |
|----------------------------------|-----------|
| Winthrop | 3:00 p.m. |
| Seaport | 3:20 p.m. |
| Rowes Wharf | 3:30 p.m. |
| Winthrop | 4:00 p.m. |
| Seaport | 4:20 p.m. |
| Rowes Wharf | 4:35 p.m. |
| Quincy | 5:00 p.m. |
| Winthrop | 5:25 p.m. |
| Rowes Wharf | 5:45 p.m. |
| Seaport | 5:55 p.m. |
| Winthrop | 6:20 p.m. |
| Arrive Quincy | 6:45 p.m. |

| THURSDAY-FRIDAY PM ONLY DEPARTURE TIMES | |
|---|------------|
| Winthrop | 7:30 p.m. |
| Seaport | 7:50 p.m. |
| Rowes Wharf | 8:05 p.m. |
| Winthrop | 8:35 p.m. |
| Quincy | 9:00 p.m. |
| Rowes Wharf | 9:25 p.m. |
| Seaport | 9:35 p.m. |
| Arrive Winthrop | 10:00 p.m. |

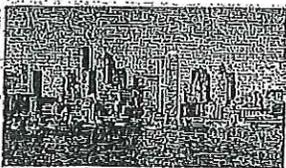


Ferry arrives at each location approximately five minutes prior to scheduled departure.

Winthrop-Boston-Quincy Ferry WEEKEND Schedule

| WEEKEND AM DEPARTURE TIMES | |
|----------------------------|------------|
| Winthrop | 8:30 a.m. |
| Seaport | 8:50 a.m. |
| Rowes Wharf | 9:00 a.m. |
| Quincy | 9:30 a.m. |
| Seaport | 9:55 a.m. |
| Rowes Wharf | 10:05 a.m. |
| Winthrop | 10:30 a.m. |
| Seaport | 10:50 a.m. |
| Rowes Wharf | 11:00 a.m. |
| Quincy | 11:30 a.m. |
| Seaport | 11:55 a.m. |
| Arrive Winthrop | 12:05 p.m. |

| WEEKEND PM DEPARTURE TIMES | |
|----------------------------|------------|
| Winthrop | 3:30 p.m. |
| Seaport | 3:50 p.m. |
| Rowes Wharf | 4:00 p.m. |
| Quincy | 4:30 p.m. |
| Seaport | 4:55 p.m. |
| Rowes Wharf | 5:05 p.m. |
| Winthrop | 5:40 p.m. |
| Seaport | 6:00 p.m. |
| Rowes Wharf | 6:10 p.m. |
| Quincy | 6:40 p.m. |
| Seaport | 7:05 p.m. |
| Rowes Wharf | 7:15 p.m. |
| Arrive Winthrop | 7:40 p.m. |
| Winthrop | 8:30 p.m. |
| Seaport | 8:55 p.m. |
| Rowes Wharf | 9:05 p.m. |
| Quincy | 9:30 p.m. |
| Arrive Winthrop | 10:00 p.m. |



| FERRY LOCATIONS | |
|------------------|--|
| Winthrop | 707 Shirley Street |
| Quincy | Squantum Point Park |
| Rowes Wharf | 400 Atlantic Ave, Boston Commercial Marine Terminal, Dock 10-11 |
| Seaport/Fan Pier | 1 Marina Park Drive, Boston |

| TICKET INFORMATION | |
|--|---|
| General Passengers (1 ticket) | \$8.50 one way |
| Seniors (ages 65+) | \$6.50 one way |
| Students (with ID) | \$6.00 one way |
| Children (ages 5-12) | \$3.00 one way |
| Children under 5 | FREE |
| Commuter Pass (4 tickets) | \$290.00 for 40 tickets @ \$7.25 each (not transferrable) |
| Afternoon Charters Available (12:00-3:00 p.m.) | Rate \$200/hr (Minimum of 2 hours) |

ORDER ONLINE TO ENSURE A RIDE AT MBFERRY.COM
The ferry is operated by the town of Winthrop. For more information, please visit TheWinthropFerry.com or call 617-207-9032.
Summer Schedule effective 6/19/17

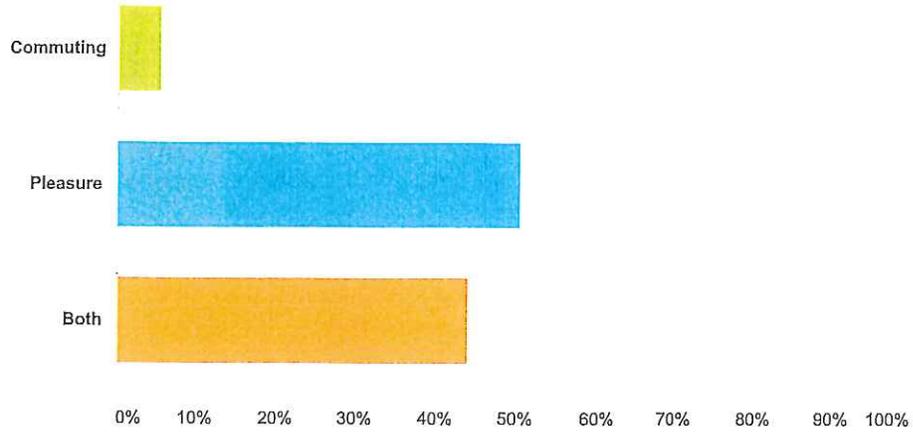
Marina Bay, Squantum Point Park, Quincy, MA 02171
MBFerry.com



ADDENDUM 11

Q1 Would you take advantage of the ferry service for

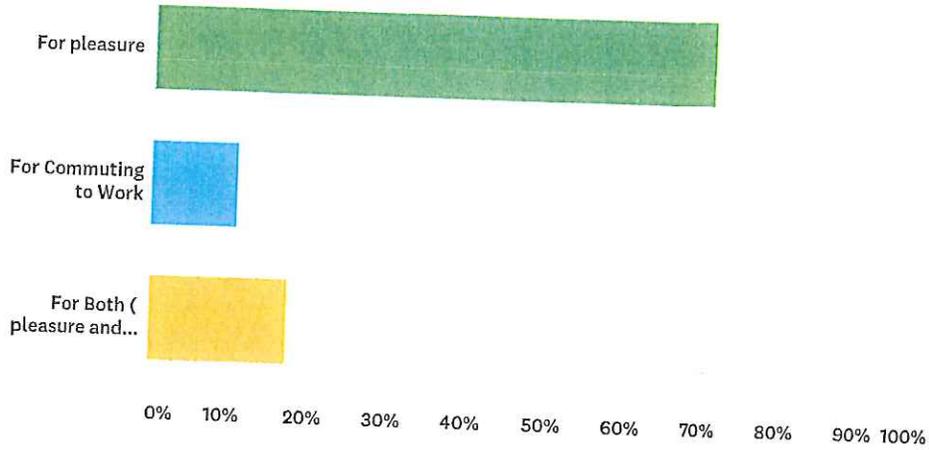
Answered: 1,019 Skipped: 0



| Answer Choices | Responses | |
|----------------|-----------|--------------|
| Commuting | 5.40% | 55 |
| Pleasure | 50.54% | 515 |
| Both | 44.06% | 449 |
| Total | | 1,019 |

Q1 Did you ride the Winthrop Ferry this season between April and October of 2017?

Answered: 171 Skipped: 0



ANSWER CHOICES

For pleasure
For Commuting to Work
For Both (pleasure and work)
TOTAL

RESPONSES

| | |
|--------|-----|
| 71.35% | 122 |
| 11.11% | 19 |
| 17.54% | 30 |
| | 171 |

ADDENDUM 12

Agreement Number: 607847

F.A. PROJECT NO: FBD-_____
MUNICIPALITY: TOWN OF WINTHROP
COUNTY: SUFFOLK
PROJECT: INNER HARBOR PASSENGER WATER TRANSPORTATION VESSEL
PROCUREMENT

This Agreement made this ___ day of _____ by and between the MASSACHUSETTS DEPARTMENT OF TRANSPORTATION, a body politic and corporate, established by St. 2009, c. 25, having a principal place of business at 10 Park Plaza, Boston, Massachusetts 02116 (hereinafter called "MASSDOT") and the Town of Winthrop, having a principal place of business at Winthrop Town Hall, One Metcalf Square Winthrop, Massachusetts 02201 (hereinafter called the "TOWN").

WHEREAS, the TOWN proposes to purchase an inner harbor passenger water transportation vessel to provide commuter ferry service from the Shirley Street Ferry Terminal in Winthrop to and from a docking location in the Boston waterfront district (hereinafter referred to as the "PROJECT"), and

WHEREAS, the TOWN has provided documentation to MASSDOT evidencing that it is suitably equipped and staffed to undertake and manage the PROJECT and ensure that all federal aid requirements are met, and

WHEREAS, a portion of the PROJECT is to be financed by funds provided by the Federal Government, through the United States Department of Transportation's Federal Highway Administration, (hereinafter referred to as "FHWA"), pursuant to a 2009 Ferry Boat Discretionary Program (FBD) award for Water Transportation Service

Ferry, Town of Winthrop, MA - terminal construction and vessel acquisition in the amount of \$950,000, and

WHEREAS, the Town contracted for the construction of a terminal, which was completed and funded in part with FHWA/FBD funds totaling \$472,399 - \$264,232 from the 2004 FBD (MA181), \$208,167 from the 2005 FBD (MA180); and \$150,000 from the 2009 FBD, and

WHEREAS, the PROJECT'S eligibility for Federal participation has been established in accordance with the Ferry Boat Discretionary Program (FBD) authorized, and provided for under Section 1801 of SAFETEA-LU, which added the FBD Program to 23 U.S.C. 147, "Construction of ferry boats and ferry terminal facilities," and

WHEREAS, MASSDOT has agreed to pay, and FHWA has agreed to reimburse, up to, but not exceeding \$950,000 from the 2009 FBD award. Any and all PROJECT costs above this amount shall be borne by the TOWN as described in the Agreement section entitled "Division of Expense" below, and

WHEREAS, the TOWN agrees to provide the required 20% non-federal match (at a minimum) on the 2009 FBD federal funding award for this PROJECT, the value of which will be no less than \$237,500, and shall provide additional matching funds as required to procure the PROJECT, and

NOW THEREFORE, in consideration of the obligations contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, MASSDOT and the TOWN hereby agree, each with the other, as follows:

DIVISION OF WORK/DESIGN AND CONSTRUCTION OVERSIGHT

While it is stipulated that the TOWN will advertise and purchase the PROJECT, prior to the TOWN'S advertisement of the Invitation for Bids, it is understood that MASSDOT will review the draft Invitation for Bids package to ensure that Federal-aid requirements are met with respect to 49 CFR 18.36, and then submit the bid package to FHWA for final review and concurrence.

The TOWN shall procure using its own forces or consultant services said PROJECT pursuant with any and all applicable local, state and federal laws or regulations and in accordance with the technical specifications set forth in the Invitation for Bids.

The TOWN shall also contractually require the Contractor/Vendor to, and the TOWN itself shall, release, defend, indemnify, and hold harmless MASSDOT, and its successors and assigns and its shareholders, officers, directors, agents and employees (collectively referred to in this paragraph as the "INDEMNIFIED PARTIES") from and against any and all claims, demands, liabilities, judgments, penalties, costs, expenses and damages including personal injury, property damages and natural resource damages, and including attorney and expert consultant fees and cost incurred, arising out of, relating to or resulting from activities performed by the INDEMNIFIED PARTIES pursuant to this Agreement.

In addition, any and all procurement activities or related work required for the procurement of said PROJECT shall be in conformance with any and all requirements, policies and procedures of FHWA, and the TOWN.

DIVISION OF EXPENSE

MASSDOT will reimburse the TOWN for actual approved acquisition costs up to, but not exceeding the total maximum amount of federal participation in the PROJECT, nine hundred and fifty thousand dollars (\$950,000). Any and all PROJECT costs above \$950,000 shall be borne by the TOWN; this includes the stipulated \$237,500 in municipal non-federal matching funds that are minimally required as a condition of use of the 2009 federal Ferry Boat Discretionary funds awarded for this project.

Federal participation was authorized in accordance with the Federal-Aid Highway Program, listed within the Catalog of Federal Domestic Assistance, identifying number 20.205 (Highway Planning and Construction). The TOWN is the intended sub-recipient of the subject federal award, and therefore is subject to the Single Audit Act Amendments of 1996, Section 7502 (f) (2).

All acquisition costs incurred, including any allowed MassDOT progress payments shall be approved by MASSDOT prior to reimbursement by MASSDOT.

The total of payments made shall be adjusted to conform to a final audit. The total audited amount shall not exceed the maximum funds obligated. Interim audits may be undertaken at any time. Costs will be determined in accordance with Federal Acquisition Regulations (FAR).

To comply with the Single Audit Act Amendments of 1996, the TOWN shall engage the services of an independent public accountant (IPA) to conduct audits and issue audit reports in accordance with OMB circular

A-133: Audits of States, Local Governments and Non-Profit Organizations.

MASSDOT reserves the right to reject IPA audit findings and to perform its own audit and issue its audit reports insofar as this Agreement is concerned.

METHOD OF PAYMENT TO THE TOWN

Section 1. During the course of the PROJECT, the TOWN will submit any necessary progress bills for costs incurred under the commodities and services contract, for approval and payment by MASSDOT. An original and one copy of such progress bills shall be in an invoice format prescribed by MASSDOT and must be submitted within 15 days following the close of the billing period.

Section 2. Upon the completion of the PROJECT, the TOWN shall provide MassDOT with the final invoice and documentation satisfactory to MassDOT of proof of purchase, delivery, compliance with Coast Guard inspection standards, properly inspected for compliance with specifications set forth in the Invitation for Bids, and compliance with all other applicable state and federal requirements for ferry passenger vessels. In addition to the final detailed invoice, the TOWN shall forward to MASSDOT the bid tabulation results along with selected bid for the PROJECT and the final specifications and detailed cost estimate.

Section 3. All reimbursable charges in connection with this Agreement will be subject to audit by representatives of MASSDOT and/or FHWA, and the TOWN will retain all records and documents pertaining to the Agreement charges until such audit is completed or until written approval to destroy the records is given by MASSDOT.

The Governor or his designee, the Secretary of the Executive Office for Administration and Finance, and the State Auditor or his designee shall have the right at reasonable times and upon reasonable notice to examine the books, records and other compilations of data of the TOWN which pertain to the performance of the provisions and requirements of this Agreement.

FUTURE MAINTENANCE

The TOWN shall continue sole responsibility for the maintenance and upkeep of the PROJECT harbor passenger water transportation vessel and the costs thereof.

Federal highway law requires that all federally assisted projects be properly maintained. Maintenance and operation of ferry services is not eligible for Federal-aid funding.

Any project constructed under the provisions of Title 23 U.S.C., Chapter 1, must be maintained until it is not needed as part of the Federal-aid highway. This also applies to a ferry serving as a public road or a transit route. FTA guidance indicates the service life of a passenger vessel is 25 years, 30 years for other types of vessels, and up to 60 years for vessels if refurbished. "Facilities" have a useful life of 40 years. (See the guidance that FHWA typically follows, www.fta.dot.gov/documents/C_5010_1D_Finalpub.pdf).

In accordance with 23 U.S.C. 129 (c) (6), no ferry vessel for which federal aid funds have been used shall be sold, leased, or otherwise disposed of without prior approval of the Secretary of Transportation. This authority has been delegated to the FHWA Administrator. The TOWN agrees to contact the FHWA Office of Program

Administration if a disposal is anticipated to occur. The Federal share of any proceeds from such a disposition shall be credited to the un-programmed balance of Federal-aid highway funds of the same class last apportioned to the State.

AGREEMENT EXECUTION

This Agreement shall not be considered fully executed, until the MASSDOT Highway Administrator signs this Agreement and the TOWN has received an official Notice to Proceed from MASSDOT.

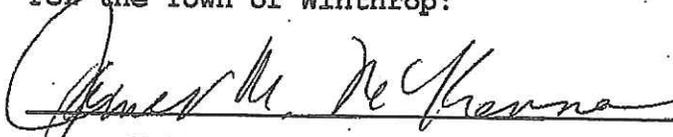
EXPIRATION DATE

This Agreement shall expire on September 30, 2015. If the TOWN believes that an extension of time is necessary, the TOWN shall submit to MASSDOT a written request for an extension no later than 60 days prior to the expiration date.

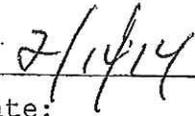
The request shall contain the current expiration date, the reason additional time is needed and a proposed revised expiration date and any other information deemed necessary by MASSDOT.

MASSDOT, in its absolute discretion, may grant said request for an extension of time if it finds that sufficient justification has been provided by the TOWN.

For the Town of Winthrop:



James McKenna, Town Manager



Date:

For the Massachusetts Department of Transportation:

Francis DePaola, P.E., MASSDOT Highway Administrator

Date:

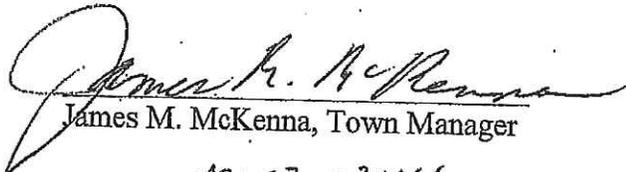
AMENDMENT NUMBER 2

OVERSIGHT AGREEMENT
BY AND BETWEEN MASSDOT AND THE TOWN OF WINTHROP
PROJECT: INNER HARBOR PASSENGER WATER TRANSPORTATION
VESSEL PROCUREMENT
AGREEMENT NUMBER 607847

The oversight agreement by and between the Massachusetts Department of Transportation and the Town of Winthrop, which was fully executed February 18, 2014, is hereby amended by deleting the seventh "WHEREAS" clause and replacing it with the following "WHEREAS" clause:

"WHEREAS, the Town agrees to provide the required 20% non-federal match (at a minimum) on the 2009 FBD federal funding award for this PROJECT, the value of which will be \$196,250, based upon the agreed to cost of the vessel, and shall provide additional matching funds as required to procure the PROJECT, and"

For the Town of Winthrop:


James M. McKenna, Town Manager

Date: 12-2-2014

For the Massachusetts Department of Transportation

Frank DePaola, Highway Administrator

Date: _____