

MASSACHUSETTS PORT AUTHORITY  
MINUTES OF THE MEETING HELD ON  
FEBRUARY 14, 2019 AT 9:00 A.M.  
ONE HARBORSIDE DRIVE, EAST BOSTON, MA

The meeting of the Members of the Massachusetts Port Authority was held at One Harborside Drive, East Boston, Massachusetts on February 14, 2019. Chairman Lewis G. Evangelidis presided. Warren Q. Fields, Patricia A. Jacobs, John A. Nucci, Sean M. O'Brien, Stephanie L. Pollack (by telephone and in person), Laura Sen, John P. Prankevicius, Acting Chief Executive Officer/Executive Director, Reed Passafaro, Acting Chief of Staff, Catherine McDonald, Chief Legal Counsel, Anna M. Tenaglia, Acting Director of Administration and Finance and Secretary-Treasurer, Edward C. Freni, Director of Aviation, Lisa Wieland, Port Director, Houssam H. Sleiman, Director, Capital Programs & Environmental Affairs, Joel Barrera, Director of Strategic & Business Planning, Andrew Hargens, Chief Development Officer, Alaina Coppola, Director, Community Relations and Government Affairs, and Michael A. Grieco, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:00 A.M.

Mr. Evangelidis stated that Ms. Pollack will be participating by telephone until she is in attendance.

Ratification and approval of the minutes of the January 17, 2019 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the January 17, 2019 Board Meeting.

Members Evangelidis, Fields, Jacobs, Nucci, O'Brien, and Sen voted Yes.

Chairman's Comments

Report of the CEO

Ms. Pollack joined the meeting by telephone at 9:15 A.M.

Mr. Prankevicius presented information on the end of the partial federal government shutdown and its impact on the domestic airline industry, on the Authority's actions to date in response to issues raised by employees of commercial service operators, on the number of handguns found by TSA at checkpoints in 2018, on the appointment of Joseph Bonavolonta as the head of the FBI's Boston field office, on the record Logan passenger numbers and the record Conley container numbers in 2018, on the Authority's six month financial performance and on the bond rating agencies affirming the Authority's AA credit rating, on some economic and industry developments, on the 2019 Cruise schedule and the staff presentations at the Globe Travel Show, on the MMT Parcel 6 groundbreaking

event and the Parcel K topping off ceremony, on recognition of the Authority's Resiliency Plan by the Wall Street Journal, on Delta's new service starting in August from Worcester Airport to Detroit, on Lisa Wieland receiving a 2019 Pinnacle Award from the Greater Boston Chamber of Commerce, on the seven new graduates of the Partnership, Inc. Leadership Program, and on Ashley Stolba's departure from the Authority for a new position.

#### Public Comment

Ms. Pollack joined the meeting in person at 9:30 A.M.

Ms. Ibtissem Lamri and Ms. Salma Samit, both FSS wheelchair assistants discussed working conditions and noted that their hours have been reduced, and Ms. Lamri noted that she has not been paid for all the hours she worked. Mr. Ababuti Ogalla, a G2 employee, spoke in support of the FSS employees being provided more work hours on a weekly basis.

#### Director of Aviation Presentation

Mr. Freni presented information on the strong January Logan passenger volume, on the low Logan passenger screening wait times during the partial federal government shutdown, on the completion on the American Airlines Terminal B consolidation, on Delta's new Airbus 220 aircraft, and on Royal Air Maroc's new service from Logan to Casablanca.

#### Director of Maritime Presentation

Ms. Wieland presented information on some cruise industry trends, on the 2019 passenger forecast for Cruiseport Boston ("Cruiseport") and the cruise lines that will call Boston beginning in March, on introducing the Norwegian Gem as a new homeport ship, on the Bermuda, Caribbean and Canada cruise itineraries from the Cruiseport, on the Cruiseport marketing campaign, on a cruise strategic initiatives update, and on a funding proposal for the Cruiseport project.

#### Safety and Security Committee

#### Community Outreach Committee

#### Massport CAC Update

Ms. Coppola presented information on the CAC Executive Committee meeting being held this morning at Hanscom Field, on the CAC Environmental and Health Subcommittee meeting on the history of the soundproofing program scheduled for February 25<sup>th</sup>, and on a bill filed by Congressman Lynch that would require a study of aircraft noise and health impacts.

#### Real Estate and Strategic Initiatives/Committee

#### Boston Sword & Tuna Groundbreaking

Mr. Hargens presented information on the MMT development plan, on the Boston Sword & Tuna seafood processing facility project and groundbreaking event, and on the existing and proposed seafood cluster facilities at the MMT.

Parcel H RFP

Mr. Hargens presented information on the Parcel H site plan with the optional parcels, on the Parcel H development opportunity, on a summary of the RFP teaser document, and on the proposed RFP schedule.

Parcel K Construction Program

Mr. Hargens presented information on the hotel, apartment, and garage components of the project, on the status of the construction, and on the topping off ceremony.

Facilities and Construction Committee

MPA L1592 – Old Tower Relocations, Logan International Airport, East Boston, MA, Project Budget

Mr. Sleiman presented information on the demolition of the old tower and on the proposed relocation of the current old tower tenants.

Upon a motion duly made and seconded, it was

VOTED:

To authorize the Chief Executive Officer/Executive Director, Director of Administration & Finance and Secretary-Treasurer, or Assistant Secretary-Treasurer (or any such officer serving in such position in an “acting” capacity), each acting singly, (each, an “Authorized Officer”) to take all actions necessary or desirable and to execute all agreements necessary or desirable in order to continue with and complete the Authority's Capital Project known as the Old Tower Relocations (MPA L1592) subject to the following conditions: funds expended for the Old Tower Relocations Capital Project shall not exceed \$15,000,000.00 (the "Approved Budget"), as shown on the Financial Summary presented at the Board Meeting on February 14, 2019; the Director of Capital Programs and Environmental Affairs shall provide to the Board annual updates on expenditures, contract amendments and change orders related to the Old Tower Relocations Capital Project and shall report back to the Board if at any time during the life of the Project it appears likely that the Project will exceed the Approved Budget; and the Director of Capital Programs and Environmental Affairs also shall report any material changes to the scope of work for the Capital Project as described in the backup materials presented at the Board Meeting on February 14, 2019. The Chief Executive Officer/Executive Director, shall obtain all necessary permits and approvals and shall conduct all required environmental reviews prior to the execution of any agreement or to the commencement of any action all as may be required by law. Any agreement arising out of this vote shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

Members Evangelidis, Fields, Jacobs, Nucci, O'Brien, Pollack, and Sen voted Yes.

### Sustainable Massport

Mr. Sleiman presented information on the environmental impact categories for U.S. airports, on sustainability and resiliency goals, on energy consumption and greenhouse gas emission reductions per passenger, on the Logan ground support equipment electrification initiative, on electric vehicle charging infrastructure, on implemented operational plans and guidelines, and on some next steps.

### Audit and Finance Committee

#### FY19 Six Month Financial Performance

Ms. Tenaglia presented information on the strong business activity at Logan and Conley, on the increases in operating revenue and in operating and depreciation expenses, and on a forecasted operating margin of 6% - 8% in FY19.

#### Results of 2019-A Bond Sale

Ms. Tenaglia noted that the Authority sold \$315 million in bonds to refund the Terminal A 2001 Special Facility Bonds, that this sale was able to attract key new investors, and that the transaction generated \$34 million in net present value savings.

### Assent Agenda

#### Hanscom Field Firefighter Positions

Mr. Prankevicius noted that the Air Force has notified the Authority that it will not extend its contract to provide firefighting services for landside facilities at Hanscom and the Authority will need to hire additional firefighters to provide these services.

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby creates twelve (12) additional firefighter positions at Hanscom Field.

Members Evangelidis, Fields, Jacobs, Nucci, O'Brien, Pollack, and Sen voted Yes.

### Strategic Plan Implementation

#### FY19-23 Capital Program Presentation

Mr. Sleiman presented information on the \$2.6 billion five year Capital Program (the "Program"), on the Program structure, on the project and financial evaluation criteria, on the Program by facility, on the number of projects in the Program, on the capital investments and economic impact by year, on some technology initiatives, and on some aviation and maritime strategic plan projects.

Capital Plan Financing Presentation

Ms. Tenaglia presented information on forecasted aviation and maritime business growth, on financing key strategic initiatives with revenue bonds and paygo capital, on increasing annual debt service, on using PFC revenue and operating margin growth, on increasing terminal rates, on potential new TNC fees to fund new TNC and HOV initiatives, on increasing real estate revenues, on some key financial metrics, on some risks and challenges to the financial plan, and on some key takeaways and next steps.

FY19-23 Capital Program

Upon a motion duly made and seconded, it was

VOTED:

To approve the attached Capital Program for Fiscal Years 2019-2023.

Members Evangelidis, Fields, Jacobs, Nucci, O'Brien, Pollack, and Sen voted Yes.

\*A copy of the Capital Program for Fiscal Years 2019-2023 is kept with the Board Minutes on file with the Secretary-Treasurer.

Potential Items for Reimbursement by Bond Funds

Upon a motion duly made and seconded, it was

VOTED:

Declaration of Official Intent

February 14, 2019

That the Massachusetts Port Authority (the "Authority") intends to, and reasonably expects that it will, reimburse itself for capital expenditures made in connection with the projects described in Schedules A and B hereto (the "Projects") from the proceeds of obligations issued by the Authority. The original expenditures will be made from the Authority's available funds. The Members of the Authority hereby confirm such intention, evidenced by a prior vote of the Authority, as to those Projects previously included in Schedule B. The Members of the Authority hereby acknowledge that the costs of the Projects include project costs that are eligible for funding with Passenger Facility Charges ("PFCs"), Customer Facility Charges ("CFCs"), Capital Budget Funds, Maintenance Reserve Funds and/or grants (together, "Other Funding Sources"), and the costs of Projects indicated in Schedule A have increased since the prior vote of February 15, 2018, and the amount of such costs to be reimbursed with bond proceeds may be reduced, in the discretion of the Authority, by the amount of Other Funding Sources applied to such projects prior to the issuance of such bonds. This resolution is intended to be a "declaration of official intent" under Section 1.150-2(e) of the U.S. Treasury Regulations.

Members Evangelidis, Fields, Jacobs, Nucci, O'Brien, Pollack, and Sen voted Yes.

**Schedule A**  
**As of February 2019**  
 Maximum Principal Amount  
 (in dollars, 000's omitted)

<b>Projects with increased budgets</b>		<u>Previous Budget</u>	<u>Revised Budget</u>	<u>Increase</u>
<b><u>LOGAN</u></b>				
L338	TERMINAL E MODERNIZATION	500,000	680,000	180,000
L1429	TERMINAL C OPTIMIZATION & B TO C CONNECTOR	175,000	193,000	18,000
L1548	TERMINAL C CANOPY & UPPER DECK	50,000	65,000	15,000
L1332	TERMINAL B TO C ROADWAY IMPROVEMENTS	150,000	190,000	40,000
L1018	HVAC EQUIPMENT REPLACEMENT PROGRAM	50,000	60,500	10,500
<b>Total Projects with increased budgets</b>		<b>\$ 925,000</b>	<b>\$ 1,188,500</b>	<b>\$ 263,500</b>

**Schedule B**  
**As of February 2019**  
 Maximum Principal Amount  
 (in dollars, 000's omitted)

**Restatement of Projects Previously Voted**

**LOGAN**

L1346	TERMINAL E RENOVATIONS AND ENHANCEMENTS	167,000
L892	SUBSTATION & ELECTRICAL UPGRADE PROGRAM	26,300
L811	REHAB EAST ALPHA & BRAVO	18,600
L930	ROOF REPLACEMENT PROGRAM	12,000
L1240	CRAWL SPACE ACCESS & IMPROVEMENTS	9,400
L1176	RUNWAY 22R RSA SAFETY IMPROVEMENTS & REPL OF 4L EMAS	9,300
L1303	TAXIWAY C3 PAVEMENT REHAB AND NEW BYPASS TAXIWAY	7,500
L1013	AIR RIGHTS PURCHASE - REV-LYN CRANE	5,624
L1430	TERMINAL B GATE 37-38 CONNECTOR	25,000
L1434	HVAC EQUIPMENT DISTRIBUTION	9,000
L1398	RUNWAY 4L-22R	15,800
L1409	GROUP VI AIRCRAFT AIRFIELD IMPROVEMENTS	10,000
L1403	REHABILITATION OF TAXIWAYS F, H, P/E, M1 7 M	4,300
L1281	IN-GROUND SNOWMELTER REPLACEMENTS	15,223
L1375	TERMINAL B OPTIMIZATION	180,000
L1549	PARKING CAPACITY - 5000 SPACES	251,500
L1399	RUNWAY 9-27 REHAB	19,000
L1405	TAXIWAY D, D1, MS REHAB	5,600
L1408	RUNWAY INCURSION MITIGATION STUDY	1,800
L1354	CENTRAL HEATING PLANT UPGRADE	64,000
L1307	REPLACE RUNWAY 4R APPROACH LIGHT PIER	11,025
L1401	REHABILITATION OF RUNWAY 22L	8,955
L199	RESURFACE NORTH CARGO APRON	16,400

**MARITIME**

M545	NEW BERTH 10 & CRANES AT COASTAL	215,000
M394	CONLEY TERMINAL DEDICATED FREIGHT CORRIDOR	38,000
M592	CRUISE TERMINAL SEAWALL RECONSTRUCTION	2,000
M623	NEW CONTAINER YARD AREA AT COASTAL	8,000
M524	BERTH 11 AND 12 PILES - BULKHEAD AND APRON REPAIRS	33,779
M495	REEFER RACKS	10,000

**Project costs previously added to the list**

**\$ 1,200,106**

Suffolk Downs Update

Mr. Barrera noted that staff is participating in a working group with state and city agencies and HYM, the developer, regarding the environmental and transportation permitting process. Mr. Barrera also noted that staff will be meeting separately with HYM related to drainage issues at the site.

Human Resources and Compensation Committee

Preliminary Screening Committee Update

Due to time constraints, the Preliminary Screening Committee Update was not discussed.

Motion to Enter Executive Session

Upon a motion duly made and seconded, it was

VOTED:

That the Authority enter executive session to discuss the deployment of security personnel or devices, or strategies with respect thereto.

That the Authority enter executive session to consider the purchase, exchange, lease or value of real property, specifically regarding the TNC strategy update, and Charlestown maritime industrial use, since a discussion in open session may have a detrimental effect on the negotiating position of the Authority.

That the Authority enter executive session to conduct strategy sessions in preparation for negotiations with nonunion personnel.

Members Evangelidis, Fields, Jacobs, Nucci, O'Brien, Pollack, and Sen voted Yes.

Mr. Evangelidis stated that the Authority will not reconvene after Executive Session.

The public session adjourned at 11:35 A.M.

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Michael A. Grieco  
Assistant Secretary-Treasurer

List of Documents and Other Exhibits Used in Public Session

1. Board Book
2. PowerPoint Presentation Slides