

MASSACHUSETTS PORT AUTHORITY
MINUTES FOR THE REMOTE MEETING
HELD ON OCTOBER 15, 2020 AT 9:00 A.M.

The meeting of the Members of the Massachusetts Port Authority was held on October 15, 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, 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. Pranckevicius 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, Hank Shaw, Chief Security Officer, Michael Meyran, Port Director, Alaina Coppola, Director, Community Relations and Government Affairs, Anna M. Tenaglia, Deputy Director of Administration and Finance, Luciana Burdi, Deputy Director Capital Programs & Environmental Affairs and Michael A. Grieco, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:00 A.M.

Public Comment

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

Ratification and approval of the minutes of the September 17, 2020 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the September 17, 2020 Board Meeting.

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

Chairman's Comments

Mr. Evangelidis thanked the Members and staff for their participation in the remote meeting process which he noted is expected to continue for the foreseeable future.

Report of the CEO

Ms. Pollack joined the meeting at 9:10 A.M.

Ms. Wieland presented information on the U.S. Senate's passage of the Ensuring Health Safety in the Skies Act, on the introduction of U.S. Senate legislation that would require the TSA to conduct passenger temperature checks at airports, on the continuation of Massport's Travel Ambassador Program to educate passengers about the Commonwealth's Travel Order, on the airports and airlines that have begun to offer COVID-19 testing to passengers, on Massport and MEMA's joint table top resiliency exercise, on Massport's staff awareness campaign to prevent cyber security intrusions, on The Federal Reserve's September Beige Book report and its potential implications for Massport, on staff's work with Massport tenants to adapt to the State's easing of restaurant restrictions, on the beginning of construction on the Commonwealth Pier revitalization, on the launch of a survey by Massport and the Worcester Chamber of Commerce to gather information on regional travel demand, on the 2020 Roll Call: Mental Health Check-in event and a Red Cross Blood Drive hosted at Flynn Cruiseport Boston, on Massport receiving the CMAA-NE 2020 Project Achievement Award for work at Logan and Hanscom Field, on Sam Sleiman's induction into "The Moles" a national construction organization, on Massport's virtual Hispanic Heritage Month employee event, on Logan's improved ranking in the J.D. Power 2020 North America Airport Satisfaction Study, on the overhaul of Walmart stores inspired by new design and technology implemented at Logan and other airports, on Massport's August FYTD operating deficit and the use of CARES Act money to fund the deficit, on the expected reimbursement from FEMA for COVID-19 expenditures, on the lack of an agreement between Congress and the White House on a second stimulus package that would include aid for airlines, on Massport's collaboration with City and State agencies to complete work on the Lewis Mall Wharf Dock, on the NWHL Boston Pride's 2020 Championship Banner unveiling in Terminal C, on a food distribution site run by Mass Fallen Heroes and hosted at the MMT, on Massport's 2020 Scholarship & Internship recipients, and on Massport receiving the Northeast Recycling Council 2002 Public Sector Sustainability Leadership Award for its work at Logan.

Director of Aviation Presentation

Mr. Freni presented information on the Logan September and calendar year-to-date passenger and aircraft operations activity, on the number of Logan passengers screened weekly since April, on the number of Logan weekly international passengers from July to October, on the number of Logan daily and monthly scheduled airline seats from July to October, on the percentage of normal operating capacity of major airlines at Logan and system-wide in October, on the extension until October 21st of the existing restrictions between the U.S. borders with Canada and Mexico, on the USDOT and DHS efforts to establish safe travel corridors between the U.S. and international destinations, on JetBlue's commitment to launch its planned London routes next year, on American's reopening seven Admirals Club locations including Logan, on Hanscom private aviation activity rebounding quicker than commercial aviation activity, on the private aviation industry rebound nationally, and on air cargo transport planning for the distribution of COVID-19 vaccines.

Director of Maritime Presentation

Mr. Meyran presented information on U.S. and Chinese regulators suggesting more container ship sailings to add capacity and reduce rates, on CMA-CGM sending the first 15,000 TEU container ship to call on the East Coast, on cyber attacks on container ship operators, on the decrease in U.S. Asian imports nationally and in Boston for the calendar year-to-date, on the increase in Conley's year-over-year container volume in September, on the extension of the CDC No Sail Order until October 31st, and on the cruise industry's minimum standards submission to the CDC for a restart consideration in late 2020.

Strategic Plan Implementation

Maritime Sustainability Plan

Mr. Meyran and Mr. Sleiman presented information on some major Maritime Department initiatives and milestones since 2003, on the cruise and container shipping industries investments in moving toward zero emissions, on Massport's effort to identify future sustainability initiatives, on Massport's maritime sustainability vision, on staff's recently completed baseline study to create a comprehensive maritime emissions profile, on the degree of Massport's control of Scope 1 greenhouse gas emissions in the Port, on the various emissions sources at Massport's maritime facilities, on the similarity of Conley's criteria emissions profile to that of other container ports, on the significant declines in greenhouse gas emissions and criteria emissions since 2005 at Massport's maritime facilities despite record growth in business activity, on Conley's significant decline in landside emissions per TEU since 2005, on suggested key performance indicators, on ongoing and future projects that will positively impact Port emissions metrics, and on next steps.

Maritime Strategic Plan Update

Mr. Meyran and Mr. Sleiman presented information on the impact of the 2021 Asia ocean carrier deployment on Conley's infrastructure timeline, on the Commanding General of the US Army Corps of Engineers visit to the Boston Harbor Dredging project site, on the construction phasing of Conley's Master Plan, on the Conley Berth 10 construction progress, and on the Flynn Cruiseport Boston street improvements.

Safety and Security Committee

COVID-19 Update

Mr. Shaw presented information on Marketplace's efforts to finalize an agreement with a vendor to establish very soon a COVID-19 testing site for passengers and employees at Logan. Mr. Shaw also noted that in preparation for a resurgence of COVID-19 cases, Massport staff is closely monitoring its PPE inventory and procuring additional supplies.

FAA Drone Pilot Program Application

Mr. Shaw presented information on the FAA UAS Detection and Mitigation Research Program pilot solicitation issued in September, and on Massport's application to be one of the five airports to participate in the pilot program.

Human Resources and Compensation Committee

Director, Capital Programs & Environmental Affairs – Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints Luciana Burdi to the position of Director Capital Programs & Environmental Affairs, level 13, effective December 12, 2020, 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, Nucci, O'Brien, Pollack, and Sen voted Yes.

Community Outreach Committee

Massport CAC Update

Ms. Coppola noted that the Massport CAC and Massachusetts federal delegation staff each received a comprehensive presentation by Dr. Hansman on the RNAV Study Block 2 concepts and findings including FAA input.

Real Estate and Strategic Initiatives Committee

Facilities and Construction Committee

MPA L1584 – Fuel Tank, Re-Fueler, Filter, & Building 6 Demolition, Logan International Airport, East Boston, MA, Final Project Budget

Mr. Sleiman presented information on the existing jet fuel distribution system, and on the proposed components and schedule for Phase I and Phase II of the 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 Fuel Tank, Re-Fueler, Filter, & Building 6 Demolition (MPA L1584) subject to the following conditions: funds expended for the Fuel Tank, Re-Fueler, Filter, & Building 6 Demolition Capital Project shall not exceed \$31,500,000.00 (the "Approved Final Budget"), as shown on the Financial Summary presented at the Board Meeting on October 15, 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 Final 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 October 15, 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. The Authority expects and intends to fund all or a portion of this Capital Project with a portion of the proceeds of the Authority's Special Facilities Revenue Bonds (BOSFUEL Project), Series 2019-A (AMT) and 2019-B (Taxable) previously issued on September 26, 2019. 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.

Audit and Finance Committee

Massport Independent Audits

Ms. Sen noted that an Audit and Finance Committee meeting was held prior to the Board Meeting and she thanked staff for all their good work.

FY20 Authority Financial Statements

Mr. Prankevicius provided information on the unmodified opinion issued by Ernst & Young on the Authority's FY20 Financial Statements, on the significant decline in business activity in the fourth quarter due to COVID-19, on the decline in operating income from FY19, on the FY20 revenues, operating expenses, and depreciation expense versus FY19, on the addition of cash to implement Massport's liquidity preservation strategy, and on the balance sheet increase in net position from FY19.

Retirement Benefits Trust Financial Statements

Mr. Prankevicius noted that Ernst & Young issued an unmodified opinion on the Retirement Benefits (OPEB) Trust Financial Statements, that the OPEB Trust fiscal year end was changed from June 30th to December 31st, that the OPEB Trust's six month investment return was above its benchmark, and that the OPEB Trust's funding status increased and that its net liability declined.

Budget Planning Update

Ms. Wieland and Mr. Prankevicius presented information on the FY21 Financial Plan assumption on Logan passenger volume, on the Logan passenger volume forecast for financial sustainability in FY22, on the industry consensus of a three to five year recovery cycle for commercial air travel, on U.S. passenger volume remaining substantially below 2019 levels especially in the Northeast, on little recovery in business travel, on the steep decline in U.S. airline employment, on Boeing and Airbus' downgraded forecasts for the aviation industry, on Logan passenger volume trending below the worst case forecast, on the improvement in the global outlook for container cargo, on the uncertainty of the 2021 global cruise industry, on two possible forecasts for Conley container volume and for Flynn Cruiseport Boston cruise passenger volume, on the decline in Massport's business line margins, and on the options to be explored to address the unprecedented financial challenges ahead.

Financial Liquidity Update

Ms. Tenaglia presented information on the four FY21 liquidity strategies: expanding the Commercial Paper Program to support capital project cash flows, refinancing existing bonds to lower interest expense and restructuring principal payments to provide budget relief, issuing new bonds to pay for existing projects and strategic investments, and evaluating use of the Federal Reserve's Municipal Liquidity Facility.

Assent Agenda

MPA L1555 – Installation of Landside and Airside Electric Vehicle Charging Stations, Logan International Airport, East Boston, MA, Revised Partial Project Budget

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 Installation of Landside and Airside Electric Vehicle Charging Stations (MPA L1555) subject to the following conditions: funds expended for the Installation of Landside and Airside Electric Vehicle Charging Stations Capital Project shall not exceed \$11,500,000.00 (the "Approved Revised Partial Budget"), as shown on the Financial Summary presented at the Board Meeting on October 15, 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 Revised Partial 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 October 15, 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.

MPA L1587 – Automated Screening Lanes, Logan International Airport, East Boston, MA,
Interagency Agreement

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, the Members of the Authority approved a project budget (L1587) to procure, install and maintain Automated Screening Lanes (ASLs) at the security checkpoints in Terminals A, B and C to effectuate the efficient operations and movement of passengers at Boston Logan International Airport (“Logan Airport”); and

WHEREAS, twenty ASLs were procured and placed into service for the sole use by the Transportation Security Administration (TSA) with the intent to convey the ASLs to TSA and have TSA assume maintenance of the ASLs two years after they were placed into service; and

WHEREAS, the first ASL was placed into service in Terminal C in 2018 and the final ASL was placed into service in Terminal B in 2019; and

WHEREAS, the twenty ASLs are at or nearing their two years of service at which time maintenance will be assumed by the TSA; and

WHEREAS, to efficiently track each asset and facilitate the long-term maintenance of the ASLs and to upgrade and modify the ASLs with the next generation of technology, TSA requests the Authority transfer, convey and assign ownership of the twenty ASLs to the TSA to be used at Logan Airport for the useful life of the ASL; and

WHEREAS, staff recommends executing a Bill of Sale with the TSA to transfer, convey and assign ownership of the twenty ASLs to be used at Logan Airport for the useful life of the ASLs.

NOW, THEREFORE, BE IT RESOLVED AND VOTED:

The Chief Executive Officer and Executive Director, the Director of Administration & Finance and Secretary-Treasurer and Assistant Secretary-Treasurer, each acting singly (each, an “Authorized Officer”), are authorized to execute the documents required to transfer ownership of the twenty Automated Screening Lanes to the Transportation Security Administration, and to take such other actions, consistent with this Vote, as may be necessary and appropriate to implement the provisions of this Vote.

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

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 Massport Marine Terminal Parcel 5 – Pilot Seafood, and real estate strategy, 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 strategy with respect to collective bargaining, since a discussion in open session may have a detrimental effect on the bargaining position of the Authority.

That the Authority enter executive session to discuss litigation strategy, specifically regarding a litigation update, since a discussion in open session may have a detrimental effect on the litigating position of the Authority.

Members Evangelidis, Fields, 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 11:15 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