

MASSACHUSETTS PORT AUTHORITY
MINUTES OF THE MEETING HELD ON
APRIL 23, 2020 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 April 23, 2020. The following Members participated remotely per Governor Baker's March 12, 2020 Order Suspending Certain Provisions Of The Open Meeting Law: Chairman Lewis G. Evangelidis presided, Warren Q. Fields, Patricia A. Jacobs, John A. Nucci, Sean M. O'Brien, Stephanie L. Pollack, and Laura Sen. Lisa Wieland, Chief Executive Officer and Executive Director, Reed Passafaro, Chief of Staff, John P. Prankevicius Director of Administration and Finance and Secretary-Treasurer, Edward C. Freni, Director of Aviation, Catherine McDonald, Chief Legal Counsel, Houssam H. Sleiman, Director, Capital Programs & Environmental Affairs, Andrew Hargens, Chief Development Officer, Hank Shaw, Chief Security Officer, Michael Meyran, Port Director, Daniel Gallagher, Director of Aviation Business and Finance, and Michael A. Grieco, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:00 A.M.

Ratification and approval of the minutes of the March 19, 2020 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the March 19, 2020 Board Meeting.

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

Chairman's Comments

Mr. Evangelidis thanked everyone for their remote participation and for all their work.

Public Comment

Ms. Wieland noted that while there were no requests to speak during the Public Comment Period the Members did receive a written statement from the Enterprise Rent-A-Car Company of Boston regarding providing financial relief to tenants.

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 real estate strategy and a Hanscom update, since a discussion in open session may have a detrimental effect on the negotiating position of the Authority.

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

Mr. Evangelidis stated that the Authority will reconvene after Executive Session.

The public session recessed at 9:05 A.M.

The public session reconvened at 11:15 A.M.

Audit and Finance Committee

Revised FY 20 Budget and Funds Flow

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, in response to the COVID-19 pandemic, the President of the United States and the Governor of The Commonwealth of Massachusetts have declared states of emergency; and

WHEREAS, as a result of the COVID-19 pandemic, passenger traffic, aircraft operations and airline operations at Boston-Logan International Airport, Hanscom Field and Worcester Regional Airport (collectively the "*Airport Properties*"), seaport cargo and cruise operations at the Port of Boston and certain real estate tenant operations including hotels and restaurants have been severely reduced; and

WHEREAS, as a result of reduced passenger, airline and general aviation traffic at the Airport Properties, Revenues to the Authority from all sources, including landing fees, concessions, ground transportation, rental cars, and parking, and revenues from the maritime facilities and certain real estate leases have fallen substantially below the amounts budgeted for Fiscal Year ("*FY*") 2020; and

WHEREAS, in addition, at the direction of the CEO, the Director of Administration & Finance is adjusting the annual budget for FY 2020;

NOW, THEREFORE, be it hereby resolved by the Members of the Massachusetts Port Authority (the "*Authority*") as follows:

1. Revisions to the FY2020 Annual Budget and Funds Flow Vote. The FY 2020 Annual Budget and Funds Flow Vote adopted by the Members on June 20, 2019 is hereby amended as of the date of this meeting, and the CEO and the Director of Administration & Finance at the direction of the CEO are hereby authorized to (a) reduce the deposit to the Maintenance Reserve Fund by \$24.0M, (b) reduce the transfer to the Retiree Benefits Trust by \$4.5M, (c) reduce the deposits into the Debt Service Funds by \$33.0M and (d) reduce the transfer from the Improvement and Extension Fund to the Capital Budget Account by \$59.0M in order to preserve liquidity.
2. Effective Date. The resolutions set forth herein shall take effect immediately.

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

Tenant Sustainability and Recovery Plan

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, in response to the COVID-19 pandemic, the President of the United States and the Governor of The Commonwealth of Massachusetts have declared states of emergency; and

WHEREAS, as a result of the COVID-19 pandemic, passenger traffic, aircraft operations and airline operations at Boston-Logan International Airport, Hanscom Field and Worcester Regional Airport (collectively the "*Airport Properties*"), seaport cargo and cruise operations at the Port of Boston and certain maritime tenant operations have been severely reduced.

NOW, THEREFORE, be it hereby resolved by the Members of the Massachusetts Port Authority (the "*Authority*") as follows:

1. The CEO and Director of Administration & Finance, at the direction of the CEO, are hereby authorized to implement a Tenant Sustainability and Recovery Plan (the "*Plan*"), effective April 1, 2020, which shall include (i) for airlines, a 3 month partial deferral of certain categories of rates and charges (activity based fees- baggage fees, landing fees and Terminal E passenger fees), and an adjustment of rates and charges to be presented to the Members at the June 2020 meeting which will be effective July 1, 2020, subject to a September 2020 true-up; (ii) for terminal area concession tenants, a waiver of 3 months' minimum annual guaranteed rent but not percentage rent; (iii) for non-terminal area concession tenants, a deferral of 3 months' rent or minimum annual guaranteed rent but not percentage rent, subject to a 12 month repayment plan; and (iv) for maritime tenants, a deferral of up to 3 months' rent, subject to a 12 month repayment plan. All eligible entities shall use reasonable efforts to seek access to CARES Act funding, explore utilization of business interruption insurance and shall have all accounts payable to the Authority current through March 31, 2020.

2. The CEO and Director of Administration & Finance, at the direction of the CEO, are further authorized to take such actions as may be necessary or appropriate in the judgment of the CEO to implement the Plan not inconsistent with this vote; and the CEO and Director of Administration & Finance, at the direction of the CEO and their nominees are further authorized to execute on behalf of the Authority any and all documents, certificates or instruments, deemed necessary or desirable to implement the Plan, provided all such documents, certificates, instruments or actions are not inconsistent with this vote.

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

Application For and Use of CARES Act Funds

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, in response to the COVID-19 pandemic, the President of the United States and the Governor of The Commonwealth of Massachusetts have declared states of emergency; and

WHEREAS, as a result of the COVID-19 pandemic, passenger traffic, aircraft operations and airline operations at Boston-Logan International Airport, Hanscom Field and Worcester Regional Airport (collectively the "***Airport Properties***"), seaport cargo and cruise operations at the Port of Boston and certain real estate tenant operations including hotels and restaurants have been severely reduced; and

WHEREAS, as a result of reduced passenger, airline and general aviation traffic at the Airport Properties, Revenues to the Authority from all sources, including landing fees, concessions, ground transportation, rental cars, and parking, and revenues from the maritime facilities and certain real estate leases have fallen substantially below the amounts budgeted for Fiscal Year ("***FY***") 2020; and

WHEREAS, the U.S. Congress has adopted and the President has signed into law the Coronavirus Aid, Relief, and Economic Security Act (the "***CARES Act***") that provides, among other things, for the grant of funds by the Federal government of the United States to commercial service airports, which funds may be used for any lawful airport purpose;

NOW, THEREFORE, be it hereby resolved by the Members of the Massachusetts Port Authority (the "***Authority***") as follows:

1. Application For and Use of CARES Act Funds. The CEO and the Director of Administration of Finance, at the direction of the CEO, are hereby authorized and directed to take such actions and file such applications as may be necessary or desirable to permit the Authority to obtain the maximum amount of funds that may be available to it under the CARES Act, and to apply such funds in the manner that, in the judgment of the CEO is in the best interests of the Authority and consistent with the Financial Plan, taking into account the need to maintain and improve the Authority's Projects and operation thereof, and the covenants and requirements of the Trust Agreement dated August 1, 1978, as supplemented and amended (the "***Trust Agreement***") between the Authority and U.S. Bank National Association, as successor-in-interest to State Street Bank and Trust Company, as trustee.
2. Effective Date. The resolutions set forth herein shall take effect immediately.

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

Human Resources and Compensation Committee

Suspension of Certain Programs

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, in response to the COVID-19 pandemic, the President of the United States and the Governor of The Commonwealth of Massachusetts have declared states of emergency; and

WHEREAS, as a result of the COVID-19 pandemic, passenger traffic, aircraft operations and airline operations at Boston-Logan International Airport, Hanscom Field and Worcester Regional Airport (collectively the “*Airport Properties*”), seaport cargo and cruise operations at the Port of Boston and certain real estate tenant operations including hotels and restaurants have been severely reduced; and

WHEREAS, as a result of reduced passenger, airline and general aviation traffic at the Airport Properties, Revenues to the Authority from all sources, including landing fees, concessions, ground transportation, rental cars, and parking, and revenues from the maritime facilities and certain real estate leases have fallen substantially below the amounts budgeted for Fiscal Year (“*FY*”) 2020;

NOW, THEREFORE, be it hereby resolved by the Members of the Massachusetts Port Authority (the “*Authority*”) as follows:

1. Suspension of Certain Programs. Effective as of April 1, 2020, the following employee benefits are suspended through FY21: (i) the Deferred Compensation Plan Matched Contribution, as most recently voted on February 16, 2017, (ii) payments to Eligible Employees of their annual Bank 2 Accruals balances as voted on November 16, 2006 and (iii) the Charitable Giving Program as most recently voted on June 20, 2013.

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

Strategic Plan Implementation

Community Outreach Committee

Real Estate and Strategic Initiatives Committee

Facilities and Construction Committee

MPA L1399 – Rehabilitation of Runway 9-27, Logan International Airport, East Boston, MA,
Project Budget

Mr. Sleiman presented information on the existing condition of the runway and on the runway rehabilitation schedule.

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 the Rehabilitation of Runway 9-27 (MPA L1399) subject to the following conditions: funds expended for the Rehabilitation of Runway 9-27 Capital Project shall not exceed \$43,000,000.00 (the "Approved Budget"), as shown on the Financial Summary presented at the Board Meeting on April 23, 2020; 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 April 23, 2020. The Chief Executive Officer and 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, Nucci, O’Brien, Pollack, and Sen voted Yes.

Ms. Pollack left the meeting at 11:30 A.M.

Assent Agenda

Modifications to Policy on Bid Thresholds for Goods and Non-Professional Services

Member Fields left the meeting at 11:32 A.M.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, pursuant to a vote of the Members of the Massachusetts Port Authority (the "Board") on September 26, 1995, the Board approved and adopted certain delegations of authority thresholds as well as related policy directives, reporting requirements and internal controls (the "September 1995 Vote"); and

WHEREAS, among the items considered and approved by the Board in the September 1995 Vote were internal controls relating to the procurement of goods and non-professional services; and

WHEREAS, as set forth in the September 1995 Vote, said internal controls required Massport staff to utilize a formal bid procedure whenever procuring goods or non-professional services on behalf of the Authority for which the cost would exceed \$5,000; and

WHEREAS, pursuant to a vote of the Board on July 15, 2004, the Board increased the formal bid threshold for procuring goods and non-professional services from more than \$5,000 to the current threshold of more than \$25,000 (the "July 2004 Vote"); and

WHEREAS, based upon a review of the procurement procedures of comparable governmental entities, the current Authority threshold of \$25,000 or more is significantly lower than the formal bid thresholds in effect for such other entities, resulting in a more cumbersome and less efficient procurement process.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND VOTED:

The threshold for formal bids for the procurement of goods and non-professional services as set forth in the July 2004 Vote is increased from more than \$25,000 to more than \$50,000. Unless specifically amended by this vote or another Board vote, the September 1995 Vote and the July 2004 Vote shall remain in full force and effect.

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

Adjournment

Upon a motion duly made and seconded, it was

VOTED:

To adjourn at 11:35 A.M.

Adjourned at 11:35 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. Written Statement from Enterprise Rent-A-Car Company of Boston