

MASSACHUSETTS PORT AUTHORITY
MINUTES OF THE MEETING HELD ON
SEPTEMBER 20, 2018 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 September 20, 2018. Chairman Lewis G. Evangelidis presided. L. Duane Jackson, Patricia A. Jacobs, John A. Nucci, Sean M. O'Brien, Stephanie L. Pollack, 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, Andrew Hargens, Chief Development Officer, Daniel Gallagher, Director of Aviation Business and Finance, Hayes Morrison, Deputy Director, Maritime & Transportation Planning, Flavio Leo, Director Strategic & Business Planning, David Gambone, Director of Human Resources, Anna Tenaglia, Director of Treasury, 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 July 19, 2018 Board Meeting and the August 15, 2018 Special Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the July 19, 2018 Board Meeting and the August 15, 2018 Special Board Meeting.

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

Ms. Jacobs joined the meeting at 9:15 A.M.

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

Chairman's Comments

Report of the CEO

Mr. Glynn presented information on the nation's second longest economic expansion, on some risks to the State and Boston economies, on the outlook of higher airline fuel costs and lower profitability, on TSA's record-breaking summer travel season, on new and expanded airline services at Logan, on the new concessions coming to Logan, on Logan's new JD Power ranking, on Delta's new Worcester to Detroit service, on some 9/11 memorial events, on the Economic Development Bill funding for the Flynn Cruiseport, on Lisa Wieland's appointment as Chair of the U.S. Maritime Transportation System National Advisory Committee, on the retirement of Francis Anglin and the appointment of Tom Domenico as acting CIO, on the announcement of Sam Sleiman receiving the Construction Management Association of America Person of the Year Award, on Flavio Leo's presentation at the Northeast Corridor Next Gen Integration Working Group, on Boston's rank as the tenth most congested city in the country, and on a comparison of the Massport and MBTA pension systems. Mr. Freni presented information on a single engine aircraft headed to Hanscom Field that crashed in Woburn, on the record passenger volume at Logan in August, on the year-to-date passengers at Logan that is 1.7 million higher than the same period in 2017, and on facial recognition technology that is being tested at fourteen airports including Logan.

Strategic Plan Implementation

Ground Transportation Strategy

Mr. Leo presented information on Logan's faster than forecasted passenger growth, on Logan's runway throughput being adequate to handle expected airside growth, and on some near term projects to improve landside capacity and reduce terminal roadway and curb congestion. Ms. Morrison presented information on the growth in passengers at Worcester Airport, on a remote baggage check-in pilot program, on locations promoting HOV use, on the geography of Logan's HOV markets, on the Logan Express Bus service, on the free inbound Silver Line service from Logan to South Station, on the Authority's total HOV investment over twenty years, on the impact of TNCs on Logan landside operations, on the benefits of implementing a parking reservation system, and on conducting additional analysis on potential economy parking offerings.

Flynn Cruiseport Boston

Ms. Wieland presented information on the \$100 million for the Cruiseport in the 2018 Economic Development legislation, on the twenty cruise lines calling the Cruiseport, on the Cruiseport's contribution to the State's business and tourism industry, on the Authority's capital investments in the Cruiseport, on the factors contributing to passenger growth tracking the high forecast, on new 2018 cruise itineraries, on the trend to larger cruise ships seeking to call the Cruiseport, on the Cruiseport improvements needed for future operations and to capture growth opportunities, and on some next steps.

Safety and Security Committee

State Police Update

Mr. Freni noted the August 20th meeting between State Police Colonel Gilpin and Authority staff regarding Troop F staffing, and the possibility of funding a portion of the next State Police training class.

Commissary

Mr. Freni presented information on the Logan Receiving Distribution Program (RDP) to begin operations in October under the direction of Marketplace Development, on centralizing the receipt, security inspection, and redistribution of Logan's inbound goods to one central throughput facility, on RDP's consolidation of supplies for scheduled deliveries to Logan's terminals post-security, on RDP's reduction in truck trips and curb congestion, and on designated routes between the RDP and Logan's North and South Gates.

Human Resources and Compensation Committee

CEO Performance Review and Annual Compensation Adjustment

Upon a motion duly made and seconded, it was

VOTED:

To award the Chief Executive Officer of the Authority a compensation adjustment based on Mr. Glynn's performance under his Employment Agreement and consistent with the Authority's annual performance-based merit increase program. Such increase for the CEO will be 3.0%, effective as of July 1, 2018.

The Chief Human Resources Officer is hereby authorized to amend the annual compensation of the Chief Executive Officer in accordance with this vote.

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

Preliminary Screening Committee Update

Mr. Evangelidis and Ms. Pollack presented information on the three phases of the search process and on the number of members on the Preliminary Screening Committee during Phase I and Phase II. Ms. Kalowski presented information on the Open Meeting Law as it relates to a Preliminary Screening Committee comprised of four members versus one comprised of three members. Mr. Nucci said that he would be in favor of a three member committee for both Phases I and II since three members is less than a quorum of the Board. After a discussion among the Members regarding the number of members of the Preliminary Screening Committee during Phase I and Phase II, the attached motion was proposed and voted. Following the vote, Mr. Evangelidis and Ms. Pollack noted the goal of getting any comments on the CEO job description to Mr. Gambone by the next day, to complete and issue the Executive Search Firm RFP next week, and to make an executive search firm selection at the November Board Meeting.

Composition of Preliminary Screening Committee for CEO/Executive Director

Upon a motion duly made and seconded, it was

VOTED:

The Preliminary Screening Committee, as established on August 15, 2018, shall conduct the search for the new CEO/Executive Director in three phases. In the initial phase, during which an executive search firm shall be selected, the Preliminary Screening Committee shall be composed of four Members; in the second phase, during which applications for the job will be reviewed and the pool of applicants will be narrowed to finalists, the Preliminary Screening Committee shall be composed of three Members, which Members shall be determined at a later time; and in the third phase, in which finalists shall be interviewed and a final candidate shall be selected, all seven Members of the Board shall participate.

Except as expressly amended by this Vote, the Vote of August 15, 2018 is hereby ratified and confirmed.

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

Member Nucci voted No.

Director of Strategic & Business Planning – Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints Joel Barrera to the position of Director, Strategic & Business Planning, level 12, at an annual salary within the established guidelines for that position as recommended by the Chief Human Resources Officer and approved by the Chief Executive Officer. This position will report directly to the CEO & Executive Director and will be effective October 10, 2018.

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

Director of Aviation Term

Upon a motion duly made and seconded, it was

VOTED:

To extend the Employment Agreement dated February 21, 2013, and entered into by the Authority and Mr. Edward C. Freni, as the Authority's Director of Aviation, consistent with the terms contained therein, through December 31, 2023.

The Chief Executive Officer, Secretary-Treasurer, or Assistant Secretary-Treasurer each acting singly, are hereby authorized to execute such amendment to the Employment Agreement on behalf of the Authority consistent with the provisions of this Vote.

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

Community Outreach Committee

Massport CAC Update

Due to time constraints, the Massport CAC Update was not discussed.

Real Estate and Strategic Initiatives Committee

Easement Guidelines

Due to time constraints, the Easement Guidelines was not discussed.

U.S. Department of the Army Land Exchange/Fort Devens Improvements

Due to time constraints, the U.S. Department of the Army Land Exchange/Fort Devens Improvements was not discussed.

Facilities and Construction Committee

MPA M545 – New Berth 10 & Cranes at Coastal, Paul W. Conley Terminal, South Boston, MA,
Revised Partial Project Budget

Mr. Sleiman presented information on the components of the Berth 10 construction project, on the dredging and rock removal component, on the purchase of three new ship-to-shore cranes, and on the project budget and schedule.

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 New Berth 10 & Cranes at Coastal (MPA M545) subject to the following conditions: funds expended for the New Berth 10 & Cranes at Coastal Capital Project shall not exceed \$165,000,000.00 (the "Approved Revised Partial Budget"), as shown on the Financial Summary presented at the Board Meeting on September 20, 2018; 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 New Berth 10 & Cranes at Coastal 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 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 September 20, 2018. 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, Nucci, Pollack, O'Brien, and Sen voted Yes.

Member Jacobs was out of the room.

MPA L1332 – Terminal B to C Roadway Improvements, Logan International Airport, East Boston, MA,
Revised Partial Project Budget

Mr. Sleiman presented information on the project scope and goals, on some issues with the existing roadway condition, on a proposed concept solution, and on the project schedule.

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 to C Roadway Improvements (MPA L1332) subject to the following conditions: funds expended for the Terminal B to C Roadway Improvements Capital Project shall not exceed \$75,000,000.00 (the "Approved Revised Partial Budget"), as shown on the Financial Summary presented at the Board Meeting on September 20, 2018; 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 to C Roadway Improvements 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 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 September 20, 2018. 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, Pollack, O'Brien, and Sen voted Yes.

MPA L1548 – Terminal C Canopy and Upper Deck, Logan International Airport, East Boston, MA,
Revised Partial Project Budget

Mr. Sleiman presented information on some existing issues to be resolved by the project, on the proposed canopy design, on the proposed addition of traffic lines and curb space, on the construction of three new passenger elevators, on the project phasing, and on the Old Tower tenant relocations.

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 C Canopy and Upper Deck (MPA L1548) subject to the following conditions: funds expended for the Terminal C Canopy and Upper Deck Capital Project shall not exceed \$35,000,000.00 (the "Approved Revised Partial Budget"), as shown on the Financial Summary presented at the Board Meeting on September 20, 2018; 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 C Canopy and Upper Deck 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 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 September 20, 2018. 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, Pollack, O'Brien, and Sen voted Yes.

Terminal B Optimization Project Update

Mr. Sleiman presented information on the Great Space and checkpoint opening dates, on the new concessions, on the new façade and interior design, and on the new sports themed exhibits.

Audit and Finance Committee

Logan Rates and Charges Presentation

Mr. Gallagher presented information on how airline rates and charges (“rates”) are determined, on the two rates methodologies used, on the rates timeline, on the annual revenue generated, on the Fiscal Year 2018 true up, on the proposed new rates, and on a comparison of Logan’s cost per enplaned passenger to some other airports.

Logan Landing Fee

Upon a motion duly made and seconded, it was

VOTED:

To establish on behalf of the Authority in accordance with 740 CMR 21.24 a landing fee rate at Boston-Logan International Airport of \$4.59 per thousand pounds of certificated landed weight of the aircraft conducting the particular landing operation with a minimum landing fee of \$30.00 for fixed wing aircraft and \$30.00 for rotary wing aircraft. This rate shall be effective from October 1, 2018, through September 30, 2019, or until a new rate is established.

To establish on behalf of the Authority in accordance with 740 CMR 21.24 and 740 CMR 21.100, Appendix C, an adjustment to the landing fee rate at Boston-Logan International Airport for the period of October 1, 2017, through September 30, 2018, which landing fee rate shall be \$4.60 per thousand pounds of certificated landed weight of the aircraft conducting the particular landing operation with a minimum landing fee of \$30.00 for fixed wing aircraft and \$30.00 for rotary wing aircraft.

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

Logan Terminal Building Rental Rates

Upon a motion duly made and seconded, it was

VOTED:

To establish on behalf of the Authority the following terminal building rates, passenger fees, cargo building, land and other rates for Boston-Logan International Airport. The rates shall be effective from October 1, 2018, through September 30, 2019, or until new rates are established.

A. <u>Building Rates:</u>	<u>Rate</u>
Terminal A	\$202.73 per square foot per year
Terminal A Rate Per Gate Fee	\$1,428,015 per gate per year
Terminal B	\$161.31 per square foot per year
Terminal B BHS Facility	\$11.65 per square foot per year
Terminal C - Main Terminal	\$194.35 per square foot per year
Terminal C - Upper Piers	\$144.97 per square foot per year
Terminal C - Lower Piers	\$75.95 per square foot per year
Terminal C – Pier A Upper Pier	\$122.86 per square foot per year
Terminal C – Pier A Lower Pier	\$117.54 per square foot per year
Terminal E - Type 1 Space	\$121.41 per square foot per year
Terminal E - Type 2 Space	\$124.41 per square foot per year
Terminal E - Type 3 Space	\$134.91 per square foot per year
Amelia Earhart (Regional Carrier Facility)	\$47.81 per square foot per year
B. <u>Passenger Fees:</u>	<u>Terminal E Common Use Facilities</u>
Inbound International	\$12.67 per passenger
Outbound	\$ 3.61 per passenger
Inbound Non-FIS/Domestic	\$12.67 per passenger
Check in Fee	\$ 6.71 per passenger
C. <u>Terminals A, B & C Common Use Gates & Check In Counters</u>	
Exclusive & Preferential Bridge Charge	\$3,823 per month
Common Use Bridge and Holdroom Charges	\$2.23 per inbound passenger \$5.66 per outbound passenger
Check in Fee	\$6.71 per passenger
D. <u>Land Rates</u>	
Land	\$5.05 per square foot per year

To establish on behalf of the Authority an adjustment to the terminal building rates and passenger fees for Boston-Logan International Airport for the period of October 1, 2017, through September 30, 2018, which shall be as follows:

<u>A. Building Rates:</u>	<u>Rate</u>
Terminal A	\$189.18 per square foot per year
Terminal A Rate Per Gate Fee	\$1,332,589 per gate per year
Terminal B	\$125.85 per square foot per year
Terminal B Public Space Utilities	\$11.21 per square foot per year
Terminal C - Main Terminal	\$186.66 per square foot per year
Terminal C - Upper Piers	\$135.38 per square foot per year
Terminal C - Lower Piers	\$69.88 per square foot per year
Terminal C - Pier A Upper Pier	\$115.93 per square foot per year
Terminal C - Pier A Lower Pier	\$112.86 per square foot per year
Terminal E - Type 1 Space	\$110.57 per square foot per year
Terminal E - Type 2 Space	\$113.57 per square foot per year
Terminal E - Type 3 Space	\$124.07 per square foot per year
Amelia Earhart (Regional Carrier Facility)	\$38.65 per square foot per year

<u>B. Passenger Fees:</u>	<u>Terminal E Common Use Facilities</u>
Inbound International	\$12.03 per passenger
Outbound	\$ 3.61 per passenger
Inbound Non-FIS/Domestic	\$12.03 per passenger
Check in Fee	\$ 6.15 per passenger

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

Logan Baggage Screening Facility Fee

Upon a motion duly made and seconded, it was

VOTED:

To establish on behalf of the Authority a Baggage Screening Facility Fee at Boston-Logan International Airport of \$1.61 per checked bag billable to each airline checking bags. This rate shall be effective from October 1, 2018, through September 30, 2019, or until a new rate is established.

To establish on behalf of the Authority an adjustment to the Baggage Screening Facility Fee at Boston-Logan International Airport which Baggage Screening Facility Fee shall be \$1.61 per checked bag for the period October 1, 2017, through September 30, 2018.

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

Logan General Aviation User Fee

Upon a motion duly made and seconded, it was

VOTED:

To establish on behalf of the Authority the following General Aviation User Fees at Boston-Logan International Airport:

<u>Types of Aircraft</u>	<u>Fee per Departure</u>
All Category A	\$150.00
All Category B	\$100.00
All Category C	\$74.00
All Category D	\$49.00

These rates shall be effective from October 1, 2018, through September 30, 2019, or until a new rate is established.

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

Logan Aircraft Parking Fee

Upon a motion duly made and seconded, it was

VOTED:

To establish on behalf of the Authority the parking rates for all ramp areas for Boston-Logan International Airport. The rates shall be effective from October 1, 2018, through September 30, 2019, or until new rates are established.

Category	Aircraft <u>Wingspan</u>	0-4 <u>Hrs</u>	Over 4 Hrs to <u>8 Hrs</u>	Over 8 Hrs to <u>16 Hrs</u>	Over 16 Hrs to <u>24Hrs</u>	Over 24 Hrs to <u>32 Hrs</u>	Over 32 Hrs to <u>48 Hrs</u>
Z	215 ft & over	\$321	\$426	\$748	\$860	\$1,280	\$1,717
A	166-214 ft	\$286	\$379	\$663	\$763	\$1,138	\$1,523
B	126-165 ft	\$190	\$256	\$449	\$508	\$768	\$1,026
C	96-125 ft	\$134	\$168	\$293	\$339	\$505	\$679
D	81-95 ft	\$75	\$97	\$167	\$188	\$289	\$385
E	66-80 ft	\$47	\$60	\$107	\$127	\$185	\$246
F	0-65 ft	\$42	\$42	\$60	\$75	\$109	\$142

For each subsequent day or any part thereof add the 24 hour rate

Carriers may reserve one or more spaces for the month, and shall pay the 24 hour rate multiplied by the number of days in the month per space.

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

Logan Rental Car Center Rental Rates

Upon a motion duly made and seconded, it was

VOTED:

To establish on behalf of the Authority the following facility rates and fees for the Rental Car Center at Boston Logan Airport. The rates and fees shall be effective from October 1, 2018, through September 30, 2019, or until new rates are established.

<u>A. Facility Rates</u>	<u>Rate</u>
Customer Service Center Facility Rent	\$309.62 per square foot per year
Garage Facility Rent (Levels 1-3)	\$2.24 per square foot per year
Garage Facility Rent (Roof Level)	\$1.13 per square foot per year
Quick Turn Around Facility Rent	\$4.79 per square foot per year

<u>B. Fees</u>	<u>Rate</u>
Common Airport Transit System Fee (“CATS”)	\$5.73 per rental car transaction
Rental Car Center Facility Access Fee (“FAC”)	\$2.50 per rental car transaction

To establish on behalf of the Authority an adjustment to the following facility rates and fees for the Rental Car Center at Boston Logan Airport effective from October 1, 2017, through September 30, 2018.

<u>A. Facility Rates</u>	<u>Rate</u>
Customer Service Center Facility Rent	\$238.06 per square foot per year
Garage Facility Rent (Levels 1-3)	\$2.26 per square foot per year
Garage Facility Rent (Roof Level)	\$1.14 per square foot per year
Quick Turn Around Facility Rent	\$4.68 per square foot per year

<u>B. Fees</u>	<u>Rate</u>
Common Airport Transit System Fee (“CATS”)	\$5.53 per rental car transaction
Rental Car Center Facility Access Fee (“FAC”)	\$2.50 per rental car transaction

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

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

Mr. Glynn noted the competition for labor from current and future employers in the area around Logan, that the recommended increase to the policy will be \$2.00 above the State minimum wage in 2019, and that the State minimum wage will increase to \$15.00 by 2023.

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 ("Covered Employees") 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 also voted on November 16, 2017 to maintain its Policy and increase the rate paid pursuant to its Policy through December 31, 2018, as well as to eliminate a tipped employee rate for Covered Employees; and

WHEREAS, in 2018, the Massachusetts Legislature voted to increase the state minimum wage, establishing gradual annual increases to the state minimum wage beginning in 2019 and continuing to 2023, when the state minimum wage rate will be \$15.00 per hour; and

WHEREAS, the Authority desires to update its Policy and to accelerate implementation of the state's 2018 minimum wage law.

NOW, THEREFORE, BE IT RESOLVED:

The Board hereby amends the Authority's Policy increasing the minimum wage rate to \$14.00, for the period of January 1, 2019 through December 31, 2019, for all Covered Employees.

In all other respects the 2014, 2016 and 2017 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, Pollack, O'Brien, and Sen voted Yes.

Berth 10 & STS Cranes Accelerated Financing Plan

Ms. Tenaglia presented information on the Conley Terminal Berth 10 Project financing plan, on the timing of the State portion of the funding for the project, on the Authority's use of a bank credit facility to fund the construction prior to receipt of the State portion of the funding, on the timeline and status of the Bank Credit Facility RFP, and on the next steps.

Assent Agenda

MPA L1018 – Heating, Ventilating, Air-Conditioning (HVAC) Replacement Program, Logan International Airport, East 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 Heating, Ventilating, Air-Conditioning (HVAC) Replacement Program (MPA L1018) subject to the following conditions: funds expended for the Heating, Ventilating, Air-Conditioning (HVAC) Replacement Program Capital Project shall not exceed \$48,000,000.00 (the "Approved Revised Partial Budget"), as shown on the Financial Summary presented at the Board Meeting on September 20, 2018; 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 Heating, Ventilating, Air-Conditioning (HVAC) Replacement 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 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 September 20, 2018. 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, Pollack, O'Brien, and Sen voted Yes.

MPA L1584 – Fuel Tank, Re-Fueler, Filter, and Building 6 Demolition, Logan International Airport, East Boston, MA, 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 Fuel Tank, Re-Fueler, Filter, and Building 6 Demolition (MPA L1584) subject to the following conditions: funds expended for the Fuel Tank, Re-Fueler, Filter, and Building 6 Demolition Capital Project shall not exceed \$15,000,000.00 (the "Approved Partial Budget"), as shown on the Financial Summary presented at the Board Meeting on September 20, 2018; 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 Fuel Tank, Re-Fueler, Filter, and Building 6 Demolition 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 Partial 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 September 20, 2018. 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, Pollack, O'Brien, and Sen voted Yes.

MPA L1555 – Installation of Landside/Airside Electric Vehicle Charging Stations, Logan International Airport, East Boston, MA, 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 Installation of Landside/Airside Electric Vehicle Charging Stations (MPA L1555) subject to the following conditions: funds expended for the Installation of Landside/Airside Electric Vehicle Charging Stations Capital Project shall not exceed \$10,000,000.00 (the "Approved Partial Budget"), as shown on the Financial Summary presented at the Board Meeting on September 20, 2018; 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 Installation of Landside/Airside Electric Vehicle Charging Stations 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 Partial 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 September 20, 2018. 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, Pollack, O'Brien, and Sen voted Yes.

MPA AP1810-S1 – Trust Agreement Engineer, Authority-wide, Consultant Contract

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 agreement for MPA AP1810-S1 – Trust Agreement Engineer with HNTB Corporation in the not-to-exceed amount of \$6,000,000.00. The agreement 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, Pollack, O'Brien, and Sen voted Yes.

Waste Hauling Services 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 to execute on behalf of the Authority an Amendment to the Agreement with Republic Services, through its subsidiary Allied Waste Services of Massachusetts, LLC, for waste hauling including recycling services, to increase the not-to-exceed amount by \$950,000 resulting in a total not-to-exceed amount of \$7,060,791 for the five-year term ending November 17, 2018.

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, Pollack, O’Brien, and Sen voted Yes.

Worcester Air Service Incentive Program Amendment

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, the Authority adopted a Worcester Air Service Incentive Program (“Program”) in 2012 to attract new non-stop roundtrip commercial air service to Worcester Regional Airport (“Worcester”) to top leisure and business destinations; and

WHEREAS, under the terms of the Program the Authority offered air carriers credits of airport fees/charges for two years, and provided marketing assistance of \$100,000 per new destination; and

WHEREAS, the Program was designed to help minimize the air carrier’s initial business risk in providing new commercial air service from Worcester; and

WHEREAS, the Program was instrumental in attracting JetBlue Airways Corporation (“JetBlue”) to Worcester, and, as a result of the Program, JetBlue began offering daily nonstop roundtrip service between Worcester and Orlando and Fort Lauderdale, Florida in November 2013, and service to New York City in May 2018; and

WHEREAS, the term of the Program was previously extended in 2015 and the current term expired on June 30, 2018; and

WHEREAS, an extension of the Program through September 30, 2021 will continue to enhance the Authority's ability to attract additional nonstop roundtrip commercial air service to Worcester; and

WHEREAS, staff recommends that the Program be extended through September 30, 2021 and be amended, effective October 1, 2018, to (1) increase marketing assistance to \$150,000 (from \$100,000); and (2) require a minimum of 2 weekly scheduled nonstop roundtrips (previously 3 weekly scheduled nonstop roundtrips), operated continuously for a minimum of 6 months.

NOW, THEREFORE, BE IT RESOLVED AND VOTED:

To extend the Program through September 30, 2021 and amend the Program effective October 1, 2018, consistent with and containing substantially similar terms and conditions as those described in Attachment A to this vote.

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

ATTACHMENT A

**Massport - Worcester Regional Airport
Worcester Air Service Incentive Program**

September 20, 2018

Program Qualifications:

- Program is effective through September 30, 2021, and amended effective October 1, 2018.
- Offered to all certificated passenger air carriers for the duration of the Program.
- Air carrier must provide scheduled nonstop roundtrip service to any new destination, operated at least 2x weekly, continuously for a minimum of 6 months.
 - o A 'new' destination above is defined as a city that does not have any scheduled nonstop roundtrip service to/from Worcester Regional as of the effective date of the Program.
- No requirement to become a signatory tenant at Worcester Regional Airport, but carrier must sign an operating agreement with Massport.

Program Structure:

- Credit of ORH Airport Fees/Charges as follows:
 - o Landing Fees
 - o Jetbridge Fees
 - o Overnight Aircraft Parking
 - o Terminal Rent
- Credit of 100% for year 1, 100% for year 2.
- Credit applies to service to the new destination only.
- Funds would be credited quarterly to the carrier against future fees in the following quarter, or rebated in the following quarter in the event of service suspension, after minimum service period.
 - Based on daily, year-round service to a single new destination using an E190, by way of example, the estimated annual value of ORH Airport credit is:

o Landing fee:	\$42,486
o Jetbridge fee:	\$6,406
o Overnight a/c parking:	\$25,919
o <u>Terminal rent (est.):</u>	<u>\$87,188</u>
Total:	\$161,999

Marketing Support:

- o Provide comprehensive cooperative advertising campaign to market the new destination and the carrier which may include but is not limited to: (1) representation at domestic local central Massachusetts events and travel and tourism trade shows to promote Worcester Regional Airport, the region of New England, the new destination and the carrier's air service thereto; (2) on-airport advertising including, terminal public spaces, exhibitions and events; and (3) off-airport advertising at the discretion of the carrier to potentially include radio, print, online/digital, local public transportation, and Out of Home advertising(s). Community and Partner outreach to provide marketing materials for presentations, conferences, events. Campaign to last 1 year, at no cost to the carrier.
 - Qualifying new nonstop service would receive \$150,000 in support per destination.

General:

- Worcester Air Service Incentive Program will be funded from Massport's Non-Aeronautical revenues.
 - o Foregone fees/charges will be credited from this source.
- Massport reserves the right to determine eligibility of the air carrier and city against qualification criteria.
 - o Massport will provide the air carrier with an acceptance letter if proposed new service meets the criteria.
- Massport must approve of proposed joint marketing/advertising programs to support new air service; joint marketing/advertising must include reference to Worcester Regional Airport.
- Massport reserves the right to terminate the Program before the Program end date.
 - o Program benefits would be maintained for those qualifying new services which have begun.

American Airlines Worcester Airport Operating Agreement

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, conditional upon receipt of all required documentation, an agreement with American Airlines, Inc. or to take such other action as may be deemed appropriate to allow American Airlines, Inc. to conduct operations at Worcester Regional Airport under the Authority's authorized Worcester Regional Airport Air Service Incentive Program. Following the conclusion of the Worcester Regional Airport Air Service Incentive Program two year period, American Airlines, Inc. will pay all applicable fees established by the Authority for use of airport premises, including, but not restricted to, landing fees, parking fees, rental charges for terminal or other space at the Airport, and such other charges and fees as the Authority has established or may establish from time to time. Before the agreement is executed, or American Airlines, Inc. is otherwise authorized to commence operations, American Airlines, Inc. shall have valid and current certifications and authorizations from all state, federal and other governmental regulatory bodies for the aircraft used and the aircraft operation conducted, and the operating agreement shall be subject to cancellation or termination by the Authority. The agreement 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, Pollack, O'Brien, 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 discuss litigation strategy and to consider the purchase, exchange, lease or value of real property, specifically regarding Massport Marine Terminal Parcel 5; and to consider the purchase, exchange, lease or value of real property, specifically regarding a Permanent Easement to Boston Water and Sewer Commission for 399 Congress Street, and Parcel A-2, 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, Pollack, O'Brien, and Sen voted Yes.

Member Jackson was out of the room.

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

The public session adjourned at 11:50 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. Preliminary Screening Committee Handouts (2)