

MASSACHUSETTS PORT AUTHORITY
MINUTES FOR THE REMOTE MEETING
HELD ON MAY 20, 2021 AT 9:00 A.M.

The meeting of the Members of the Massachusetts Port Authority was held on May 20, 2021. The following Members participated remotely per Governor Baker's March 12, 2020 Order Suspending Certain Provisions Of The Open Meeting Law: Chairman Lewis G. Evangelidis presided, Warren Q. Fields, Patricia A. Jacobs, John A. Nucci, Sean M. O'Brien, Laura Sen, and Jamey Tesler. Lisa Wieland, Chief Executive Officer and Executive Director, Reed Passafaro, Chief of Staff, John P. Prankevicius, Director of Administration and Finance and Secretary-Treasurer, Edward C. Freni, Director of Aviation, Catherine McDonald, Chief Legal Counsel, Hank Shaw, Chief Security Officer, Michael Meyran, Port Director, Andrew Hargens, Chief Development Officer, Luciana Burdi, Director Capital Programs & Environmental Affairs, David Gambone, Director of Human Resources, Tiffany Brown-Grier, Acting Director of Diversity & Inclusion/Compliance, 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 April 29, 2021 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the April 29, 2021 Board Meeting.

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

Chairman's Comments

Mr. Evangelidis noted that Governor Baker's Executive Order suspending certain provisions of the Open Meeting Law allowing the Members to meet remotely is currently scheduled to expire on June 15th, and that without an extension the Members will need to meet in person for June 24th Board Meeting.

Report of the CEO

Ms. Wieland presented information on the projected Logan passenger volume for FY21, on Massport's March fiscal year-to-date financial performance, on FAA approval of Logan's latest Passenger Facility Charge (PFC) application, on the Senate Committee passage of the Ensuring Health Safety in the Skies Act, on staff's recent meetings with CBP Executive Assistant Commissioner of Office of Field Operations Bill Ferrara and with DHS Deputy Secretary David Pekoske, on the cyber attack that forced the shut down of the Colonial Pipeline the largest U.S. fuel pipeline to the East Coast, on the construction milestone that was reached for the new viaduct between Logan Terminals B and C, on Massport receiving a National Asphalt Pavement Association Award for the Rehabilitation of Runway 9-27 at Logan and the CREW Boston Achievement Award for strong female leadership on the Ora Seaport project, on Congressman Lynch's request to the House Committee on Appropriations for funding for the North Jetty Berth Reconstruction project, on the Trustees' release of the first draft of the design for Piers Park III, and on Massport staff volunteers participating in the City of Boston's annual neighborhood cleanups in East Boston and South Boston.

Director of Aviation Presentation

Mr. Freni presented information on the April Logan passenger volume and aircraft operations, on Logan's weekly outbound passenger activity surpassing two hundred thousand for the first time in over a year, on the expected increase in Logan airline seat capacity in June, on the number of Hanscom aircraft operations in April, on the TSA notice to Logan passengers of an expected busy summer travel period, on Delta's announcement of service expansion at Logan, on JetBlue's expanding use of new Airbus A220-300 aircraft at Logan, on a proposed European Union plan to allow nonessential travel for people who has been vaccinated, on joint letters sent by airline CEOs to U.S. and U.K. transportation secretaries advocating for a full reopening of travel between the countries, on actions by ACI-NA and the Canadian Airports Council advocating for the reopening of U.S.-Canada air travel, and on the reopening of concessions at the Logan convenience and filling station.

Director of Maritime Presentation

Mr. Meyran presented information on the start of Phase 3 of the Boston Harbor Deepening project, on a pilot program at Conley to test a fully electric yard tractor, on the plan to expand the southern section of the Suez Canal to provide more capacity for larger ships, on the largest ship to call on the U.S. East Coast the 16,000 TEU CMA CGM Marco Polo, on the continuing growth in trade between Southeast Asia and Boston and the decline in Asian volume, on the ocean carriers 2021 route deployment launch, on April Conley container volume being down seventeen percent year-over-year, on the challenges to a summer U.S. cruise restart, and on the status of fall cruising for Flynn Cruiseport Boston's top cruise lines.

COVID-19 Update

Mr. Shaw presented information on the CDC's updated mask guidance including the continuing requirement to wear a mask on public modes of travel, and on the lifting of all Massachusetts COVID-19 restrictions effective May 29th.

Training Update

Mr. Shaw presented information on Massport's security and preparedness training goals including terrorism events, emergency preparedness, communications, cybersecurity, and stakeholder engagement, and on safety and security training updates including priority trainings, routine trainings, and sustainability trainings.

Human Resources and Compensation Committee

Diversity, Equity, and Inclusion Initiatives Update

Ms. Wieland noted that one of Massport's goals is to formulate strategies to embed Diversity, Equity, and Inclusion (DE&I) into the organizational DNA both currently and as part of Massport 2025 where a number of initiatives will be advanced on the business and workforce fronts. Ms. Wieland also acknowledged Massport's history of advancing DE&I internally and externally as well as the sentiments and expectations of employees on the importance of a diverse workforce. Ms. Wieland also noted the DE&I working group led by Jarrett Wright and Jose Masso along with the resulting strategies and the new initiatives that have launched from that working group. Mr. Gambone and Ms. Brown-Grier presented information on Massport's Pathways Program designed in partnership with Bridgewater State University to create a pipeline of diverse job candidates trained for aviation management employment opportunities through Massport scholarships and summer internships. Ms. Wieland also announced the establishment of a Diversity Council to include senior Massport leadership to oversee internal and external DE&I initiatives as well as to track, monitor, and report progress.

Human Resources and Compensation Committee Name Change

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, under the Authority's By-Laws, the Board may, from time to time, designate committees of the Board; and

WHEREAS, Massport's longstanding commitment to diversity, equity, and inclusion in its business and employment practices continues, and as new initiatives are being undertaken, consistent with prior practice, status reports are regularly provided to the Human Resources and Compensation Committee (the "Committee"); and

WHEREAS, it is recommended that the Committee's title be amended, to more accurately reflect the scope of the work, to the Human Resources, Diversity, and Compensation Committee.

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

In accordance with Paragraph 4 of Article III of the By-Laws, the Board hereby designates the Committee as the Human Resources, Diversity, and Compensation Committee.

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

Community Outreach Committee

Real Estate and Strategic Initiatives Committee

South Boston Restaurant Update

Mr. Hargens presented information on the number of restaurants that are open or planning to open in 2021 on Massport property in South Boston, on Larry J's BBQ Café in the South Boston Maritime Park, on the factors driving improved restaurant sales, on new dining options scheduled to open at the Omni Boston Hotel at the Seaport, at the Ora Apartments, and at 601 Congress, and on a farewell to KO Pies and a welcome to its successor, SeaBiscuit, at the Boston Harbor Shipyard in East Boston.

Oxford/Pappas Interpretive Signs Installation

Mr. Hargens noted that Oxford/Pappas recently installed a series of interpretive signs on their leasehold along Pappas Way in South Boston celebrating the Port of Boston and that Oxford/Pappas is exploring options for additional public realm improvements.

Facilities and Construction Committee

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

Ms. Burdi presented information on the project scope and conditions of satisfaction, on the project schedule and strategic priorities, on the pre-construction conditions, and on the final configuration for the arrival and departure levels.

Upon a motion duly made and seconded, it was

VOTED:

To authorize the Chief Executive Officer and Executive Director, Director of Administration & Finance and Secretary-Treasurer or Assistant Secretary-Treasurer, each acting singly (each, an “Authorized Officer”), to take all actions necessary or desirable and to execute all agreements necessary or desirable in order to continue with and complete the Authority's Capital Project known as 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 \$205,000,000.00 (the "Approved Final Budget"), as shown on the Financial Summary presented at the Board Meeting on May 20, 2021; the Director of Capital Programs and Environmental Affairs shall report back to the Board if, at any time during the life of the Project, it appears likely that the Project will exceed the Approved Final Budget; and the Director of Capital Programs and Environmental Affairs also shall report any material changes to the scope of work for this Capital Project as described in the backup materials presented at the Board Meeting on May 20, 2021. The Chief Executive Officer and Executive Director shall obtain all necessary permits and approvals and shall conduct all required environmental reviews prior to the execution of any agreement or to the commencement of any action all as may be required by law. The Authority 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, Fields, Jacobos, Nucci, O’Brien, Sen, and Tesler voted Yes.

Audit and Finance Committee

Delegated Authority for Natural Gas Procurement

Mr. Prankevicius presented information on the natural gas procurement process, on the types of agreements to be executed, on Massport's natural gas procurement competition bidding and hedge policy strategy, on the current favorable commodity and transportation market environment, and on the procurement timeline.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, Massport's current contracts for the supply and delivery of natural gas used for heating and cooling various Massport facilities, and its contract for natural gas delivery to the Logan Central Heating Plant will expire on October 31, 2021; and the Authority must enter into agreements for commodity and basis to ensure stable gas supply for the operation of its projects and for the operations of its tenants; and

WHEREAS, in May 2021, an Evaluation Committee made up of representatives from various Massport departments and two independent expert natural gas industry consultants, will solicit competitive proposals from qualified natural gas suppliers through the publication of a Request for Qualifications & Bids ("RFQ/B") for natural gas supply for the Authority; and

WHEREAS, the Evaluation Committee will receive and thoroughly analyze proposals from respondents to the RFQ/B; and

WHEREAS, the unit-price for gas varies significantly over time, in large part as a function of the cost of natural gas which cost varies from minute-to-minute on a highest bid basis; and

WHEREAS, as a result of the fluctuation and volatility in the price of natural gas the offered price for natural gas can only be established and left open for just a very short time, and the Authority will be allowed approximately two hours to accept a proposer's best and final offer; and

WHEREAS, entering into master agreements with multiple qualified suppliers will increase basis price competition among suppliers and allow Massport to take advantage of anticipated basis price reductions;

NOW, THEREFORE, BE IT RESOLVED:

To authorize the Chief Executive Officer and Executive Director, Director of Administration & Finance and Secretary-Treasurer or Assistant Secretary-Treasurer, each acting singly (each, an “Authorized Officer”), based on a recommendation from the Evaluation Committee, and in consultation with the Chief Legal Counsel or her designee, to take all actions necessary or desirable and to execute on behalf of the Authority, one or more multi-year master service agreements with qualified proposers considering, among other things price and ability to perform under the agreement, for a term of not more than six (6) years; and a transaction agreement for commodity and basis for no more than three (3) years; and a transportation agreement for the transmission of natural gas to the Central Heating Plant for a term of no more than three (3) years. All agreements arising out of this vote shall contain such terms and conditions as the person executing them in accordance with this vote deems necessary or desirable and in the best interest of the Authority, and the aggregate total not-to-exceed amount shall be \$13,500,000.

The Chief Executive Officer and Executive Director, or her designee, will report the result of the procurement at the next meeting of the Members of the Authority following the completion of the procurement process and the execution of the agreements authorized by this vote.

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

Assent Agenda

AIClear Commercial Services Operating Agreement Amendment

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, a Commercial Services Operator (CSO) is a company that provides services to airlines and tenants at Boston Logan International Airport (“Logan”) and is contracted directly by the airline or tenant; and

WHEREAS, a CSO must enter into an operating agreement with the Authority in order to provide services at Logan and must pay to the Authority either a monthly fee equal to five percent (5%) of adjusted gross revenues or a minimum payment amount based on the activity conducted pursuant to the agreement; and

WHEREAS, AIClear, LLC (“AIClear”) currently has a CSO agreement with the Authority as a result of the contract services it provides Delta Airlines; and

WHEREAS, AIClear has entered into a contract with United Airlines to provide services in Terminal B; and

WHEREAS, as a result of AIClear’s contract with United Airlines, AIClear and the Authority desire to amend the current CSO agreement to recognize AIClear’s contract with United Airlines which will result in anticipated annual revenue to the Authority of more than \$150,000.00.

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

The Chief Executive Officer and Executive Director, Director of Administration & Finance and Secretary-Treasurer, or Assistant Secretary-Treasurer, each acting singly, (each, an “Authorized Officer”) are hereby authorized to execute and deliver on behalf of the Authority an amendment to the Commercial Services Operating Agreement with AIClear in recognition of the fact that the minimum annual guarantee payments to the Authority are projected to be more than \$150,000.00. The amendment shall contain such other terms and conditions necessary and consistent with this vote.

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

Motion to Enter Executive Session

Upon a motion duly made and seconded, it was

VOTED:

That the Authority enter executive session to consider the purchase, exchange, lease or value of real property, specifically regarding Parcel H update, the Massport Marine Terminal Parcels 7 and 8 Term Sheet, and Hanscom Hangar 12 lease amendment, since a discussion in open session may have a detrimental effect on the negotiating position of the Authority.

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

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

The public session adjourned at 10:40 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. Terminal B to C Roadway Animation