

MASSACHUSETTS PORT AUTHORITY
MINUTES OF THE MEETING HELD ON
NOVEMBER 16, 2017 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 16, 2017. Chairman Lewis G. Evangelidis presided. L. Duane Jackson, Patricia A. Jacobs, John A. Nucci, Sean M. O'Brien, Stephanie L. Pollack, (by telephone), Laura Sen, Thomas P. Glynn, CEO and Executive Director, Catherine McDonald, Chief of Staff, Michelle Kalowski, Acting Chief Legal Counsel, John P. Prankevicius, 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, James Doolin, Chief Development Officer, George Naccara, Chief Security Officer, Joseph Lawless, Director, Maritime Security, 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.

Safety and Security Committee

Mr. Glynn presented information on the various services performed by CSO and ASO employees who are covered by the Minimum Wage Policy, on the minimum wage rates at other airports, and on the positive effect a higher hourly wage has on airport security by reducing employee turnover especially in a competitive labor environment.

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, in 2014, the Massachusetts Legislature voted to increase the state minimum wage, establishing gradual annual increases to the state minimum wage rate beginning in 2015 and continuing through 2017; and

WHEREAS, the Authority's Board subsequently adopted a minimum wage policy ("Policy") for certain Commercial Service Operator (CSO) and Aviation Service Operator (ASO) employees at Boston Logan International Airport ("Airport") on October 16, 2014, in support of the Authority's priorities of safety, security, and efficient operations of its facilities; and

WHEREAS, the Authority's Policy sets forth that certain CSO and ASO employees at the Airport who perform certain covered services should be paid a minimum wage that encourages a stable workforce, and, accordingly, the Policy accelerated by one year the implementation of the gradual increase in the minimum wage rate mandated by the state's 2014 minimum wage law for CSO and ASO employees performing certain covered services; and

WHEREAS, consistent with acceleration of the state minimum wage rate, the Authority's Board voted on October 20, 2016, to maintain its Policy and increase the rate paid pursuant to the Policy through December 31, 2017; and

WHEREAS, certain CSO and ASO Covered Employees are currently paid a lower tipped minimum wage rate by their employer and collect tips from customers to reach the minimum wage rate; and

WHEREAS, establishing a standard minimum wage rate where Covered Employees are not reliant on receiving tips will further encourage a stable workforce and will further support the Authority's priorities of safety, security, and efficient operations at its facilities.

NOW, THEREFORE, BE IT RESOLVED:

The Board hereby delegates to the CEO & Executive Director the authority to amend the Authority's Policy by: (1) increasing the minimum wage rate to \$13.00, for the period of January 1, 2018 through December 31, 2018, for all Covered Employees; and (2) establishing that no Covered Employee shall be paid a tipped rate.

In all other respects the 2014 and 2016 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, Jackson, Jacobs, Nucci, O'Brien, Pollack (by telephone), and Sen voted Yes.

Ms. Pollack joined the meeting by telephone at 9:22 A.M.

Training Legislation

Mr. Glynn noted that Authority staff and SEIU representatives are close to finalizing a plan to provide additional security training for Commercial Service Operator (CSO) employees at Logan.

Director – Maritime Security

Mr. Glynn recognized Joe Lawless on his retirement following thirty-seven years of law enforcement and security experience. Mr. Lawless thanked the Members, Mr. Glynn, and all his colleagues for their support.

Motion to Enter Executive Session

Upon a motion duly made and seconded, it was

VOTED:

That the Authority enter executive session to discuss litigation strategy, specifically regarding the Conservation Law Foundation Agreement, since a discussion in open session may have a detrimental effect on the litigating position of the Authority; and

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

Members Evangelidis, Jackson, Jacobs, Nucci, O'Brien, Pollack (by telephone), and Sen voted Yes.

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

The public session recessed at 9:30 A.M.

The public session reconvened at 10:00 A.M.

Public Comment

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

Ratification and approval of the minutes of the October 19, 2017 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the October 19, 2017 Board Meeting.

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

Chairman's Comments

Mr. Evangelidis noted that later in the meeting Mr. Glynn would provide an overview and an update on the 2014 Strategic Plan. Mr. Evangelidis also noted that considering all that the Authority has accomplished, it is important that the Authority continue to make that story known.

Report of the CEO

Mr. Glynn presented information on new airline security measures on U.S. bound flights, on the appointment of the new leader of the State Police, on the Thanksgiving travel press event, on the electric vehicle test drive event, on the Worcester Airport 450,000 passenger milestone and the events promoting the JetBlue service to JFK, on Holland America's announcement of two sailings to Cuba in 2018, on the opening of the Thomas Butler Dedicated Freight Corridor and Memorial Park in South Boston, on the funding of the South Boston Foundation and on the East Boston commitments event, on the announcement of the East Boston ICA opening exhibit, on a reduction in greenhouse gases at Logan, and on the Head of the Charles Regatta exhibit in Terminal B, and on the new owner's development proposal for Suffolk Downs. Mr. Freni presented information on the Logan snow equipment readiness drill, on the 7.3% increase in Logan passengers in October over last year, on the new quieter FAA Stage 5 aircraft noise standard, on the results of the undercover TSA screener testing, and on the resignation of the CEO of El Al Airlines.

Strategic Plan Implementation

Mr. Glynn presented an overview of the 2014 Strategic Plan including the strategic vision, the timeline, and the Aviation, Maritime, Real Estate, and Diversity & Inclusive recommendations. Mr. Glynn also provided an update on Strategic Plan II.

Maritime Presentation

Ms. Wieland presented information on some marketplace trends including the consolidation in the container shipping industry, the deployment of larger vessels, new port alliances, business opportunities and risks, increased demand for cruising and larger cruise ships, the Authority's maritime mission and its economic impact, Strategic Plan I results, and strategic challenges for the Conley Terminal container business.

Public Education Responsibility

Due to time constraints, Public Education Responsibility was not discussed.

Human Resources and Compensation Committee

Open Meeting Law

Mr. Evangelidis noted that copies of the two complaints had been provided to the Members.

Community Outreach Committee

Massport CAC Update

Mr. Glynn noted recent RNAV briefings by Authority staff to Congressmen Capuano and Lynch and to State Legislators, a CAC Aviation Subcommittee meeting, and a RNAV Public Information Hearing.

Real Estate and Strategic Initiatives Committee

Amazon HQ2

Due to time constraints, the Amazon HQ2 was not discussed.

Facilities and Construction Committee

MPA L1375 – Terminal B Optimization, Logan International Airport, East Boston, MA,
Revised Partial Project Budget

Mr. Sleiman presented information on the project elements including consolidating checkpoint and ticketing locations, on the 18 contact gate positions for American Airlines, on the new concession and club space, on the new baggage handling systems, and on the new passenger holdroom space.

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer 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 Terminal B Optimization (MPA L1375) subject to the following conditions: funds expended for the Terminal B Optimization Capital Project shall not exceed \$90,000,000.00 (the "Approved Revised Partial Project Budget"), as shown on the Financial Summary presented at the Board Meeting on November 16, 2017; 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 Terminal B Optimization 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 Revised Partial Project 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 back up materials presented at the Board Meeting on November 16, 2017. The CEO & 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 intends to fund all or a portion of the cost of this Capital Project with tax exempt bonds. 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, Jackson, Jacobs, Nucci, O'Brien, and Sen voted Yes.

MPA L1552 – American Airlines Baggage Handling System, Logan International Airport, East Boston, MA, Project Budget

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer 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 American Airlines Baggage Handling System (MPA L1552) subject to the following conditions: funds expended for the American Airlines Baggage Handling System Capital Project shall not exceed \$36,000,000.00 (the "Approved Budget"), as shown on the Financial Summary presented at the Board Meeting on November 16, 2017; 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 American Airlines Baggage Handling System 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 back up materials presented at the Board Meeting on November 16, 2017. The CEO & 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, Jackson, Jacobs, Nucci, O'Brien, and Sen voted Yes.

Audit and Finance Committee

International Air Service Incentive Program Extension

Mr. Gallagher presented information on the program's goals, requirements, and history, and on some industry benchmarks for marketing assistance and fee waiver.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, Authority adopted an International Air Service Incentive Program ("Program") in 2008 to attract new international service from Boston Logan International Airport ("Logan Airport") to Asia, Latin America, and the Middle East; and

WHEREAS, under the terms of the Program, air carriers who offer year-round, scheduled nonstop service to a new destination in Asia, Latin American or the Middle East, at least three times per week, are eligible for landing fee credits over a two year period and marketing support for a one year period; and

WHEREAS, the Program is designed to help minimize an air carrier's initial business risk in offering a new international route from Logan Airport and, as most other major airports offer financial incentives to attract new international service, the Program enables Logan Airport compete with other airports in North America that are vying for the same international destinations; and

WHEREAS, the Program has been instrumental in the Authority's success in attracting nonstop service to twelve new international destinations (Tokyo, Beijing, Shanghai, Hong Kong, Tel Aviv, Dubai, Doha, Istanbul, Mexico City, Panama City, Bogota, and Sao Paulo) from Logan Airport, all of which have qualified for the Program; and

WHEREAS, Logan Airport now offers nonstop service to 54 international destinations; and

WHEREAS, the term of the Program has been extended on three occasions in the past and the current term is scheduled to expire on December 31, 2017; and

WHEREAS, an extension of the Program would continue to enhance the Authority's ability to attract additional nonstop international service to new international destinations.

NOW, THEREFORE, BE IT RESOLVED AND VOTED:

To amend the Authority's current International Air Service Program ("Program") by extending the effective date of the Program by three years (January 1, 2018 – December 31, 2020).

The Chief Executive Officer and 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, Jackson, Jacobs, Nucci, O'Brien, and Sen voted Yes.

Assent Agenda

MPA M550 – Two New Rubber Tired Gantry Cranes, Paul W. Conley Terminal, South Boston, MA, Project Budget

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer 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 Two New Rubber Tired Gantry Cranes (MPA M550) subject to the following conditions: funds expended for the Two New Rubber Tired Gantry Cranes Capital Project shall not exceed \$4,000,000.00 (the "Approved Budget"), as shown on the Financial Summary presented at the Board Meeting on November 16, 2017; 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 Two New Rubber Tired Gantry Cranes 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 back up materials presented at the Board Meeting on November 16, 2017. The CEO & 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, Jackson, Jacobs, Nucci, O'Brien, and Sen voted Yes.

MPA L1360 – Public Address Systems Upgrade, Logan International Airport, East Boston, MA,
Project Budget

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer 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 Public Address Systems Upgrade (MPA L1360) subject to the following conditions: funds expended for the Public Address Systems Upgrade Capital Project shall not exceed \$2,500,000.00 (the "Approved Budget"), as shown on the Financial Summary presented at the Board Meeting on November 16, 2017; 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 Public Address Systems Upgrade 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 back up materials presented at the Board Meeting on November 16, 2017. The CEO & 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, Jackson, Jacobs, Nucci, O'Brien, and Sen voted Yes.

MPA M567 - Conley Yard Tractors - FASTLANE Grant Program, Paul W. Conley Terminal, South Boston, MA, Revised Partial Project Budget

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer 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 Conley Yard Tractors - FASTLANE Grant Program (MPA M567) subject to the following conditions: funds expended for the Conley Yard Tractors - FASTLANE Grant Program Capital Project shall not exceed \$52,353,423.00 (the "Approved Revised Partial Project Budget"), as shown on the Financial Summary presented at the Board Meeting on November 16, 2017; 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 Conley Yard Tractors - FASTLANE Grant Program 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 Revised Partial Project 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 back up materials presented at the Board Meeting on November 16, 2017. The CEO & 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, Jackson, Jacobs, Nucci, O'Brien, and Sen voted Yes.

Hanscom Fee Collection & Billing System Option Years Contract Amendment

Upon a motion duly made and seconded, it was

VOTED:

To authorize the Chief Executive Officer and Executive Director, the Secretary-Treasurer or Assistant Secretary-Treasurer, each acting singly (each, an "Authorized Officer"), to take all actions necessary or desirable to negotiate, execute and deliver on behalf of the Authority an Amendment to the Aircraft Operating Fee Collection System Operating Agreement ("Agreement") between the Authority and Vector Airport Systems LLC ("Vector") pursuant to which the term of the Agreement shall be extended for two (2) years through November 30, 2019 and the compensation paid to Vector shall be reduced to eighteen percent (18%) of the amount of Operating Fees it collects each month payable in monthly installments in arrears.

The Amendment shall contain such other terms and conditions not inconsistent with this vote as the Authorized Officer executing such Amendment in accordance with this vote deems necessary or desirable.

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

Passenger Loading Bridge Maintenance Option Years Contract Amendment

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer to execute on behalf of the Authority an amendment to the agreement with Engie Services, Inc. in order to exercise two, one-year option periods for maintenance and repair services for passenger loading bridges at Logan Airport and Worcester Airport. Under the terms of the amendment the not-to-exceed amount will be increased \$899,328.00 resulting in a total not-to-exceed amount of \$2,575,340.15 for the period ending December 31, 2019. The amendment shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

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

Energy Consultant Contract Amendment

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer to execute on behalf of the Authority an amendment to the agreement with Daymark Energy Advisors for energy consultant services. Under the terms of the amendment, the not-to-exceed amount will be increased \$100,000.00, resulting in a total not-to-exceed amount of \$1,200,000.00 for the six year period ending February 28, 2018. The amendment shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

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

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 Massport Marine Terminal Parcel 4, the Eversource easement, the Parcel K Development, and 150 Seaport Boulevard easement, since a discussion in open session may have a detrimental effect on the negotiating position of the Authority; and

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

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

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

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

The public session adjourned at 11:30 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