

MASSACHUSETTS PORT AUTHORITY
MINUTES OF THE MEETING HELD ON
OCTOBER 18, 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 October 18, 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, Flavio Leo, Director Strategic & Business Planning, Kenneth Turner, Director Diversity Inclusion/Compliance & Acting Director Strategic Communication Marketing, Joseph DeGrace, Fire Chief, and Michael A. Grieco, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:05 A.M.

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.

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

Returned to public session at 9:30 A.M.

Public Comment

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

Ratification and approval of the minutes of the September 20, 2018 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the September 20, 2018 Board Meeting.

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

Chairman's Comments

Report of the CEO

Mr. Glynn presented information on the continuing growth in domestic and international passengers, on Logan's ranking as the tenth fastest growing domestic airport over the past ten years, on oil prices rising above \$80 a barrel, on JetBlue's network changes that will strengthen its focus at Logan, on some communication concepts for the upcoming Logan roadway construction project, on American Airline's first flight from Worcester to Philadelphia, on receiving an FAA AIP Grant for two jet bridges at Worcester Airport, on October Chamber of Commerce breakfast events with the Nashoba Valley Chamber and the Worcester Chamber, on Mayor Walsh's plan to address the effects of climate change in Boston, on the State and City of Boston developer diversity initiatives modeled on the Authority's Omni Hotel project's diversity initiative, on the ransomware cyberattack at the Port of San Diego, on a Congressional subcommittee hearing on insider threats in the aviation sector, on S&P Global Ratings citing the Authority's strong management team in its annual review, and on the CEO position and transition. Mr. Freni presented information on the strong Logan passengers numbers for September and for calendar year 2018, on Primera Air ceasing operations, on Delta Air Lines use of facial recognition technology for international departures at the Atlanta Airport, and on an NBC 10 Boston television segment highlighting some enhancements at Logan terminals.

Strategic Plan Implementation

Safety and Security Committee

Full Scale Exercise

Mr. Freni and Chief DeGrace presented information on the October 20th Operation Ready triennial drill at Logan which will include live fire fighting drills at the Fire Training Facility and include participation by two airlines, the Boston Fire Department, the State Police, the FBI, Customs and Border Protection, and the Coast Guard among other participants.

State Police – 120 Day Report

Mr. Freni noted that State Police Colonel Gilpin provided information from its 120 Day Report and that actual Troop F overtime hours for August were twenty-nine percent lower than projected prior to the assignment of additional troopers at Logan.

Human Resources and Compensation Committee

Acting Director of Administration and Finance/Secretary-Treasurer – Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints Anna Tenaglia to the position of Acting Director of Administration and Finance/Secretary-Treasurer, at an annual salary within the established guidelines for that position as recommended by the Chief Human Resources Officer and approved by the CEO & Executive Director. This position will report directly to the CEO & Executive Director and will be effective on November 16, 2018.

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

Director Internal Audit- Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints Virginia Flynn to the position of Director Internal Audit, level 12, effective December 17, 2018, at an annual salary within the established guidelines for that position as recommended by the Chief Human Resources Officer and approved by the CEO & Executive Director. This position will report directly to the Chair of the Audit & Finance Committee of the Board and will simultaneously have a reporting relationship to the CEO & Executive Director.

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

Chief Security Officer - Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints Harold Shaw to the position of Chief Security Officer, level 12, effective January 7, 2019, at an annual salary within the established guidelines for that position as recommended by the Chief Human Resources Officer and approved by the CEO & Executive Director. This position will report directly to the CEO & Executive Director.

The CEO & Executive Director, Secretary-Treasurer, or Assistant Secretary-Treasurer each acting singly, are hereby authorized to execute an Employment Agreement, covering the period January 7, 2019 through December 31, 2023, on behalf of the Authority, consistent with the provisions of this Vote.

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

2018-2019 Affirmative Action Plan

Mr. Turner presented information on the Plan background, on the benchmarks and placement goals, on Authority-wide demographics for females and minorities, on Authority-wide affirmative action profiles for 2017 for females and minorities, on some proposed changes to the Plan, and on some strategies to address areas of underutilization.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, since 1976, the Authority has adopted and pursued affirmative action programs in furtherance of its continuing efforts to provide employment opportunities in a non-discriminatory manner, consistent with federal and state law; and

WHEREAS, in accordance with applicable regulations, certain goals or benchmarks are set forth in the Affirmative Action Plan as one criterion in the Authority's assessment of the effectiveness of its outreach, recruitment, and other employment practices; and

WHEREAS, since last revising the Affirmative Action Plan, effective from January 1, 2016 through December 31, 2017, the Authority has undertaken an availability analysis to determine whether a disparity exists between the percentage of minorities and women employed by the Authority in each of its twenty-two job groups and the availability of qualified minorities and women, in the reasonable recruitment area, capable of performing the job duties for each of those job groups; and

WHEREAS, the availability analysis calculated placement goals for minorities or women where a disparity was found to exist; and

WHEREAS, the availability analysis calculated a placement goal for minorities in one job group (Electricians) and a placement goal for women in two job groups (Electricians and Service-Maintenance Internal); and

WHEREAS, with regard to persons with disabilities and protected veterans under the Vietnam Era Veterans' Readjustment Assistance Act, the Office of Federal Contract Compliance Programs (the "OFCCP") has established a utilization goal and a hiring benchmark, respectively, to be adopted by employers with affirmative action plans, without the need for a separate analysis; and

WHEREAS, in order to effectively continue the Authority's efforts to provide equal employment opportunity, the Authority has proposed revisions to the Affirmative Action Plan, including (i) updating the placement goals for minorities and women; and (ii) adopting the utilization goal for persons with disabilities and the hiring benchmark for protected veterans, as established by the OFCCP.

NOW THEREFORE BE IT RESOLVED AND VOTED:

In furtherance of its continuing efforts to provide employment opportunities in a non-discriminatory manner, the Authority hereby adopts the 2018 – 2019 Affirmative Action Plan presented to this meeting and filed in the records of the Authority and directs the Chief Executive Officer to take all steps necessary to implement the Affirmative Action Plan.

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

Public Officials

Mr. Evangelidis introduced Senator Nick Collins and Representative - Elect David Biele. Senator Collins requested information regarding the cruise ship docked at the North Jetty that is rented by Columbia Gas to house workers restoring natural gas service in the Merrimack Valley. Ms. Pollack explained that the State asked the Authority to collaborate with it and permit the ship to dock at its facility to free up hotel rooms in the Merrimack Valley for displaced residents. Ms. Pollack noted that she would have someone contact him to answer his questions including how workers housed on the ship are transported to their construction site. Senator Collins also expressed his view that public realm spaces associated with development projects on Authority property be open to the public at all times. Representative - Elect Biele reiterated the importance of elected officials receiving timely information on Authority matters so that they can respond to constituent inquiries.

Real Estate and Strategic Initiatives Committee

Public Realm RFQ

Mr. Hargens presented information on the selection of Grayscale Collaborative in response to the Public Realm RFQ and he noted its recent work with the City of Boston.

North Jetty – Cruise Ship Update

Ms. Wieland noted that the Authority was asked to have a cruise ship dock at the North Jetty to house approximately 1,100 construction workers helping with the Columbia Gas recovery efforts in the Merrimack Valley.

Preliminary Screening Committee Update

Ms. Pollack noted that five responses were received to the CEO Search Firm RFP, that the Preliminary Search Committee (the “Committee”) will interview three or four of the firms, and that the Committee will select one of the firms and bring that recommendation to the November Board Meeting.

Community Outreach Committee

Massport CAC Update

Mr. Leo presented information on the use of vortex generators to fix a noise issue on the Airbus A320 family of aircraft and on JetBlue’s commitment to add vortex generators to its remaining A320 family of aircraft by 2021. Mr. Leo also noted that at the Massport CAC meeting that evening Authority staff will present updates on the Fly Quiet Program and the vortex generator retrofit announcement, and that the FAA and the MIT technical team will provide an RNAV update.

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 berth 10 layout for the three new cranes and on a summary of the Berth 10 crane procurement.

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 \$210,000,000.00 (the "Approved Revised Partial Budget"), as shown on the Financial Summary presented at the Board Meeting on October 18, 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 October 18, 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, Jacobs, Jackson, Pollack, O'Brien, and Sen voted Yes.

Member Nucci was out of the room.

MPA L1557 – Automated People Mover, Logan International Airport, East Boston, MA, Partial Project Budget

Mr. Sleiman presented information on current roadway congestion issues, on projected future congestion issues, on two proposed solutions, on a proposed concept for an Automated People Mover (APM), on the programming scope of work for the APM, and on a proposed 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 Automated People Mover (MPA L1557) subject to the following conditions: funds expended for the Automated People Mover 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 October 18, 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 Automated People Mover 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 October 18, 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, Jacobs, Jackson, Nucci, Pollack, O'Brien, and Sen voted Yes.

Audit and Finance Committee

Massport Independent Audits

Mr. Prankevicius presented information on the clean opinions issued by Ernst & Young on its audits of the FY18 Financial Statements of the Authority and the Retirement Benefits Trust (OPEB), on the Authority's strong business activity and net operating margin increase, and on the OPEB investment return and asset growth.

S&P Bond Rating Announcement

Mr. Prankevicius noted the recent S&P Global Ratings annual review that included recognition of the Authority's extremely strong governance and management.

Assent Agenda

MPA L1421 – Terminal B Sanitary Main Pipe Replacement, 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 Terminal B Sanitary Main Pipe Replacement (MPA L1421) subject to the following conditions: funds expended for the Terminal B Sanitary Main Pipe Replacement Capital Project shall not exceed \$14,000,000.00 (the "Approved Budget"), as shown on the Financial Summary presented at the Board Meeting on October 18, 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 Sanitary Main Pipe Replacement 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 backup materials presented at the Board Meeting on October 18, 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, Jacobs, Jackson, Nucci, Pollack, O'Brien, and Sen voted Yes.

Snow Removal Services Option Years Contract Amendments

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 amendments to the agreements in order to exercise two, one-year option periods resulting in a total five year term with the following named companies for snow plowing and removing services at the following locations in the following amounts:

Company	Location	Five Year Amount
American Sweeping Co., Inc.	Conley Terminal	\$ 5,770,000.00
J. Marchese & Sons, Inc.	Fish Pier	\$ 713,775.00
J. Marchese & Sons, Inc.	Black Falcon Cruiseport	\$ 15,000.00
J. Marchese & Sons, Inc.	Piers and Bremen St. Parks	\$ 10,000.00
Mullins & Armington Landscape Associates	Worcester Airport	\$ 588,000.00
Snow Pros LLC.	Peabody Logan Express	\$ 95,400.00
Case Snow Management, Inc.	Braintree Logan Express	\$ 600,000.00
Case Snow Management, Inc.	Framingham Logan Express	\$ 300,000.00
W.L. French Excavating Corporation	Logan Overflow Lots	\$ 100,500.00
Total Amount		\$ 8,192,675.00

The total for all amendments to be executed for all facilities and parcels identified above shall be an amount not-to-exceed \$8,192,675.00 for the five year period.

Members Evangelidis, Jacobs, Jackson, 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 update; and to consider the purchase, exchange, lease or value of real property, specifically regarding the Massport Marine Terminal Parcel 5 RFP, Parcel A-2 developer designation update, and Massport Marine Terminal Parcel 6 Pilot Development, 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, Jackson, Nucci, Pollack, O'Brien, and Sen voted Yes.

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

The public session recessed at 11:30 A.M.

Returned to public session at 12:05 P.M.

Massport Marine Terminal Parcel 5 RFP

Upon a motion duly made and seconded, it was

VOTED

WHEREAS, the Authority issued an Request for Proposals on June 29, 2018 (the "Parcel 5 RFP") seeking proposals from parties interested in developing, financing, leasing and operating a seafood or maritime industrial project on a parcel of land in the Massport Marine Terminal known as Parcel 5; and

WHEREAS, in response to the Parcel 5 RFP, the Authority received two (2) proposals (the "Proposals"): (i) a proposal from Baja Construction, a California based construction company that proposed building a solar generating recreational vehicle and boat storage facility on Parcel 5; and (ii) a proposal from Pilot Development Partners, Inc. ("Pilot Development") for the construction of a seafood processing facility intended for Stavis Seafoods LLC ("Stavis") as the tenant and the construction of either a multi-tenant seafood processing building or a cold storage facility on the remainder of Parcel 5; and

WHEREAS, the Authority's selection panel charged with the responsibility of evaluating the Proposals based upon the evaluation criteria set forth in the Parcel 5 RFP ranked the proposal from Pilot Development as the highest against the evaluation criteria and recommends that the Authority designate Pilot Development as the developer of the Parcel 5 Development, and authorize staff to pursue negotiations for a development agreement and ground lease(s) based on Pilot Development's proposal and subject to the terms and conditions below.

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

1. Pilot Development is hereby designated as the developer of Parcel 5, subject to the terms of this vote. This designation shall terminate in the event the Authority and Pilot Development are unable to complete negotiations of a development agreement by April 30, 2019.
2. The Chief Development Officer and the Chief Legal Counsel and their designees (collectively, the "Authorized Officers") are hereby authorized to negotiate a development agreement and one or more ground leases with Pilot Development, on terms substantially consistent with the terms set forth in the Pilot Development's proposal, and on such other terms and conditions as the Authorized Officers may determine are necessary or desirable; provided, however, upon completion of such negotiations, staff will seek further authorization from the Board to execute and deliver a development agreement and one or more ground leases with Pilot Development, or its nominee, in accordance with a vote and development agreement/ground lease term sheet that will be presented to the Board at such time.

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

The public session adjourned at 12:06 P.M.

Michael A. Grieco
Assistant Secretary-Treasurer

List of Documents and Other Exhibits Used in Public Session

1. Board Book
2. PowerPoint Presentation Slides