

## MINUTES OF THE MEETING

of the

### MASSACHUSETTS CONVENTION CENTER AUTHORITY

November 23, 2009

A meeting of the Massachusetts Convention Center Authority was held on November 23, 2009 in Room 201 at the Boston Convention & Exhibition Center, 415 Summer Street, Boston, Massachusetts 02210. Members in attendance were: Chair Gloria Larson, Dean Stratouly, Lisa Signori, Robert Kenney, Darryl Settles, Peter Bassett, and Carol Fulp. Staff members in attendance were: James E. Rooney, Kenneth A. Sinkiewicz, Fred Peterson, Jack Haley, Steve Snyder, Shu Hsia, Mac Daniel, Justin Holmes, Mark Michaud, Johanna Storella, Michelle Ho, Milton Herbert, Mark Schwab, Maureen Baker, Matthew Hollander, Robert Noonan, Todd Mattuchio, Kevin Maguire, Robert O'Shea, Joann Washington, Dennis Callahan, and William Smith.

#### I. ROLL CALL

Chairman Larson called the meeting to order at 8:45 a.m., and a quorum was established by a call of the roll.

#### II. MINUTES

Upon a motion duly made and seconded the minutes of the October 15, 2009 meeting were approved

#### III. EXECUTIVE DIRECTOR'S REPORT

1. Mr. Rooney indicated that this Friday, November 27<sup>th</sup> would be the NBADL Springfield Armor's inaugural season home opening game at the MassMutual Center at 7:00. All are invited and we're wishing them good luck for a successful season.
2. Mr. Rooney reported that we were moving forward on the plan to bring certain public safety services in house and that the board would hear more about that later in the meeting
3. Mr. Rooney indicated that a short meeting might be required in December, and that staff would contact you soon to set that up if necessary

#### IV. PUBLIC SAFETY

Chair Larson introduced Mr. Rooney and Ms Storella to make a presentation concerning Public Safety staffing as follows:

Board Vote-Implementation of transition security plan providing base facility security services with Authority staff and event security provided through contractual services.

In August 2006, Vance International, a global security and threat assessment consulting firm reviewed aspects of security and operations at the Authority's Boston facilities and recommended, among other things, that the Authority examine providing its security services under a hybrid model under which the Authority would utilize direct staffing for key operational positions and contract services for other security functions, including event security. This recommendation by Vance took advantage of the most positive aspects of both in-house and contract security approaches. It ensures that all key operations will be performed by MCCA staff, and that event staff, which must expand and contract depending on the nature of events, is provided through a contracted security services firm.

Implementing this model will assist in reaching the Authority's goal of excellence in the provision of security services while at the same time benefitting from operational and cost efficiencies. The transition from a contracted security services provider to hiring a better screened, qualified, trained and experienced workforce that over time will result in a Public Safety team which will make a significant contribution to the overall excellence that the Authority seeks to attain. In addition, the hiring and training of our own workforce adds value to service delivery, including increased accountability and efficiency; in-depth understanding of the MCCA and its mission; enhanced emergency preparedness for all hazards; scalability with a part time component and the ability to cross train officers by position and by facility, while also achieving cost savings and increased professionalism. It is anticipated that this effort during the transition period will be close to fiscally neutral, and it is projected to result in cost saving once fully in effect. This financial projection is supported by third party analysis. It is expected that implementation of this plan will be completed by the middle of Fiscal Year 2011.

Upon a motion duly made and seconded the Board voted unanimously as follows:

**VOTED: That the Massachusetts Convention Center Authority concurs in the implementation of the plan for delivery of Authority security services substantially in the form as presented to the Board at its November 23, 2009 meeting.**

Mr. Rooney introduced Mr. Smith for the following presentation and vote:

Board Vote-Provision of District Steam Service

The FY10 annual budget for the delivery of steam to the Hynes Convention Center to meet space and domestic hot water heating requirements is \$380,867.00. The cost of the purchased steam breaks down into two cost components; 1) steam Capacity Charge and

2) steam Commodity Charges. Since January 2001, district steam service has been supplied under a contract with Trigen-Boston Energy Corporation replacing the then existing electric hot water heating plant as the primary heating system. The original contract established the monthly steam Capacity Charge which was subject to annual escalations based on a specific set of indexes. The Capacity Charge served as a mechanism for amortizing the cost of the initial equipment installations, the on-going equipment repairs and maintenance, and the associated costs of satisfying our specific capacity requirements. Additionally, the contract established an initial cost per pound for the steam commodity, this cost being subject to a monthly fuel adjustment. The initial contract term was ten (10) years from the service activation date of January 01, 2001 with an expiration date on or about January 01, 2011. In advance of this termination date, negotiations were commenced with Trigen-Boston Energy Corporation in an effort to establish renewal terms that minimized the annual cost of purchased steam. These negotiations have yielded proposed new contract terms that a) replace the existing (10) year agreement with a new (11) year agreement, b) reduce the monthly capacity charges by \$2,495.00, c) maintain the current commodity pricing formula, and d) redefines the ownership of the steam equipment including responsibilities to maintain, repair, and replace over the new term. The assured cost savings the Authority shall realize by this new contract reflect the elimination of any costs associated with Trigen's amortization of its equipment and installation, a lower historic steam demand resulting in a lower assigned capacity, and the acceptance of increased responsibility for the equipment repair and maintenance by the Authority. The Authority also evaluated an alternative option to replace the current district steam system with the installation of a new natural gas fired hot water heating plant. The installation cost estimates we obtained together with the predicted annual savings were compared with the cost of steam under this new contract, and this analysis indicated the proposed steam system to be the more favorable option.

It should also be noted that the Authority has continued to maintain our existing electric boiler plant as a back-up heat energy source and system in the event the steam service should be interrupted or otherwise prove to more costly to operate in the future.

Upon a motion duly made and seconded the Board voted unanimously as follows:

**VOTED: The Massachusetts Convention Center Authority hereby authorizes the Executive Director to enter into a contract with Trigen-Boston Energy Corporation to provide steam services to the Hynes Convention Center for an eleven year term commencing on January 1, 2010 in an amount not to exceed \$5,136,506.00.**

V. QUASI-PUBLIC AUTHORITY COMPENSATION REVIEW COMMISSION

Board Vote-Quasi-Public Authority Compensation Review Committee

On September 18, 2009 a report was issued by the Quasi-Public Authority Compensation Review Commission, a group chaired by Stephen Crosby, Dean of the UMASS-Boston McCormack Graduate School of Policy Studies. The report set forth a series of

recommended actions that then Secretary of Administration and Finance Leslie Kirwin and Inspector General Gregory Sullivan requested that authorities like the Massachusetts Convention Center Authority consider and undertake to make the practices of such authorities consistent with such recommendations. At the October Board meeting Dr. Ellen Herman made a presentation to the Board concerning the contents and recommendations of the Report; the substantial level of consistency with the recommendations of the Report found in the Authority's existing practice; and, described the actions that are requested to be taken by the Board at that and subsequent meetings of the Board. At the conclusion of the presentation there was a discussion of certain aspects of the report, and an indication that all required actions would be undertaken in accordance with the schedule requested. Among the areas to be addressed were the adoption of an Authority Code of Ethics and the creation of an Executive Committee of the Board charged with, among other duties, the responsibility of determining the process by which the Executive Director is selected and the establishment of the compensation of the Executive Director. Since that meeting, formulations of a Code of Ethics and a structure for an executive committee with the duties described and the establishment of an Executive Director Compensation policy have been under consideration, and were presented to the Board at its November meeting, reviewed and upon a motion duly made and seconded the Board voted unanimously as follows.

**VOTED: That the Massachusetts Convention Center Authority hereby adopts the Code of Ethics set forth in at Exhibit A, and establishes the Executive Committee and adopts the Executive Director Compensation Policy as set forth in Exhibit B. (Exhibits A and B are appended to these minutes)**

#### VII. REPORT OF THE DEVELOPMENT COMMITTEE

Mr. Stratouly reported that the Development Committee was actively participating in the oversight of the conclusion of the errors and omissions projects, specifically the Roadway projects, and have been involved in the Master Planning efforts and the Top 5 project of which more will be heard later in the meeting. Mr. Stratouly also reported on the progress of the Marquee Project which is an integral part of an electronic messaging project that encompasses a video wall component as well

#### VIII. TOP 5

Mr. Rooney delivered an extensive presentation that first marked the fact that the BCEC had been open for five years, recounted the history of the project's development and construction and documented its successes. The presentation next included a very detailed discussion of the Authority substantial achievements in the financial and economic impact areas and described its place in the convention market. He went through the facilities strengths and described steps that should be considered to be undertaken to continue its success as well to achieve the ability for Boston to be in the Top 5 convention destinations in North America. At the conclusion of the presentation and

discussion by the Board, upon a motion duly made and seconded the Board voted unanimously as follows:

**VOTED: that the Executive Director shall take all actions necessary or convenient to formulate a proposal for presentation to the Board no later than December 31, 2010 to make Boston one of "Top 5" North American destination for larger-scale and simultaneous conventions, meetings and trade-shows. Such proposal shall contain consideration, analysis and a strategic plan with respect to the following components or goals: the BCEC Strategic Development Plan and expansion, increased number of hotel rooms in the city of Boston, and in particular in the vicinity of the BCEC, cooperation for and support of the City's plans and goals for the development of the South Boston Waterfront and creating economic benefit to the area business community while avoiding impact on the South Boston residential community, the development of Mobility Infrastructure plan, enhancement of the Boston Common Garage, development of the Hynes as a Congress Center, development of a plan for International Marketing of Boston's facilities for conventions, and encouraging and developing a Destination Hospitality culture relating to the City and region. The proposal with respect to each such component shall include all factual and feasibility data available and may include any legislative, regulatory and administrative proposals as are necessary to support the proposal. In developing such proposal the Executive Director shall utilize policy development materials created in connection with the BCEC master planning contract, the hotel feasibility study contract and any existing information as might be available from reliable public and private sources, as well as contracting for such other sources of information or analysis as is desirable within existing MCCA procurement and approval processes.**

**In accomplishing this effort, the Executive Director shall also organize and form a working group in the nature of a Convention Partnership designed to advise policy makers and steward the public study and analysis of the feasibility of expanding the facility, services and amenities of the existing Boston Convention & Exhibition Center, and fostering the above stated goals for the purpose of further enhancing the capacity of the City of Boston to become a "Top 5" destination, and, as a result, stimulating economic activity throughout the Commonwealth. The Convention Partnership should include leaders and participants from all levels of state and local government and the hotel, tourism and convention industry. A proposed model structure, as well as a delineation of the areas upon which the focus of their analysis should be directed, is attached.**

## **The Convention Partnership**

The Convention Partnership is a 25-person working group designed to steward the public study and analysis of the feasibility of expanding the facility, services and amenities of the existing Boston Convention & Exhibition Center (“BCEC”) for the purpose of further enhancing the capacity of the City of Boston to become a “Top 5” North American destination for larger-scale and simultaneous conventions, meetings and trade-shows and for the purpose of stimulating economic activity throughout the Commonwealth. The partnership exists principally to advise policy makers.

The BCEC, as presently designed, constructed and operated is limited in its ability to meet the needs of larger-scale conventions, meetings and trade-shows requiring additional services, amenities, space, meeting rooms and other facilities, including a ballroom and auditorium offered by competitive facilities. There is sufficient demand particularly at certain times of the year, for the BCEC to schedule several conventions, meetings and trade-shows simultaneously, requiring additional facilities, amenities and services beyond those presently provided to such conventions, meetings and trade-shows. Therefore, the expansion of the BCEC’s facilities, amenities and services will attract more larger-scale conventions, meetings and trade-shows to locate and conduct their activities and business at the BCEC. The expansion of the BCEC will necessitate the construction of a convention hotel in the immediate vicinity of the BCEC and other related development to serve additional users of the BCEC.

The Convention Partnership shall consist of the following members:

- Two members appointed by the Governor of the Commonwealth, one of whom shall be the Secretary of Housing and Economic Development or his designee
- Two members appointed by the Mayor of the City of Boston, one of whom shall be the Director of Administration and Finance or her designee
- Two members appointed by the President of the Massachusetts Senate, one of whom shall be the senator from the first Suffolk district
- Two members appointed by the Speaker of the Massachusetts House of Representatives, one of whom shall be the representative from the fourth Suffolk district
- Four members appointed by the Greater Boston Convention and Visitors Bureau (“GBCVB”), one of whom shall be the chairperson of the GBCVB, one of whom shall be the president of the GBCVB, and two of whom shall be representatives of the Greater Boston hotel community from hotels that participate significantly in attracting convention, meeting and trade-show business to the Commonwealth.
- Two members of the Board of Directors of the Massachusetts Convention Center Authority (“MCCA”) as designated by the Chair
- Two members appointed by the Executive Director of the MCCA
- Boston City Councilor for council district two
- Chairman of the South Boston Community Development Foundation
- President of the Boston Building Trades Union
- President & CEO of the Massachusetts Lodging Association

- CEO & Executive Director of the Massachusetts Port Authority or his designee
- President of the Massachusetts Taxpayers Foundation
- President of the Boston Municipal Research Bureau
- Executive Director of the MCCA, who shall serve as Co-Chairperson of the Partnership
- President & CEO of the Greater Boston Chamber of Commerce, who shall serve as Co-Chairperson of the Partnership

Following their appointment by the relevant offices, organizations or entities, the members shall receive a joint invitation to join the Partnership from the Governor of the Commonwealth and Mayor of Boston.

The Convention Partnership, as part of its study and analysis, shall focus on the following:

- (1) the state of the convention, meeting and trade-show industry, projections for future growth and competitive challenges faced by the BCEC for larger-scale convention, meeting and trade-shows to meet the demands for facilities, services and amenities by the industry;
- (2) the competitive need to expand the size, services and amenities of the BCEC to attract larger-scale conventions, meetings and trade-shows;
- (3) the need and financing of another exhibition hotel attached to the BCEC;
- (4) the cost and financing of expanding the BCEC
- (5) the facility size, services and amenities offered or proposed by competitive convention facilities;
- (6) the impact of expansion on the operation and management of the BCEC by the MCCA particularly regarding marketing, costs, booking and services; and
- (7) the opportunity to expand the economic impact of conventions, meetings and trade shows throughout the Commonwealth.
- (8) other issues relating to the need and use of an expanded BCEC, including but not limited to:
  - (a) potential economic impact
  - (b) transportation
  - (c) infrastructure improvements
  - (d) impacts on and benefit to surrounding community
  - (e) potential job creation
  - (f) potential increased tax revenues

Said Partnership, as part of its review, shall also catalogue, study and evaluate the renovation, modernization, construction and expansion of additional facilities in other regions of the Commonwealth for activities such as conventions, conferences, trade-shows, concerts, theatrical exhibitions, expositions and athletic events.

The Partnership, as part of its review, shall meet with the MCCA Board of Directors and the MCCA Customer Advisory Board as needed. The Partnership shall conduct public meetings as needed and engage the work of consultants when necessary.

The Convention Partnership shall prepare a report of its study and file said report with the Governor, Mayor, Senate President and Speaker on or before December 31, 2010 and shall file interim reports as determined by the co-chairpersons regarding matters that warrant more timely consideration.

IX. OLD BUSINESS

There was no old business

X. NEW BUSINESS

There was no new business.

XII. ADJORNMENT

Upon a motion duly made and seconded, the Board voted unanimously to adjourn at 10:00 am.

ATTEST:

  
William J. Smith  
General Counsel

**EXHIBIT A**  
**MASSACHUSETTS CONVENTION CENTER AUTHORITY**  
**CODE OF ETHICS**

This code of ethics is meant to be a document that best reflects the culture and values of the Massachusetts Convention Center Authority. It describes standards of conduct and integrity that are consistent with the mission and ethical values embraced by the MCCA Mission Statement.

This Code of Ethics applies to all MCCA board members, and employees who are referred to as Covered Parties. It is intended to provide guidance to these individuals.

It is not the purpose of this Code to address every situation, but merely to make individuals aware of the general scope and application of ethics in a quasi-public authority. It is meant to be supplemental to applicable law, including the provisions of the State Conflict of Interest Law, General Law, chapter 268A, copies of which will be distributed to all Board members and employees. Mandatory training on the contents and applicability of Chapter 268A will be offered to all Board Members and employees as well. Covered Parties can and should make basic ethical decisions themselves. Those having questions about their ethical obligations under this Code or any other MCCA policy can consult the General Counsel and members of the legal department staff. State Employees have a right under law to have questions related to a possible conflict of interest confidentially reviewed and decided by the State Ethics Commission.

**Compliance with the Law**

- The Covered Parties shall comply in good faith with all lawful requirements, applicable to the MCCA. Any uncertainty about the application or interpretation of legal requirements should be referred to the employee's manager or the General Counsel

**Use of MCCA Property and Assets**

- It is expected that Covered Parties will be efficient and economical in their use of MCCA resources, and not permit the abuse of these resources by others. Covered Parties are reminded that MCCA property is to be used for the business of MCCA.

**Harassment and Discrimination**

- The MCCA is committed to fostering an environment that supports respect for individual freedom and in which all members of the community are free from any type of harassment or discrimination. Harassment or discrimination on the basis of race, religion, color, gender, sexual orientation, age, national origin, ethnicity or disability status undermines the fundamental values of the MCCA and is unacceptable behavior. The details of the MCCA harassment policy may be found in the Employee Benefits/Policy Manual.

### **Conflict of Interest**

- The Board of Directors, employees and vendor partners owe their primary professional allegiance to the MCCA and its mission. A conflict of interest exists when a MCCA representative or a member of their family is in the position to benefit personally, directly or indirectly, from their dealings with an organization or person conducting business with the MCCA. Moreover conduct of this type is regulated by state law, G.L. C. 268A, and serious penalties are established for conduct that violates such laws. In addition, confidence in the MCCA and its employees is put at risk when the conduct of an individual involves, or appears to involve, a conflict between their private interests and those of the institution. Covered Parties must avoid situations in which their personal interests conflict or could be construed as being in conflict with those of the MCCA. Such avoidance includes removing oneself in a situation which may compromise the individual's objective professional judgment.

### **The Use of Technology**

- The MCCA provides employees with access to a variety of technologies, including personal computers and printers, network infrastructure, the Internet, e-mail and voice mail, for use in the ordinary performance of their duties.
- In general, technology should only be used for MCCA-related business. MCCA recognizes the likelihood for the need occasionally to use the technology resources for personal purposes, providing it does not disrupt the system, or impermissibly intrude on the time required to perform an employees duties. MCCA expects all employees to insure the priority of all business needs over incidental use. An individual may only use accounts, files, software, and computer resources authorized under their password and must take all reasonable precautions (e.g. prevent unauthorized access to accounts or data by others) both within and outside the MCCA community, with particular attention to mobile computers, smart phones, PDAs, the use of virtual private network software, and data devices. Employees must not make unauthorized copies of copyrighted software or data considered confidential by MCCA or by a government agency.
- Use of computers, electronic mail, the MCCA network or the Internet for inappropriate or illegal purposes such as private commercial transactions, the intentional breaking of security, and the sending of abusive or offensive material is expressly prohibited.

### **Gifts, Entertainment, Travel**

- Covered Parties shall not accept or solicit any gifts or anything of value from individuals or organizations with which the MCCA does business or is otherwise affiliated.
- No Covered Party may participate in any matter relating to any entity in which, to his knowledge, the employee, or a member of his or her immediate family, or his or her business partner or any business organization in which he serves as an officer, director, trustee or employee, or any person or organization with whom he or she is negotiating, or has an arrangement concerning prospective employment, has a financial interest;

- The MCCA's detailed policy on travel and reimbursement is maintained by the Finance and Human Resources Departments and resides on the departmental web page.

#### **Political Activity and Dealings with Public Officials**

- Covered Parties shall not use MCCA funds, assets or other resources as contributions to political parties, candidates or campaigns. All dealings with public officials should be conducted in a manner that does not compromise the integrity and reputation of the official, the employee or the MCCA.

#### **Reporting Known or Suspected Violations**

- MCCA board members and employees are required to report promptly any known or suspected violations of this Code of Ethics to the General Counsel. Investigations of alleged violations of the Code of Ethics will be conducted, if necessary, in accordance with the Ethics Complaint Procedure. No retaliatory action of any kind will be permitted against anyone making such a report in good faith.
- Violations of this Code of Ethics may lead to disciplinary action, including removal from office or termination of employment. Violations of this Code may also constitute violations of law and may result in criminal and/or civil liability for the offender and the MCCA. All Covered Parties are required to cooperate in internal investigations of possible misconduct.

#### **Conclusion**

- We hope that the principles set forth herein will demonstrate that the purpose of this Code of Ethics is to promote the highest possible standards of business conduct.
- This Code of Ethics and the matter contained herein are neither a contract of employment nor a guarantee of continuing policy. This Code may be amended or supplemented from time to time, with or without notice, by the Board of Directors.

*Adopted November 23, 2009*

## EXHIBIT B

### Massachusetts Convention Center Authority Executive Committee and Executive Director Compensation Policy

The following establishes the Executive Committee of Massachusetts Convention Center Authority and set forth the components of the Executive Director Compensation Policy:

1. **Executive Committee:** There shall be an Executive Committee of the board charged with such duties as the Chair shall determine, including the responsibility of determining the process by which the Executive Director is selected and the establishment of the compensation of the Executive Director. The committee will consist of the board chair, vice chair, chair of the Administration Finance and Personnel committee and such other members as the board chair may determines.
2. **Employment Contract:** The Executive Director shall be hired pursuant to an employment contract with a term of not more than three years. The contract may be renewed. The contract shall include the following provisions:
  - Base Salary with annual adjustment clause
  - Incentive Compensation based on outcomes of compensation review using metrics identified within 45 days from the beginning of a each year
  - Benefits consistent with those paid to all non-affiliated employees of the Authority as outlined in the Authorities Personnel Policy Manual or like document, modified if necessary to address particular conditions.
3. **Benchmarking:** Prior to each new contract for the Executive Director, a compensation analysis shall be performed including
  - o MCCA's direct competitors in the Convention Center Industry and against
  - o comparable Authorities in Massachusetts
4. **Job Description:** The Executive Director contract shall include a copy of the job description and general performance expectations.
5. **Performance Review:** The committee shall establish annual performance criteria and conduct an annual review
  - o Metrics identified within 45 days from the beginning of each year.

*Adopted November 23, 2009*