

MASSACHUSETTS PORT AUTHORITY
MINUTES OF THE MEETING HELD ON
NOVEMBER 21, 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 November 21, 2019. Chairman Lewis G. Evangelidis presided. Warren Q. Fields, Patricia A. Jacobs, John A. Nucci, Sean M. O'Brien, Stephanie L. Pollack, Laura Sen, Lisa Wieland, Chief Executive Officer and Executive Director, Reed Passafaro, Chief of Staff, Catherine McDonald, Chief Legal Counsel, John P. Prankevicius Director of Administration and Finance and Secretary-Treasurer, Edward C. Freni, Director of Aviation, Houssam H. Sleiman, Director, Capital Programs & Environmental Affairs, Andrew Hargens, Chief Development Officer, Alaina Coppola, Director, Community Relations and Government Affairs, Hank Shaw, Chief Security Officer, Michael Meyran, Port Director, John Raftery, Chief Marketing Officer, Lieutenant Deborah A. Ryan, Troop F, and Michael A. Grieco, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:05 A.M.

Public Comment

There were no requests to speak during the Public Comment Period.

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

Upon a motion duly made and seconded, it was

VOTED:

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

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

Chairman's Comments

Mr. Evangelidis noted that JetBlue's "Blue Bravest" airplane, inspired by the FDNY, flew to Worcester Airport to honor fallen Worcester Fire Department Lieutenant Jason Menard and to show support for the City of Worcester.

Report of the CEO

Mr. Fields joined the meeting at 9:15 A.M.

Ms. Pollack joined the meeting at 9:20 A.M.

Ms. Wieland presented information on aviation security exercises held at Logan and Worcester Airports, on tactical emergency casualty care training, on CARE Team training, on the 2019 Robotica UAS Summit, on the USDOT 2019 BUILD Grant awarded to Conley, on Logan's growth as a trans-Atlantic gateway, on marketing Worcester Airport at the Marlborough Chamber of Commerce annual business luncheon, on the City of Boston's invitation to be part of its Supplier Diversity Advisory Council, on celebrating a Worcester Airport passenger milestone and Veteran's Day with local partners in Worcester, on the world's largest wind blade's arrival for testing at the Wind Technology Testing Center, on a six month review of the Back Bay Logan Express service, on the Wall Street Journal ranking Logan among the top twenty airports in the U.S., on Logan being ranked one of the most affordable airports in the U.S., on two new local concessions opening at Logan, on informing the traveling public how to best prepare for the Thanksgiving travel period, on the Authority's FY19 first quarter financial results, on the installation at the Logan filling station of Shell's first U.S. electric vehicle charging stations, on the Authority's Veteran's Day event where employees provided clothing items to veterans at the Chelsea Soldier's Home, on the official dedication of the Mary Ellen Welch Greenway in East Boston, and on the inclusion of "Logan" as an answer in the November 20th New York Times Crossword Puzzle.

Director of Aviation Presentation

Mr. Freni congratulated State Police Troop F Executive Officer Lieutenant Debbie Ryan on her promotion to Captain. Mr. Freni presented information on Logan's 19th Annual Wings for Autism Event, on Logan's year-over-year passenger volume increases for the month of October and for the year-to-date, on Austrian Airlines new 2020 nonstop service to Vienna, on Lufthansa introducing the A380 on its Boston to Munich route, on Cabo Verde Airlines new nonstop service to Cape Verde, on JetBlue ceasing all service to Mexico City, on Norwegian Air adding additional weekly service on its Boston to Paris route and its new interline partnership agreement with JetBlue, on JetBlue and Delta's strong third quarter financial results, on the impact of the 737 Max grounding on the strong third quarter financial results for American, Southwest, and United, on the extension of the 737 Max grounding into March by American, Southwest, and United, and on the storm and snow removal plan for Logan, Worcester, and Hanscom Airports.

Director of Maritime Presentation

Mr. Meyran presented information on the progress of the Conley Terminal expansion project, on the delivery of two new Rubber Tired Gantry cranes, on the strong Conley container volumes, on the visit to the Flynn Cruiseport of the MSC Meraviglia the largest cruise ship to ever port in Boston, on the end of the Flynn Cruiseport season, on the increase in cruise passenger volume, on a Flynn Cruiseport travel agent training session held in coordination with MOTT and GBCVB and facilitated by the Cruise Lines International Association, and on the storm and snow removal plan for the Maritime facilities.

Strategic Plan Implementation

Logan Forward

Mr. Sleiman presented information on the Ride App relocation phasing for pickups and drop-offs, on initial challenges and resolutions during the Ride App relocation implementation, on Terminal B arrivals entrance roadway impacts, on upcoming project schedules and expected impacts, on arrivals roadway traffic pattern shift, and on the old tower pedestrian bridge demolition schedule and simulation video. Mr. Raftery presented information on the Logan Forward marketing campaign to date and on the promotion of consumer text and email alert signups via paid media as well as via airport roadway and baggage claim signage.

Flynn Cruiseport Boston Business Update

Mr. Meyran presented information on the 2019 cruise season and the record passenger volume, on the economic value created for Massachusetts by the Flynn Cruiseport (“Cruiseport”), on the growth in the Canada/New England cruise market, on new ship deployments creating additional demand for berthing options in the market, on the reasons the cruise lines see value in calling the Cruiseport, on the factors constraining future Cruiseport growth, on future new itineraries from Cruiseport requiring a second homeport terminal, on the need to expand and further develop the Cruiseport facilities, on financing the Cruiseport expansion plan, on the Cruiseport expansion plan projected passenger volume and financial performance, and on the next steps.

Safety and Security Committee

Human Resources and Compensation Committee

Port Director – Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints Michael Meyran to the position of Port Director, level 13, effective November 21, 2019, at an annual salary within the established guidelines for that position as recommended by the Chief Human Resources Officer and approved by the CEO and Executive Director. This position will report directly to the CEO and Executive Director.

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

Community Outreach Committee

Piers Park II

Ms. Coppola and Mr. Sleiman presented information on the community mitigation commitment to build the park, on the Piers PAC and community process to solicit feedback on preliminary design options, on the preliminary design voted by the Piers PAC, on the park's active, passive, and resiliency elements, and on the park milestone schedule.

Real Estate and Strategic Initiatives

Parcel H

Mr. Hargens noted the seven responses that were received in response to the RFP and that the proposals will be evaluated against four equally weighted selection criteria.

UPS Parking Lease Amendment

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, Massport, as landlord, and United Parcel Services, Inc., (“UPS”), as tenant, entered into that certain lease dated as of September 15, 2015 of that certain 71,169 square feet parcel of vacant land located at the rear of the Fargo Street Terminal in South Boston, Massachusetts (the “Leased Premises”), which is located adjacent to UPS’ distribution center at 647 Summer Street (the “Lease”); and

WHEREAS, the current term of the Lease expires on June 30, 2021 and UPS has requested a three (3) year extension of the term of the Lease until June 30, 2024.

WHEREAS, staff recommends that the Board approve the Vote, which extends the term of the UPS Lease for an additional three (3) year period from June 30, 2021 to June 30, 2024.

NOW, THEREFORE, BE IT RESOLVED AND VOTED:

To authorize (i) the Authority’s Chief Development Officer and the Chief Legal Counsel, or their designees, each acting singly, to negotiate an amendment of the Lease to extend the term for an additional three (3) year period from June 30, 2021 to June 30, 2024; and (ii) the Chief Executive Officer and Executive Director, the Secretary-Treasurer or the Assistant Secretary-Treasurer, each acting singly (each, an “Authorized Officer”), to execute and deliver on behalf of the Authority, an amendment to the Lease extending the term for three (3) years from June 30, 2021 to June 30, 2024 and such terms and conditions not inconsistent with this Vote as the Authorized Officer executing such amendment may determine are necessary or desirable.

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

Facilities and Construction Committee

MPA L1634 – Replacement Cargo Facility, Logan International Airport, East Boston, MA, Project Budget

Mr. Sleiman noted that the replacement facility will be constructed in an adjacent location since the current cargo facility is being demolished to accommodate the Terminal E Phase 2 project.

Upon a motion duly made and seconded, it was

VOTED:

To authorize the Chief Executive Officer and Executive Director, Director of Administration & Finance and Secretary-Treasurer or Assistant Secretary-Treasurer, 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 Replacement Cargo Facility (MPA L1634) subject to the following conditions: funds expended for the Replacement Cargo Facility Capital Project shall not exceed \$15,000,000.00 (the "Approved Budget"), as shown on the Financial Summary presented at the Board Meeting on November 21, 2019; the Director of Capital Programs and Environmental Affairs 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 this Capital Project as described in the backup materials presented at the Board Meeting on November 21, 2019. The Chief Executive Officer 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.

Audit and Finance Committee

GASB 87 Action Plan

Mr. Prankevicius presented information on the pronouncement requiring that government entities report lease payments on its balance sheet as an asset or a liability, on the estimate of Authority leases as of June 30, 2019, on the GASB 87 implementation deadline, on an Authority action plan including a workshop conducted by Ernst & Young, some additional outside resources, some key activities and deliverables, and a timeline.

Assent Agenda

Amendment to Minimum Wage Policy for certain Commercial Service Operator (CSO) and Aviation Service Operator (ASO) Employees at Logan

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, the Massachusetts Legislature (per votes in 2014 and 2018) adopted gradual increases to the state's minimum wage through 2023, when it will be set at \$15.00 per hour;

WHEREAS, in 2014, the Authority's Board adopted a minimum wage policy in support of its priorities of safe, secure and efficient operations for certain Commercial Service Operator (CSO) and Aviation Service Operator (ASO) employees at Boston Logan International Airport ("Airport") who perform certain covered services ("Covered Employees");

WHEREAS, the Authority's policy, as updated, accelerated the state minimum wage for Covered Employees at the Airport by \$1.00 each year through 2019 (in effect \$1.00 above through 2017 and \$2.00 above through 2019) and was extended to covered services contracts at the Airport entered into directly by the Authority; and

WHEREAS, consistent with the acceleration of the state minimum wage rate, the Authority desires to update the policy to \$15.00 per hour effective January 1, 2020.

NOW, THEREFORE, BE IT RESOLVED:

The Board hereby amends the Authority's policy to increase the minimum wage rate for Covered Employees to \$15.00 per hour effective January 1, 2020.

In all other respects, the 2014, 2016, 2017, 2018, and 2019 Votes are hereby ratified and affirmed.

The CEO & Executive Director, the Director of Administration & Finance, the Assistant Secretary-Treasurer, the Director of Aviation, and the Chief Legal Counsel each acting singly or their designees, are hereby authorized and directed to do all acts and things and to negotiate, execute and deliver any and all agreements, documents, certificates and other instruments, not inconsistent with this Vote, necessary or desirable to effectuate the policy amendment contemplated by this Vote.

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

Ms. Pollock left the meeting at 11:04 A.M.

Motion to Enter Executive Session

Upon a motion duly made and seconded, it was

VOTED:

That the Authority enter executive session to consider the purchase, exchange, lease or value of real property, specifically regarding the Roseland Pier 1 Interim Lease, and Massport Marine Terminal Parcel 4, 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 discuss the deployment of security personnel or devices, or strategies with respect thereto.

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

Member Fields was out of the room.

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

The public session adjourned at 11:05 A.M.

Michael A. Grieco
Assistant Secretary-Treasurer

List of Documents and Other Exhibits Used in Public Session

1. Board Book
2. PowerPoint Presentation Slides
3. Logan Old Tower Pedestrian Bridge Dismantle Video