

Massachusetts Convention Center Authority

Thursday – November 16, 2023

10:30 a.m. – 12:30 p.m.

Hynes Convention Center

900 Boylston Street

Boston, MA 02115

Meeting Room 200

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Convention Center Authority.

The meeting will take place VIA MICROSOFT TEAMS [Click here to join the meeting](#) OR JOIN BY PHONE: DIAL-IN NUMBER: +1-857-702-2232, Phone Conference ID: 927 152 869#

AGENDA

- I. Roll Call
- II. Review and Adoption of Minutes of October 19, 2023
- III. Review and Adoption of Minutes of October 19, 2023 Executive Session
- IV. Executive Director's Report
- V. Boston Convention Marketing Center Performance Report
- VI. MassMutual Center/MGM Springfield Sales and Marketing Update
- VII. Report of Administration, Finance & Personnel Committee
 - a. Fiscal Year 2023 Audit [VOTE]
 - b. Cleaning and Ancillary Services [VOTE]
- VIII. Report of Executive Committee
 - a. Bay State Cruise Company Contract Extension [VOTE]
 - b. Executive Session: To conduct strategy sessions in preparation for contract negotiations with nonunion personnel
- IX. Report of Development & Construction Committee
 - a. BCEC North Lobby Café [VOTE]
- X. Old Business
- XI. New Business
 - a. BCEC Solar Panel and Roof Project Update
- XII. Adjournment



Boston Convention Marketing Center

Performance Report / MCCA Board Meeting – November 2023

Signature BOSTON™



October 2023

- Association for Molecular Pathology Annual Meeting & Expo 2025
 - BCEC event for November 2025 with 8,320 room nights
- American Clean Power Association Offshore WINDPOWER Conference and Exhibition 2025
 - Hynes event for October 2025 with 3,510 room nights
- American Clean Power Association Offshore WINDPOWER Conference and Exhibition 2027
 - Hynes event for September 2027 with 3,510 room nights



YTD (July 2023 – October 2023)

	Bulls Eye *	Non Bulls Eye	Totals
BCEC Events	2	0	2
Hynes Events	3	1	4
Total Events	5	1	6

BCEC Room Nights	13,628	0	13,628
Hynes Room Nights	20,395	1,390	21,785
Total Room Nights	34,023	1,390	35,413

*Bulls Eye = 1,000 rooms on peak or more

October 2023

	# of Events
BCEC Events	8
HYNES Events	6
Lawn on D Events	2
Total Events	16
BCEC Room Nights	2,306
HYNES Room Nights	300
Lawn on D Room Nights	0
Total Room Nights	2,606

YTD (July 2023 – October 2023)

	# of Events
BCEC Events	25
HYNES Events	21
Lawn on D Events	17
Total Events	63
BCEC Room Nights	4,536
HYNES Room Nights	962
Lawn on D Room Nights	0
Total Room Nights	5,498

- The International Brotherhood of Electrical Workers (IBEW) will be hosting their 125th Celebration at the BCEC in September 2025, with an estimated 5,000 guests in attendance
- The Lawn on D season for CY2023 concluded with 75 events. The peak selling period continues to be in August with 25 events this year, followed by June with 21 events
- Sponsorship & Advertising revenue generated over \$145,000 in the month of October from in-house events and local advertising (YTD sponsorship revenue is over \$362,000)



BCEC & Hynes Events

November – December 2023

Event Name	Venue	Dates	Total Room Nights
National Scholastic Press Association JEA / NSPA Fall NHSJC 2023	Hynes	11/02/23 - 11/05/23	4,285
Rockwell Automation Automation Fair 2023	BCEC	11/06/23 - 11/09/23	13,983
American Association for the Study of Liver Diseases The Liver Meeting Annual Meeting 2023	Hynes	11/11/23 - 11/13/23	21,030
American Speech-Language-Hearing Association Annual Convention 2023	BCEC	11/16/23 - 11/18/23	18,250
DISCO International, Inc. Boston Career Forum 2023	Hynes	11/17/23 - 11/19/23	3,675
Materials Research Society Fall Meeting 2023	Hynes	11/27/23 - 12/01/23	13,071
American Society for Cell Biology Annual Meeting 2023	BCEC	12/03/23 - 12/05/23	14,220

A Look at Costs in U.S. Cities To the Show Owner and the Show Exhibitor

- Hotel Costs (Room Rates) are high in Boston. The top 3 according to STR lately are (in terms of both occupancy and ADR):
 - New York
 - Boston
 - Las Vegas
- Why Do Customers Still Pick Boston
 - They Do Better in terms of attendance
 - They Do Better because of exhibitor draw
 - They Do Better because of financial performance
 - They Do Better because Boston is a destination that Show Owners, Exhibitors and especially attendees want to go to

Much of the work associated with an event occurs before the event starts and after the event ends (from the outside it looks like nothing is going on in the convention center) and that work is very labor intensive.

The following is a peak at some of the rates that Show Owners and Exhibitors must pay.



A Recent Survey of Material Handling & Labor Rates by The Exhibitor Advocate, Tradeshow Logic and Evolio Marketing

The survey evaluated 160 events in 16 cities by reviewing the “Exhibitor Manuals & Rates” publications associated with those 160 events. This survey was done for events occurring in the calendar year 2022.

- The 3 categories that were evaluated were:
 - Material Handling (the is the movement of freight from the docks to the show floor before the show starts and back to the docks when the show is over).
 - Electrical Labor Rate (the connection costs of electricity that occurs inside the booth on the show floor).
 - Installation and Dismantle Labor Costs are the costs associated with the assembly of the booth before the show starts and the teardown of the booth when the show ends.



A Recent Survey of Material Handling & Labor Rates by The Exhibitor Advocate, Tradeshow Logic and Evolio Marketing

- The average costs in these 3 categories across the 160 events in 2022 were:
 - Material Handling in straight time (\$1.88/pound)
 - Electrical Labor Rate in straight time (\$132/hour)
 - Installation and Dismantle Rate (\$140/hour)
- Costs will increase per the associated labor contracts in a given destination (there is a wide variation in the work rules from city to city).
 - Overtime rates
 - Double-time rates
 - Work is defined as to who is allowed to do that work.
- These are part of the cost evaluations that are done by:
 - An event when selecting a city location.
 - An exhibitor in deciding what events they will participate in.



2022 Material Handling & Labor Rates for 160 Events Across 16 U.S. Exhibition Cities

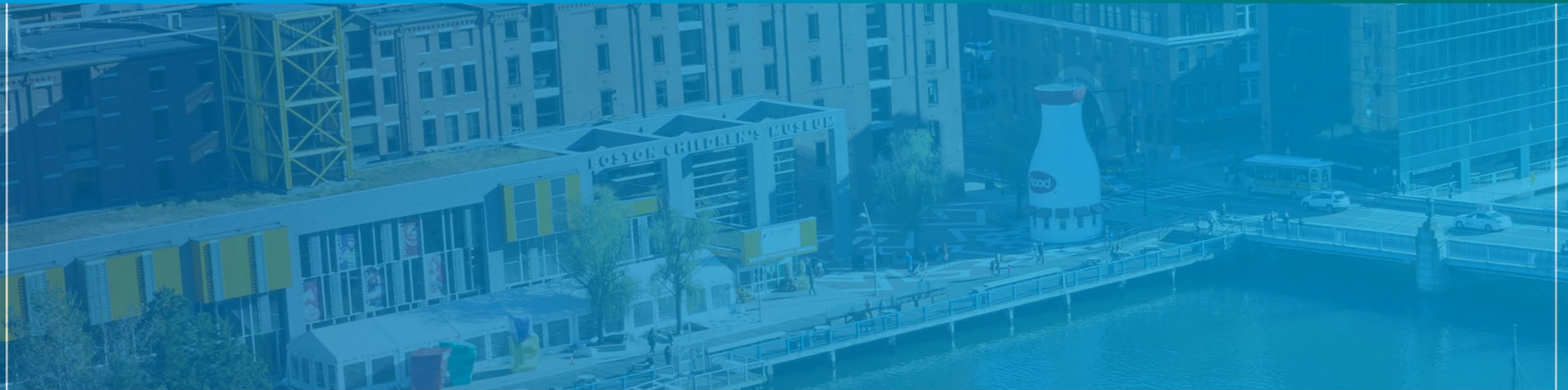
2022 Material Handling & Labor Rates Across 16 U.S. Exhibition Cities			
	Display Labor	Electrical Labor	Material Handling
	Straight Time	Straight Time	Before Deadline
Anaheim	\$153.18	\$155.08	\$2.18
Atlanta	\$99.66	\$114.49	\$1.02
Boston	\$176.70	\$168.54	\$2.66
Chicago	\$172.33	\$135.98	\$2.06
Dallas	\$109.88	\$114.81	\$1.44
Houston	\$115.43	\$99.71	\$1.24
Las Vegas	\$119.45	\$140.02	\$1.42
Nashville	\$117.30	\$77.00	\$1.56
New Orleans	\$117.30	\$77.00	\$1.40
New York	\$235.05	\$150.00	\$2.73
Orlando	\$111.91	\$124.47	\$1.30
Philadelphia	\$153.56	\$187.60	\$2.86
San Antonio	\$111.13	\$111.79	\$1.46
San Diego	\$158.48	\$162.61	\$2.03
San Francisco	\$163.15	\$187.06	\$2.26
Washington D.C.	\$121.52	\$107.44	\$2.40
US Average	\$139.75	\$132.10	\$1.88
Boston Rank	2nd	3rd	3rd



Thank you!

Remarkable Experiences. Imagination Realized.

Signature **BOSTON**





••• MassMutual Center HIGHLIGHTS

GENERAL UPDATE

October: 40 events in 31 days



November: 31 events in 30 days



Client Surveys – October & November

11 Surveys Received

Overall Experience: 5/5

Likelihood to Return: 9.9/10

Likelihood to Recommend: 9.81/10

Events On-Sale



SALES UPDATE – OCTOBER 2023

27

NEW INQUIRIES

64

OPEN & WORKING

October, 2023			FY24 YTD		
Category	Total	Room Nights	Category	Total	Room Nights
Definite Booked					
10 Bookings*	\$200,475	3,174	46 Bookings*	\$731,799	5,471*
Tentative Booking					
13 Bookings	\$192,375	925	19 Bookings	\$357,125	1,035

* 3 Bulls Eye Bookings

* 7 Bulls Eye Bookings

October Revenue Highlights

- 2nd Highest Revenue in Rental and Catering
- 60% Association Market
- 70% of Association is New
- Ancillary revenues over \$110K
- 30% contracted for 2024
- Over \$2M in Economic Impact



November 2024 - 425 R/N
February 20252 – 625 R/N



July 2024 & July 2025
1,100 R/N each



October, 2024 - 250 R/N



FY2023 Financial Highlights

MCCA Board Meeting

November 16, 2023

**MASSACHUSETTS
CONVENTION CENTER
AUTHORITY**

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Financial Highlights

- **Operating Revenues**

- Increased approximately \$19.5M, or 30.9%, to \$82.8M from \$63.3M in FY22
 - Largest annual revenue generated by the MCCA

- **Operating Expenses**

- Increased approximately \$19.3M, or 17.9%, to \$127.5M from \$108.2M in FY22

- **Operating Loss:**

- Including depreciation – \$44.7M in FY23, \$44.9M in FY22
- Excluding depreciation – \$6.8M in FY23, \$6.6M in FY22

- **Coverage Ratio:**

- Coverage ratio – 0.91 FY23 v. 0.98 in FY22



Financial Highlights (cont'd)

- **Assets / Deferred Outflows**

- Increased \$6.0M in FY23, from \$728.3M to \$734.3M
 - Current assets increased by 15.0%, from \$95.4M to \$109.5M
 - \$13.5M increase in restricted assets
 - Non-current assets fell by \$8.6M, or 1.4%
 - Reduction in capital assets after annual depreciation

- **Liabilities / Deferred Inflows**

- Increased by \$2.6M, 2.8%, from \$90.3M in FY22 to \$92.9M
 - \$5.6M increase in net retirement (pension/OPEB) liabilities

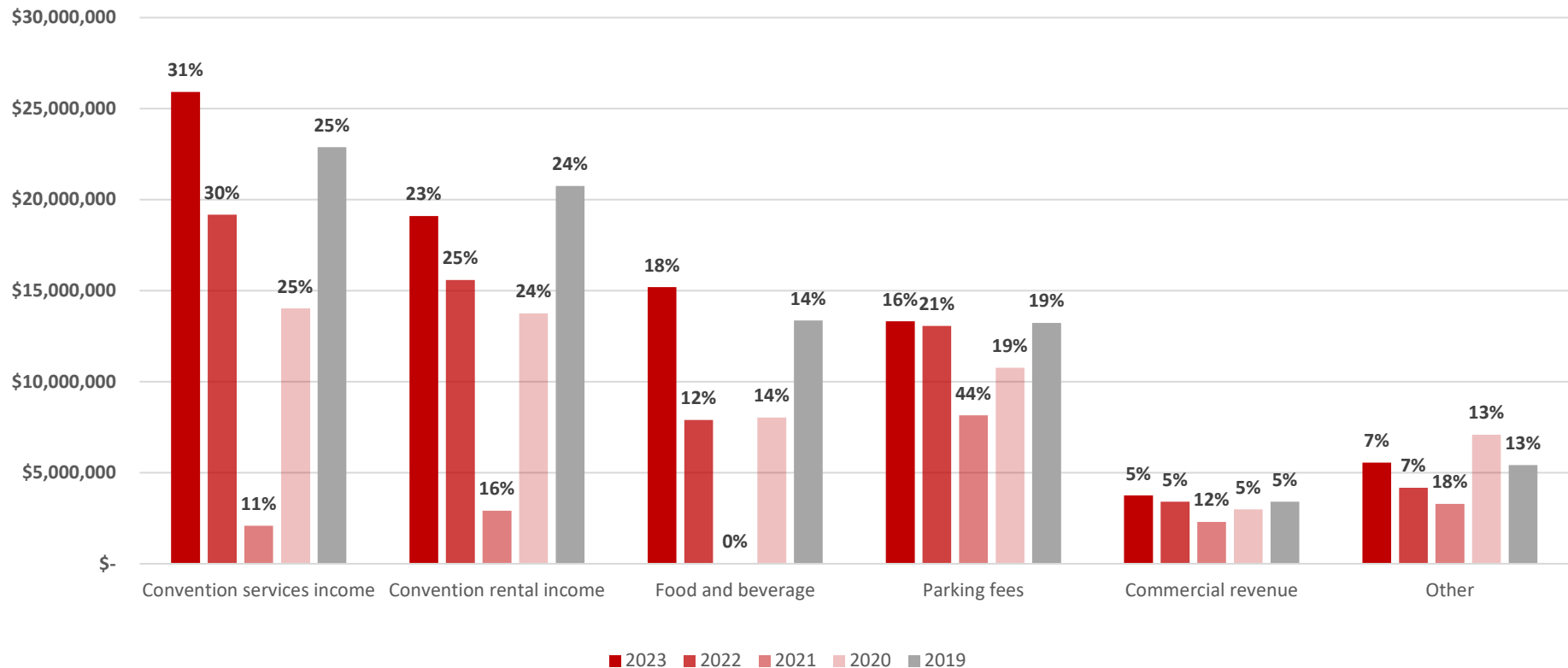
- **Net Position**

- \$641.4M, \$3.4M increase from FY22, 0.5% increase



Financial Highlights

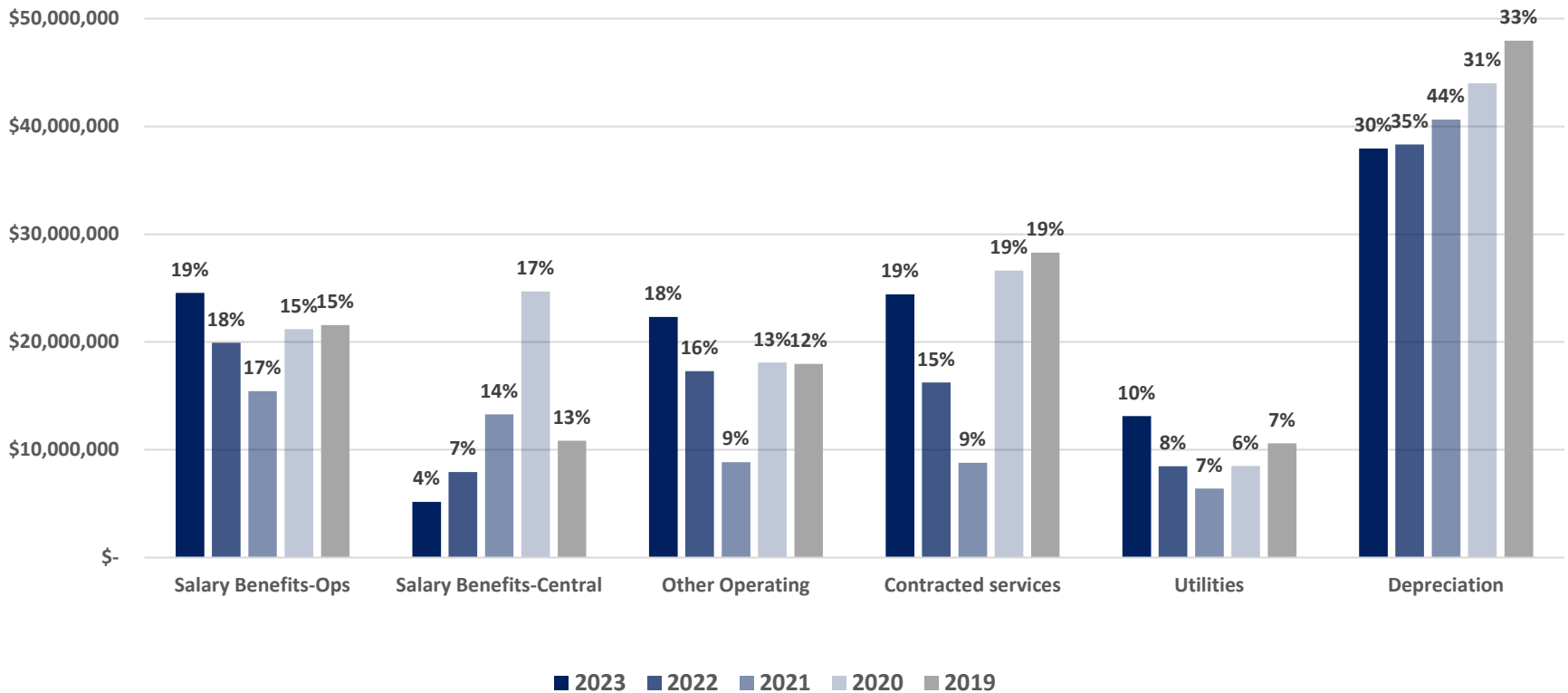
Operating Revenue by Category



The percentages in the table above represent the revenue category as a percentage of the total annual operating revenue for each fiscal year.

Financial Highlights

Operating Expenses by Category

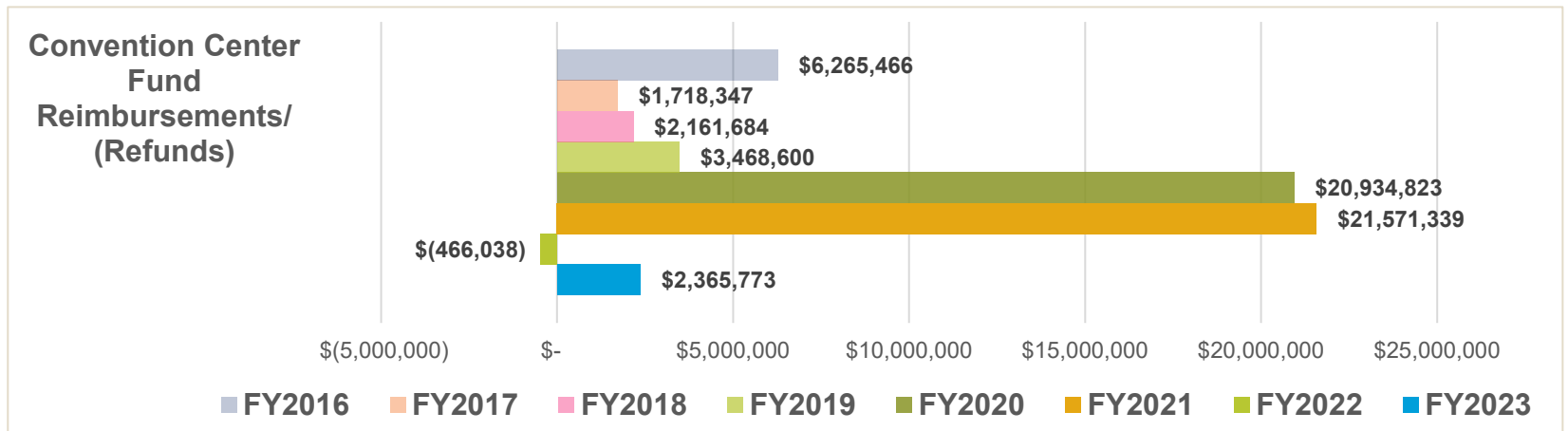
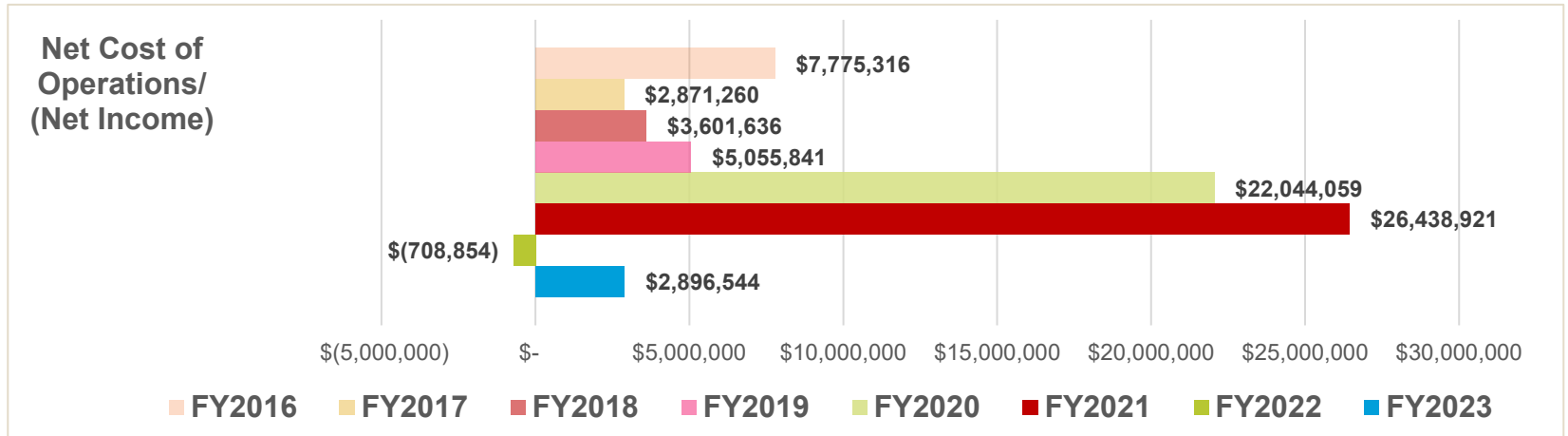


The percentages in the table above represent the expense category as a percentage of the total annual operating expenses for each fiscal year.



Financial Highlights

Statutory Net Cost of Operations and Operating Reimbursement Requests



Financial Highlights (continued)

Statement of Net Position \$s in millions				
	<u>FY 2023</u>	<u>FY 2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current assets	\$109.5	\$95.4 \$	14.1	14.78%
Noncurrent assets	\$615.7	\$624.2 \$	(8.5)	-1.36%
Deferred Outflows	\$9.0	\$8.7 \$	0.3	3.86%
Current liabilities	\$23.7	\$23.9 \$	(0.2)	-0.73%
Noncurrent liabilities	\$41.2	\$35.0 \$	6.2	17.59%
Deferred inflows of resources	\$28.0	\$31.4 \$	(3.4)	-10.92%
Net position	\$641.4	\$638.0 \$	3.4	0.53%



Financial Highlights (continued)

Statements of Revenue, Expenses and Changes in Net Position \$s in millions

	<u>FY 2023</u>	<u>FY 2022</u>	<u>\$ Change</u>	<u>% Change</u>
Operating revenues	\$82.8	\$63.3	\$19.5	30.87%
Operating expenses, excl. depr/amor	89.6	69.9	19.7	28.18%
Operating loss, excl. depr/amor	(6.8)	(6.6)	(0.2)	2.93%
Depreciation and amortization	37.9	38.3	(0.4)	-0.98%
Non-operating revenue (net) and capital contributions	48.1	31.2	16.9	54.19%
Changes in net position	\$3.4	(\$13.7)	\$17.1	-124.56%



Financial Highlights (continued)

OPEB Trust

	<u>2023</u>	<u>2022</u>
Total OPEB liability:	\$22,492,749	\$18,825,360
Plan fiduciary net position:	<u>18,442,913</u>	<u>14,007,061</u>
Authority's net OPEB liability:	<u>\$ 4,049,836</u>	<u>\$ 4,818,299</u>
Plan fiduciary net position as a percentage of the total OPEB liability:	81.99%	74.41%

Financial Highlights (continued)

Pension Trust

	Beginning Balance July 1, 2022	Additions	Deletions	Ending Balance June 30, 2023
Net Pension Liability	\$ 29,572,816	\$ 11,353,569	\$ (4,941,534)	\$ 35,984,851

		Assets at Fair Value, as of June 30, 2023		
Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Fixed income mutual funds:	\$ 2,187,615	\$ 2,187,615	\$ -	\$ -
Equity mutual funds:	9,278,142	9,278,142	-	-
Total investments by fair value level:	<u>\$ 11,465,757</u>	<u>\$ 11,465,757</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV):				
Common collective trust funds:	<u>\$ 43,471,650</u>			
Total investments	<u>\$ 54,937,407</u>			



Massachusetts Convention Center Authority

FY 2023 AUDIT RESULTS

Report to the Board of Directors

November 16, 2023



Board of Directors

Administration, Finance and Personnel Committee

Massachusetts Convention Center Authority

Boston, MA

We are pleased to present this report related to our FY2023 audit of Massachusetts Convention Center Authority (the Authority) financial statements. Our report shares the results of our audit work as required by professional standards alongside other meaningful insights, which we believe will help you in executing your oversight responsibility for the Authority's financial reporting process.

It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Authority.

RSM US LLP

This report is intended solely for the information and use of Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.



Helping you meet
requirements,
turn challenges
into opportunities
and improve your
business.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
REQUIRED COMMUNICATIONS	5-13
APPENDICES:	14
Appendix A—Significant Written Communications Between Management and Our Firm	15
Appendix B—Recent Accounting Pronouncements	16

EXECUTIVE SUMMARY

Audit Status

The FY2023 audit is substantially complete, pending update of subsequent events, updating of legal letters and receipt of the signed management representation letter.

We expect the Authority to be able to issue the financial statements upon board approval and completion of the matters noted above. We expect to issue an unmodified opinion on the financial statements.

Key areas of focus during this period's audit include those deemed to be significant risks, which are found on the next page.

Significant Changes to the Planned Audit Strategy

There were no significant changes to the planned audit strategy and communicated to the AF&P committee in our report dated August 21, 2023.

Significant Risks

We did not identify any significant risks other than those we communicated to you in our report dated August 21, 2023.

Adoption of New Accounting Policy

In 2023, the Authority adopted:

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 96, *Subscription Based Technology Arrangements*

Audit Adjustments or Uncorrected Misstatements

During our audit, we did not identify any audit adjustments that would be required for the financial statements to be considered fairly stated in all material respects.

Similarly, we did not identify any matters that are immaterial to the financial statements which would be required to be reported to this committee as uncorrected misstatements.

Deficiencies in Internal Control

- 4 We did not identify any material weakness or significant deficiencies related to the financial statements.



UNDERSTAND
THE CLIENT



RISK
ASSESSMENT



FURTHER AUDIT
PROCEDURES



EVALUATION



DELIVERY

Areas of Audit Focus

- Internal accounting and financial reporting controls
- Cash and investment disclosures
- Accounts and loans receivable, including assessment of allowances and related revenue*
- Capital assets, including depreciation*
- Proper cut-off of accounts payable and accrued expenses
- Leases (follow up on implementation of GASB Statement No.87)*
- SBITA's (implementation of GASB Statement No. 96)*
- Implementation of GASB 94
- Pension and OPEB reporting*
- Proper net position classification
- Litigation and other contingencies*
- Compliance with requirements pursuant to *Government Auditing Standards*

**Denotes an area of significant management judgement or estimate*

Accounting policies and practices

The following required communications summarize our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Matter to Report	Yes	No
Changes to the planned scope and timing of the audit	✓	We have issued a separate communication dated August 21, 2023 regarding the planned scope and timing of our audit and identified significant risks.
Accounting policies and practices		
Preferability of accounting policies and practices	✓	Under accounting principles generally accepted in the United States of America, management may select among alternative accounting practices in certain circumstances. In our view, in such circumstances, management has selected the preferable accounting practice.
Adoption of, or change in, accounting policies	✓	<p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The following is a description of significant accounting policies or their application that were either initially selected or changed during the year:</p> <ul style="list-style-type: none"> • GASB Statement No. 94, <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i> • GASB Statement No. 96, <i>Subscription Based Technology Arrangements</i>
Significant accounting policies	✓	We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Significant unusual transactions	✓	We did not identify any significant unusual transactions.

Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

Fair Value of Investments

Accounting policy

Pension and OPEB Trust investments are reported at fair value using quoted market prices or the best available estimate.

Management's estimation process

GAAP provides for the Authority to utilize a practical expedient to estimate fair value for certain investments funds that are not publicly traded. The Authority uses the net asset value (NAV) per share of the investment (or its equivalent) without further adjustment.

Basis for our conclusion on the reasonableness of the estimate

RSM confirmed the investments directly with the People's United Bank and verified the pricing for selected investments. RSM deems to be reasonable.

Accounts Receivable Allowance of Doubtful Accounts; Calculation is performed monthly by management.

Accounting policy

Convention receivables are stated net of an allowance for doubtful accounts. The allowance is established by management to provide for potential bad debts based on current information available and past experience.

Management's estimation process

MCCA management performs monthly allowance estimates for all funds. Historically, the Commonwealth always reimburses MCCA for disbursements sent out.

Basis for our conclusion on the reasonableness of the estimate

RSM performed a trend analysis on the current year allowance. RSM noted no management bias influencing the Authority's accounting estimates. As such, RSM deems reasonable.

Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

GASB 96 - Subscription-Based Information Technology Arrangements.

Accounting policy

The Authority uses the net present value of the arrangement payments to record the initial lease liability based on the incremental borrowing rate of the arrangements.

Management's estimation process

The Authority analyzed all their arrangements (SBITA assets and liabilities) and has determined that a 3.830% (average rate on the Commonwealth's GO 2022, Series C bonds (3.350% + 4.310%)/2) yield rate from the October 27, 2022 issue was deemed to be a reasonable rate as of July 1, 2022 as the yield rates increased significantly from the February 15, 2022 issue. This is deemed to be the most relevant rate for MCCA.

Basis for our conclusion on the reasonableness of the estimate

RSM audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied. RSM deems to be reasonable.

GASB 87 - Leases' incremental borrowing rate, as estimated by management

Accounting policy

The Authority uses the net present value of the lease payments to record the initial lease liability based on the incremental borrowing rate of the lease.

Management's estimation process

The Authority analyzed all their leases and has determined: 1) that a 1.900% (average rate on the Commonwealth's GO 2021, Series A and B bonds (1.510% + 2.290%)/2) yield rate from the May 18, 2021 was deemed to be a conservative rate as of July 1, 2021 and 2) based on the yield rates on the October 5, 2021 issued the yield rates did not change significantly from May and that the use of a 1.900% yield rate for a proxy for the Authority's incremental borrowing rate is reasonable.

Basis for our conclusion on the reasonableness of the estimate

RSM audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied. RSM deems to be reasonable.

Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

Capital Asset Useful Lives

Accounting policy

It is the Authority's policy to capitalize capital assets that have a future economic benefit to the Authority and to estimate the asset's useful life in accordance with applicable accounting guidance.

Management's estimation process

Management accesses annually if changes in estimated useful lives are necessary based upon results of actual asset life being observed.

Basis for our conclusion on the reasonableness of the estimate

RSM reviewed the Authority's estimated useful lives for assets selected for testing. RSM deems reasonable.

Defined Benefit Plan Liability, Expense, Deferred Inflows/Outflows, and other relate amounts.

Accounting policy

The Authority's employees are covered under the Commonwealth of Massachusetts' State Employees' Retirement System. The SERS issues an annual report detailing the Authority's related share of the Pension Liability, Deferred Inflows/Outflows, Expense, etc.

Management's estimation process

Annually, the Authority receives the SERS report and adjusts related balances based on the report.

Basis for our conclusion on the reasonableness of the estimate

RSM utilized an internal specialist to assist with the evaluation of management's calculations and assumptions. RSM deems reasonable.

Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

Defined OPEB Plan Liability, Expense, Deferred Inflows/Outflows, and other relate amounts.

Accounting policy

The Authority receives an actuarial valuation related to their OPEB obligation on an annual basis, and adjusts the OPEB Liability, Deferred Inflows/Outflows, Expense, etc. accordingly.

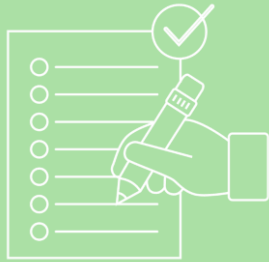
Management's estimation process

Annually, the Authority receives valuation report and adjusts related balances based on the report.

Basis for our conclusion on the reasonableness of the estimate

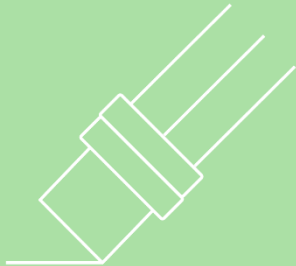
RSM utilized an internal specialist to assist with the evaluation of management's calculations and assumptions and tested the census used in the valuation. RSM deems reasonable.

Audit Adjustments and Uncorrected Misstatements



There were no audit adjustments made to the original trial balance presented to us to begin our audit.

AUDIT ADJUSTMENTS



We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

UNCORRECTED MISSTATEMENTS

Observations About the Audit Process

Matter to Report	Yes	No
Observations about the audit process		
Significant issues discussed with management	✓	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Disagreements with management	✓	There were no disagreements with management.
Significant difficulties encountered in performing the audit	✓	We did not encounter any significant difficulties in dealing with management during the audit.
Consultations with other accountants	✓	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Difficult or contentious matters that required consultation	✓	We did not encounter any significant and difficult or contentious matters that required consultation outside our engagement team.

Independence

Shared Responsibilities: AICPA and GAO Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA and Government Accountability Office (GAO) independence rules. For RSM to fulfill its professional responsibility to maintain and monitor independence, management, the Audit Committee, and RSM each play an important role.

Our responsibilities



- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. RSM is to ensure that the AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality control over compliance with independence rules and firm policies.

The Authority's responsibilities



- Timely inform RSM, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, officers, or person in financial reporting oversight roles.
 - Changes in the reporting entity impacting affiliates such as subsidiaries, partnerships, related entities, investments, joint ventures and jointly governed organizations.
- Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the Authority and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with RSM.
- Not entering into arrangement of nonaudit services resulting in RSM being involved in making management decisions on behalf of the Authority.
- Not entering into relationships resulting in RSM, RSM covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Authority.

APPENDICES



Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the Authority, including the representation letter to be provided to us by management, are attached.

Recent Accounting Pronouncements

GASB Statement No.	GASB Statement	Adoption Required in Fiscal year
100	Accounting Changes and Error Corrections	2024
101	Compensated Absences	2025

RSM CONTACTS

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Board Vote: Acceptance of Financial Statements and Independent Auditor's Report

The Massachusetts Convention Center Authority's ("Authority") outside auditing firm, RSM US, LLP, made a report and presentation to the Administration, Finance & Personnel Committee at its recent meeting concerning the Authority's Financial Statements and Independent Auditor's Report for Fiscal Year 2023.

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

VOTE: The Massachusetts Convention Center Authority hereby votes to accept Financial Statements for the Year Ended June 30, 2023 and Independent Auditors Report and Report on Internal Control and Compliance for the Year Ended June 30, 2023 prepared by RSM US, LLP.



Cleaning and Ancillary Services for the BCEC, Lawn on D and Hynes

MCCA Board Meeting

November 16, 2023

**MASSACHUSETTS
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Contract for Cleaning and Ancillary Services

Scope of Services:

- Base building cleaning, general labor and miscellaneous projects.
- Set-Up of MCCA Equipment for: Meeting Rooms, Ballrooms and General Sessions.
- Responsible for the collection and handling of all waste and recycle materials as part of the MCCA Sustainable Program.
- Responsible for Snow and Ice Removal for all sidewalk locations of each facility in participation with the MCCA's Snow and Ice Contractor.
- Responsible for Care and Maintenance of all assigned MCCA equipment.
- Responsible to provide all cleaning supplies as listed in procurement.
- Preferred Event Space Cleaning Contractor for MCCA Clients.
- Responsible to supply fee to MCCA for services rendered to MCCA Clients.

Contract for Cleaning and Ancillary Services

Procurement Procedure:

The Authority formed a Selection Committee consisting of :

Operations:

John Donahue, Chief of Operations,
Juan Oller, Building Services Manager,

Events:

Michael Tedford, Assistant General Manager,

Finance:

John Paquin, Financial Planning and Analysis Manager,

Diversity, Equity and Inclusion:

Herschel Herndon, Chief Diversity Officer.

Contract for Cleaning and Ancillary Services

Procurement Procedure:

Per statute, the Authority's Selection Committee conducted a two-phase procurement process; first advertising for services, receiving, and reviewing qualifications of eight interested Cleaning Firms to develop a shortlist of three firms. The Authority then solicited, received, and reviewed proposals and conducted interviews of the three most qualified proposers. The Selection Committee utilized a selection criterion for the proposals received to rank the most advantageous firm based on but not limited to; industry experience, local presence, similar projects in size and requirements, staffing plan, overall management plan, transition plan, supplier diversity and fee to Authority, to rank the three firms for award of the contract.

Contract for Cleaning and Ancillary Services

Firm	Annual Cost	Ranking	Commission Fee to Authority
Done Right Building Services, Inc	Lowest Projected	Highly Advantageous	10%
ABM Janitorial Services, Inc	2 nd Lowest Projected	Advantageous	10%
UG2, Inc	Highest Projected	Advantageous	7.25%

Year	2024	2025	2026	Total (3-Yr)
Estimated Annual Cost**	\$7,619,000	\$7,848,000	\$8,083,000	\$23,550,000

The basis of Done Right Building Service's ratings were the following:

Lowest Administration Fee for the Management Plan, \$246,429 annually.

Highest Supplier Diversity Commitment, 100% MBE Firm, 100% WBE supplies.

Highest Commission Fee Proposal, 10% return on Client Event Services.

Lowest Annual Projected Cost.

** For illustration; does not reflect actual event demands for years indicated.

Procurement

- MCCA Supplier Diverse Initiative and Efforts specific to the Cleaning and Ancillary RFP.
- DRB- (Minority Owned) was chosen by the Committee for offering the best value and most advantageous partnership.
- The MCCA Procurement Department initiated outreach and answered inquiries about timelines of the release of the RFP to DRB, throughout the extension period with ABM.
- Procurement also contacted other certified MBE/WBE firms such as SERVUS and All Time Service about the RFQ RFP bidding opportunity for the Cleaning & Ancillary Services.

Board Vote: Contract for Cleaning and Ancillary Services

A vote to implement the Administration, Finance & Personnel Committee's recommendation to authorize a contract for Done Right Building Services would take the following form:

VOTE: That the Massachusetts Convention Center Authority hereby authorizes the Executive Director to enter into a Contract with Done Right Building Services, Inc. to provide Cleaning and Ancillary Services for the Boston Convention & Exhibition Center, Lawn on D and the John B. Hynes Veterans Memorial Convention Center in accordance with the terms of the Request for Proposals dated October 5, 2023, for the annual charges and billing rates set forth in the proposal submitted by said firm, for a term of three years, and at the sole discretion of the Authority, to renew said contract for two additional one-year terms.

Draft

**Board Vote: Cleaning and Ancillary Services: Boston Convention & Exhibition Center,
Lawn on D and John B. Hynes Veterans Memorial Convention Center**

Per statute, as set forth in M.G.L., the Authority formed a Selection Committee which conducted a two-phase process; first requesting, receiving, and reviewing qualifications of six interested Cleaning Firms to develop a shortlist of three firms and second solicited, received, and reviewed proposals and conducted interviews of the proposers. The Selection Committee utilized a selection criterion to rank the most advantageous firm based on but not limited to; experience, similar projects, staffing plan, local presence, overall management plan, transition plan, supplier diversity and fee to rank the three firms for award of the contract.

The proposals from three firms were received on Wednesday, October 25, 2023, and ranked as the following:

Firm	Comparable Annual Cost	Ranking	Commission Fee
Done Right Building Services, Inc	Lowest Projected	Highly Advantageous	10%
ABM Janitorial Services, Inc	2 nd Lowest Projected	Advantageous	10%
UG2, Inc	Highest Projected	Advantageous	7.25%

The Selection Committee's most advantageous first-ranked firm is Done Right Building Services, Inc.

In accordance with MGL. c. 149, the selection committee recommended the award to Done Right Building Services, Inc.

A vote to implement the Administration, Finance and Personnel Committee's recommendation to authorize a contract for Done Right Building Services, Inc for the Cleaning and Ancillary Services, would take the following form:

VOTE: **That the Massachusetts Convention Center Authority hereby authorizes the Executive Director to enter into a Contract with Done Right Building Services, Inc. to provide Cleaning and Ancillary Services for the Boston Convention & Exhibition Center, Lawn on D and the John B. Hynes Veterans Memorial Convention Center in accordance with the terms of the Request for Proposals dated October 5, 2023, for the annual charges and billing rates set forth in the proposal submitted by said firm, for a term of three years, and at the sole discretion of the Authority, to renew said contract for two additional one-year terms.**



Bay State Cruise Company Contract Extension

MCCA Board Meeting

November 16, 2023

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Overview of Service

North Station Route

Departures from both North Station (Lovejoy Wharf) & Seaport (Fan Pier)
every 20 minutes during peak hours Monday-Friday

Morning		Evening	
6:20 AM		3:20 PM	
6:40 AM		3:40 PM	
7:00 AM		4:00 PM	
7:20 AM		4:20 PM	
7:40 AM		4:40 PM	
8:00 AM		5:00 PM	
8:20 AM		5:20 PM	
8:40 AM		5:40 PM	
9:00 AM		6:00 PM	
9:20 AM		6:20 PM	
9:40 AM		6:40 PM	
		7:00 PM	

East Boston Route

Departures from East Boston (Lewis Mall Wharf) & Seaport (Fan Pier)
every 20 minutes during peak hours Monday-Friday

Morning		Evening	
East Boston	Fan Pier	Fan Pier	East Boston
5:55 AM	6:05 AM	3:15 PM	3:25 PM
6:15 AM	6:25 AM	3:35 PM	3:45 PM
6:35 AM	6:45 AM	3:55 PM	4:05 PM
6:55 AM	7:05 AM	4:15 PM	4:25 PM
7:15 AM	7:25 AM	4:35 PM	4:45 PM
7:35 AM	7:45 AM	4:55 PM	5:05 PM
7:55 AM	8:05 AM	5:15 PM	5:25 PM
8:15 AM	8:25 AM	5:35 PM	5:45 PM
8:35 AM	8:45 AM	5:55 PM	6:05 PM
8:55 AM	9:05 AM	6:15 PM	6:25 PM
9:15 AM	9:25 AM	6:35 PM	6:45 PM
9:35 AM	9:45 AM	6:55 PM	7:05 PM
9:55 AM	10:05 AM		

No Saturday, Sunday, or Holiday Service

Holidays: New Year's Day, Martin Luther King Jr. Day, President's Day/Washington's Birthday, Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day

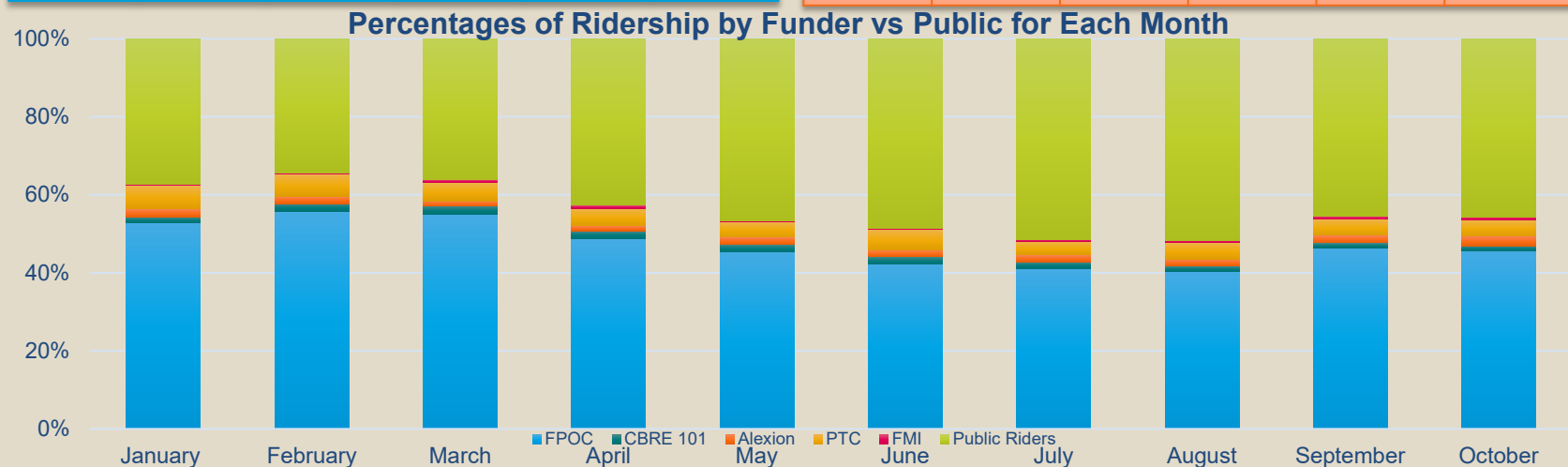
- First public-private partnership of its kind
- 2 routes from Seaport (Fan Pier)
 - North Station (Lovejoy Wharf)
 - Pilot: East Boston (Lewis Mall Wharf)
- Operates during peak commuting hours Monday-Friday
- Vessels are owned by the MCCA
- Vessels are operated, maintained, stored and staffed by Bay State Cruise Company



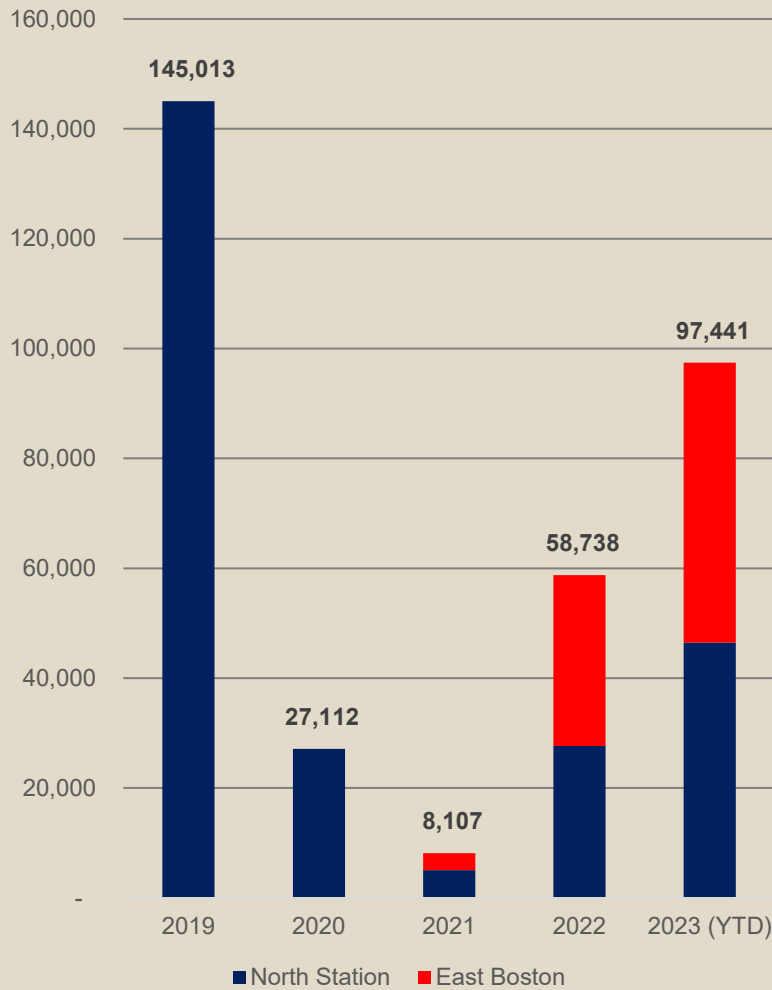
Year to Date Ridership

Month	Overall Total Riders	Number of Corporate Riders	Number of Public Riders	% of Corporate ridership making up total ridership	% of Public ridership making up total ridership
January	3,887	2,932	955	75%	25%
February	3,423	2,718	705	79%	21%
March	4,157	3,187	970	77%	23%
April	3,807	2,825	982	74%	26%
May	4,910	3,566	1,344	73%	27%
June	3,874	3,269	605	84%	16%
July	5,061	3,231	1,830	64%	36%
August	5,938	3,648	2,290	61%	39%
September	5,373	3,593	1,780	67%	33%
October	5,975	3,831	2,144	64%	36%

Month	Overall Total Riders	Number of Corporate Riders	Number of Public Riders	% of Corporate ridership making up total ridership	% of Public ridership making up total ridership
January	3,072	1,220	1,852	40%	60%
February	3,126	1,334	1,792	43%	57%
March	3,871	1,780	2,091	46%	54%
April	4,207	1,646	2,561	39%	61%
May	5,348	1,923	3,425	36%	64%
June	5,508	2,183	3,325	40%	60%
July	6,955	2,534	4,421	36%	64%
August	6,915	2,751	4,164	40%	60%
September	5,722	2,442	3,280	43%	57%
October	6,277	2,687	3,590	43%	57%



Year Over Year Ridership



Notes Regarding Ridership:

- East Boston pilot did not begin until October 2021
- Shutdowns due to COVID19 took place April-July 2020 and December 2020-June 2021. Service was brought back on a reduced schedule through March 2022.

Cost Breakdown

- Anticipated value of funders' 2023 contract (Seaport/North Station route): **\$1,958,773.23**
- Anticipated 2023 Bay State Cruise Company costs:
 - North Station (Funded by participating companies): **\$1,242,000.00**
 - East Boston (MCCA funded pilot program): **\$572,160.00**
 - **Total: \$1,814,160.00**
- Per Year MCCA Staffing Costs:
 - Staffing:
 - Transportation agents / supervisors: **\$465,150.00**
 - Management / overhead allocation: **\$67,549.00**
 - Other Costs:
 - Ticketing software: **\$42,000.00**
 - Website costs: **\$300.00**
 - **Total: \$574,999.00**



Justification for Extension

- The intention of this extension is to align the contracts of our ferry operator with the timeline of the agreement with our funding companies.
- The current contract with Bay State Cruise Company ends December 2023.
- With all extensions exercised, the current contract with the funders ends December 2026.
- We would like to be able to extend our Bay State Cruise Company contract through the end of the extension years to fulfill our contract obligations at the rates listed in our contract without having to renegotiate with the funders or take a loss on the service.
- This also allows us to plan for future expansion more accurately as we have potential to expand to Pier 10 at the beginning of 2025.



Board Vote: Extension of Contract with Bay State Cruise Company

The Massachusetts Convention Center Authority's ("Authority") Transportation Department desires to extend the contract with Bay State Cruise Company to align with the existing term of its contract with the private companies that fund the ferry service. This allows us to guarantee our ability to meet the terms of the ferry operations contract within the costs outlined therein.

The Executive Committee received a presentation and recommendation from the Transportation Department concerning the contract with Bay State Cruise Company and the Committee voted to recommend extending the contract for three (3) years.

A vote to implement the recommendations of the Executive Committee would take the following form:

VOTE: The Massachusetts Convention Center Authority hereby authorizes the Executive Director to extend the existing contract with Bay State Cruise Company for a term of three (3) years.



BOARD VOTE: Extension of the Contract with Bay State Cruise Company

The Massachusetts Convention Center Authority's ("Authority") Transportation Department desires to extend the contract with Bay State Cruise Company to align with the existing term of its contract with the private companies that fund the ferry service. This allows us to guarantee our ability to meet the terms of the ferry operations contract within the costs outlined therein.

At a recent Executive Committee Meeting the Executive Committee received a presentation and recommendation from the Transportation Department concerning the contract with Bay State Cruise Company and the Committee voted to recommend extending the contract for three (3) years.

A vote to implement the recommendations of the Executive Committee would take the following form:

VOTE: The Massachusetts Convention Center Authority hereby authorizes the Executive Director to extend the existing contract with Bay State Cruise Company for a term of three (3) years.



BCEC North Lobby Café

MCCA Board Meeting

November 16, 2023

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BCEC North Lobby Café

Summary of the Project:

This project continues the MCCA's commitment to provide expanded food service and better overall customer service by introducing the

No Name Cafe

This location will offer enhanced selections in a highly efficient manner.



History of “No Name”

The iconic No Name restaurant was a Boston institution and in operation for over 100 years, opening in 1917 and closing its doors in 2019. Located on the historic Fish Pier, less than a half mile from the Boston Convention & Exhibition Center (BCEC), No Name initially catered towards the fisherman who worked at the pier before growing into a full-service restaurant. As the South Boston Waterfront continues to transform, the Fish Pier is still the hub for the city’s fishing industry, and in 2017 was listed on the National Register of Historic Places.



Summary of the Procurement

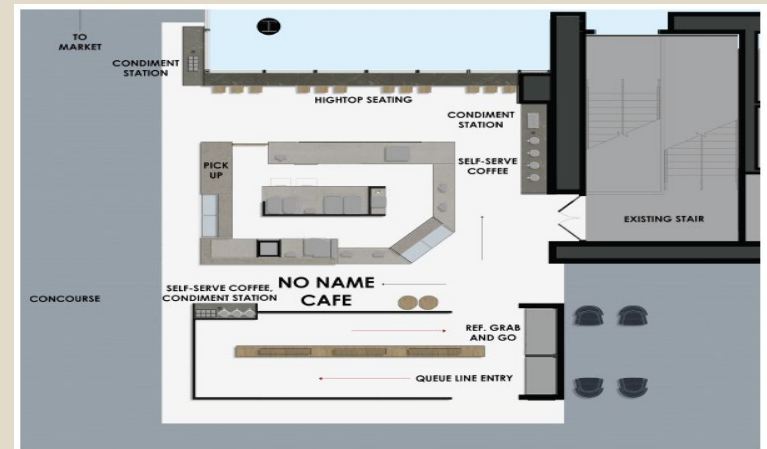
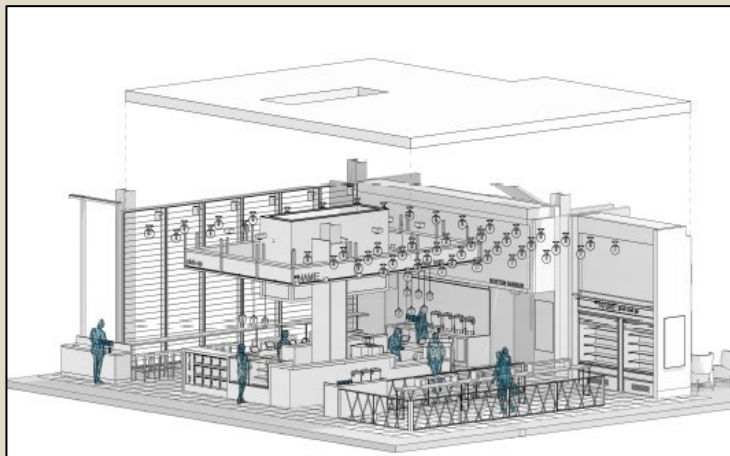
The project was advertised and bid under the terms of MGL. c 149.

Date of Documents: September 8, 2023

Date of Advertisement: September 20, 2023

Date of Filed Sub-Bid Opening: October 19, 2023

Date of Bid Opening: November 2, 2023



Contractor Bids

Contractor	Contractor Price
Gen-Con, Inc.	\$2,846,482.85
APC Development Group, Inc.	\$2,886,850.00
Excell Construction Corporation	\$2,848,647.00
G.V.W., Inc.	\$3,109,055.00
Page Building Company	\$3,200,000.00
Northern Contracting Corporation	\$3,458,200.00

The lowest eligible bidder is GenCon,Inc., in accordance with bids received on November 2, 2023, per documents dated September 8, 2023.

Procurement

- MCCA established a Supplier Diverse Initiative and Efforts specific to the R04 BCEC North Lobby Café per DCAMM recommendation.
- MCCA Procurement provided outreach to supplier diverse contractors alerting them of this upcoming project.
- Prior to bid, General Contractors were made aware of contract goals.
- Gencon's proposed sub-contractor partnerships with Supplier Diverse firms for this project:
 - WBE = 12.47% (Exceeds Goal of 8.8%)
 - MBE = 14.63% (Exceeds Goal of 4.2%)

BOARD VOTE: BCEC North Lobby Café

The Massachusetts Convention Authority in response to its' clients needs and to enhance its amenities, has determined to bring forth through it's Capital Replacement Program a project to construct a new Café, No Name Café, requiring modifications to the existing construction within the Boston Convention and Exhibition Center main lobby. All procurement guidelines were followed according to MGL Statutes.

The M.G.L. c. 149 bid law requires award to the lowest responsible and eligible bidder, which in this case is, GenCon., Inc.

A vote of the Development & Construction Committee to recommend to authorize a contract for GenCon, Inc., for the Boston Convention and Exhibition Center North Lobby Café, would take the following form:

VOTE: The Massachusetts Convention Center Authority hereby votes to authorize the Executive Director to execute a construction contract with GenCon, Inc., for the Boston Convention and Exhibition Center – North Lobby Café addition in the amount of Two Million Eight Hundred Forty-Six Thousand, Four Hundred Eighty-Two Dollars and Eighty-Five Cents (\$2,846,482.85) per documents dated September 8, 2023.

BOARD VOTE: BCEC North Lobby Café

The Massachusetts Convention Authority in response to its' clients' needs and to enhance its amenities, has determined to bring forth through its Capital Replacement Program a project to construct a new Main Lobby Café, No Name Café, requiring modifications to the existing construction within the Boston Convention and Exhibition Center. All procurement guidelines were followed according to MGL Statutes.

The Massachusetts Convention Center Authority developed construction documents for public procurement in accordance with the State's construction bid law, M.G.L. c. 149. The following Contractor Bids were received on November 2, 2023.

Contractor	Contractor Price
GenCon, Inc.	\$2,846,482.85
APC Development Group, Inc.	\$2,848,647.00
Excell Construction Corporation	\$2,886,850.00
G.V.W., Inc.	\$3,109,055.00
Page Building Company	\$3,200,000.00
Northern Contracting Corporation	\$3,458,200.00

The M.G.L. c. 149 bid law requires an award to the lowest responsible and eligible bidder – GenCon, Inc.

A vote to implement the Development & Construction Committee's recommendation to authorize a contract to GenCon, Inc., for the BCEC North Lobby Cafe, would take the following form:

VOTE: **The Massachusetts Convention Center Authority hereby votes to authorize the Executive Director to execute a construction contract with GenCon, Inc., for the Boston Convention and Exhibition Center – North Lobby Café addition in the amount of Two Million Eight Hundred Forty-Six Thousand Four Hundred Eighty-Two Dollars and Eighty-Five Cents (\$2,846,482.85) per documents dated September 8, 2023.**



BCEC Solar Panel Installation and Roof Membrane Replacement

MCCA Board Meeting

November 16, 2023

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Summary of the Project

PowerOptions allows non-profit/public sector organizations to participate in competitively bid energy procurements as well as solar and battery storage systems.

Solect Energy, based in Hopkinton, is the PowerOptions Consortium RFP Award winner.

- Solar and storage provider to towns, schools, state agencies, and non-profits in MA, CT, and RI

Summary of the Project

Preliminary design provides for over 1 MW of solar power along with 1 MW of battery storage at the BCEC.

- System would produce approximately 1.6 million kWh annually and the battery would be dispatched to help maintain electric grid reliability in New England providing a revenue stream to the MCCA

Option to own and receive direct payments from the US Treasury in lieu of tax credits which would require a Purchase Power Agreement (PPA) using a 3rd party.

Next Steps

Sign non-binding letter of intent with Solect Energy.

- Electrical engineering, utility applications, state incentive applications

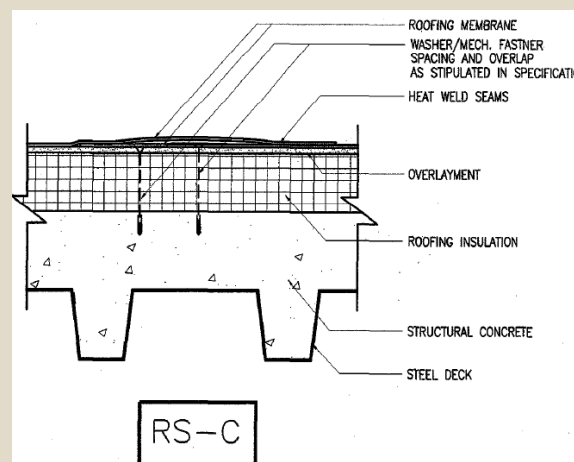
Decide on contract process with Select Energy (PPA & lease, or ownership).

Pre-construction meetings, and coordination with facility operations.

Roof replacement project planning & construction happens concurrently.

Membrane Roof Background

- Existing TPO roof membrane original to BCEC construction in 2004
- Membrane system consists of cover board and 3.5" of rigid insulation
- There are 44 individual low-sloped roof areas, totaling ~497,000 square feet of TPO membrane



SGH Engagement Timeline

- MCCA engaged House Doctor Simpson Gumpertz & Heger Inc. (SGH) in October 2022 to provide investigative report
- SGH conducted site visit investigations in February, March, April 2023
- SGH provided report findings in August 2023



SGH Report Findings

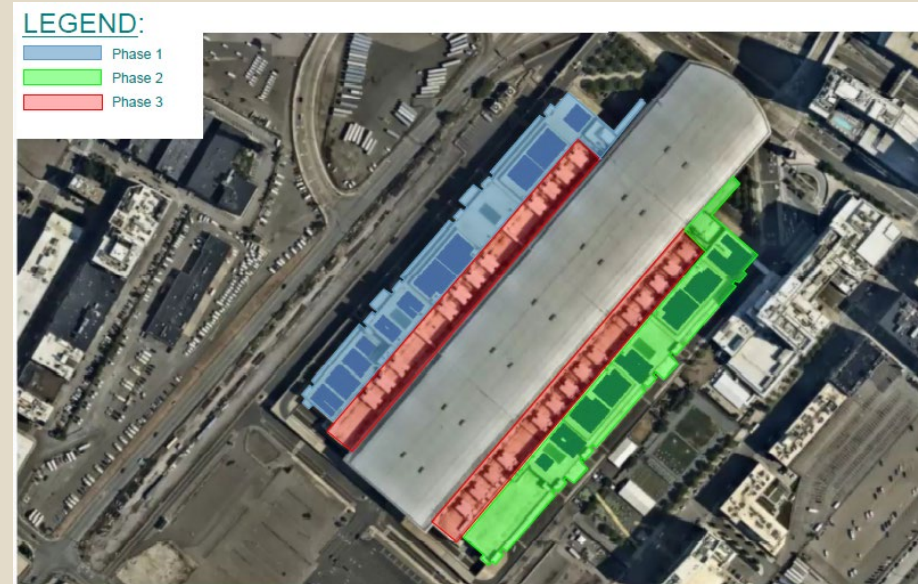
- Typical life span of TPO membrane is 20 years
- Moisture observed within roof assembly, indicative of leaking and signs of failure
- Roof membrane delaminated, wrinkled, and patched in many areas
- Softening of insulation impacting thermal resistance and vulnerable to punctures
- Existing wood fiberboard inferior insulation with low thermal strength
- Draining issues due to inadequate sloping
- Problematic flashing details contributing to ponding and leaks, including at existing skylights

SGH Recommendations

- Remove and replace the existing roofing systems down to the structural decks.
- Replace roofing system with single-ply membrane, 0.5-inch cover board, polyisocyanurate (PIR) thermal insulation.
- Improving drainage with new tapered insulation design
- Improving roof access by adding more built-in ladders
- Improving fall protection by adding non-penetrating guards around parapets and skylights

SGH Phasing Recommendation and Next Steps

- The size of the roof membrane will require a phased approach over multiple years
- To coordinate with the PV panels installation, Phases 1 and 2 should be completed by Nov. 2024 and Oct. 2025 respectively
- Start the design process for Phases 1 and 2





Diversity, Equity and Inclusion Update

November 16, 2023

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Actions and Initiatives: MCCA DEI Implementation Phase I

DEI Tracking Underway

- Actions taken or in progress over last 30 days on 17 of 27 Lobel Tye recommendation categories: **63%**
- Two Town Hall Listening Sessions Conducted
- DEI Inclusive Workplace training completed: 203 FT/PT associates. CDO opens/sets expectations
- Employee “Hot Line” (3rd Party administered) & communication progress updates forthcoming

DEI Implementation Team Kicked-Off

- 13 person cross-functional team selected to review Start, Stop, Continue, Exceptional Job feedback
- Feedback themes identified and recommendations forthcoming December 5, 2023
- MCCA Senior Staff to prioritize and communicate feedback to all MCCA staff by December 15, 2023

Organization-wide Equity Audit Launched

- Project kicked off and expected completion date December 5, 2023
- Minority Business Enterprise partners identified to assist on this work

Supplier Diversity Momentum

- New MBE Selected for MCCA Cleaning Contract: \$23M Annual Spend
- Supplier Diversity Criteria part of all RFPs and D & E Street Development Projects
- Supplier Diversity Summit and Reception: Jan. 2024, MBE lead partner
- Interviews underway for new Supplier Diversity Director as part of DEI team

Strategic DEI Community Engagement Accelerating

- CDO meetings underway to engage/identify new external Boston based DEI MCCA Council