

Administration, Finance & Personnel Committee

Thursday, March 7, 2024
11:00 a.m. – 12:30 p.m.
Boston Convention & Exhibition Center
415 Summer Street
Boston, MA 02210

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's Administration, Finance & Personnel Committee.

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: 745 618 889#

AGENDA

- I. Roll Call
- II. Review and Adoption of Minutes of February 8, 2024
- III. Insurance Renewals (4/1/24-3/31/25) [VOTE]
- IV. Fiscal Year 2025 Draft Energy/Utilities Budget
- V. Old Business
- VI. New Business
- VII. Adjournment



FY 2025 Insurance Budget

Administration, Finance and Personnel Committee

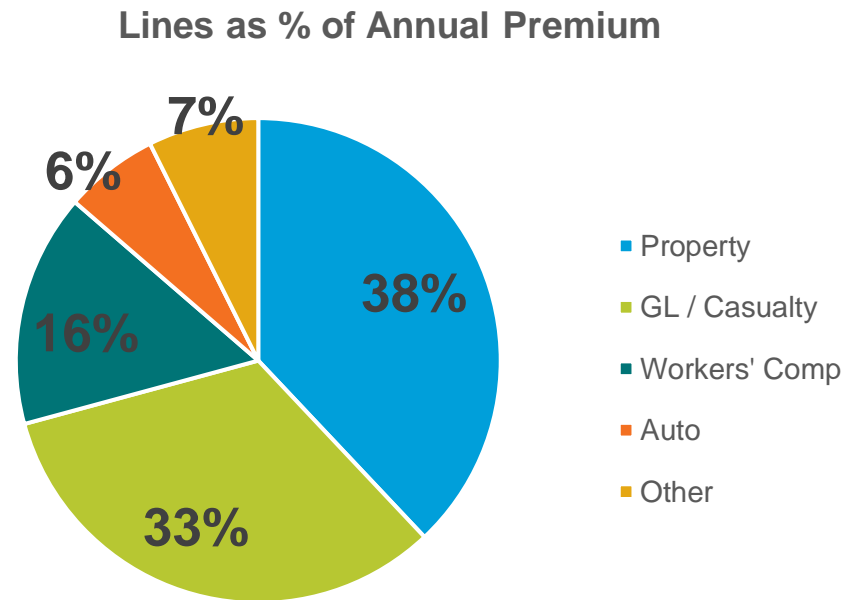
March 7, 2024

**MASSACHUSETTS
CONVENTION CENTER
AUTHORITY**

Insurance Budget Overview

- Insurance coverage bought through competitively-procured broker:
 - MCCA Broker, Arthur J. Gallagher & Co.

- Main insurance lines:
 - Property
 - General Liability
 - Workers' Compensation
 - Automobile



Market Conditions

- **Property**
 - National market remains challenging, with extreme weather history a key factor driving double digit growth in premium.
- **General Liability / Umbrella**
 - Premium growth moderating after multiple years of above historical growth, but challenges remain in forming full stack of coverage.
- **Workers' Compensation**
 - Increase in covered payroll offset by lower experience rates.
- **Automobile**
 - Nationally, premium growth has accelerated substantially.
- **Other**
 - Cyber premium affected by national claims activity and sector-specific risk considerations.

2024 Preliminary Binder*

Coverage	4/1/23-4/1/24		4/1/24-4/1/25		\$Change	%Change
	Premium	Carrier	Premium	Carrier		
Property & Terrorism	\$ 680,524	AFM	\$ 760,996	AFM	\$ 80,472	12%
General Liability	177,360	Navigators Insurance Co	\$ 239,870	Navigators Insurance Co	62,510	35%
Umbrella 1-\$25,000,000	214,310	Navigators Insurance Co	\$ 243,730	Navigators Insurance Co	29,420	14%
Umbrella 2-\$10,000,000	49,335	National Casualty	\$ 52,788	Markel American	3,453	7%
Umbrella 3-\$10,000,000	48,000	Federal Insurance Company	\$ 52,800	Federal Insurance Company	4,800	10%
Umbrella 4-\$10,000,000	32,849	Liberty Insurance Underwriters, Inc.	\$ 36,421	Liberty Insurance Underwriters, Inc.	3,571	11%
Umbrella 5-\$10,000,000	29,088	Crum & Forster Specialty Insurance Company	\$ 31,997	Crum & Forster Specialty Insurance Company	2,909	10%
Foreign Package	2,500	Chubb/ACE	\$ 2,500	Chubb/ACE	-	0%
Workers Compensation	329,062	Hartford	\$ 311,797	Hartford	(17,265)	-5%
Auto	108,011	Hartford	\$ 125,952	Hartford	17,941	17%
Management Liability	84,993	Chubb	\$ 93,426	Chubb	8,433	10%
Crime	10,815	Chubb	\$ 10,815	Chubb	-	0%
Cyber Liability	33,800	AXIS	\$ 33,800	AXIS	-	0%
Tank Coverage	6,492	Chubb/ACE	\$ 7,150	Chubb/ACE	658	10%
Broker Fee	80,000	Gallagher	\$ 80,000	Gallagher	-	0%
Total	\$ 1,887,139		\$ 2,084,042		\$ 196,903	10%
Total Less Broker	\$ 1,807,139		\$ 2,004,042		\$ 196,903	11%

“Up to” Authorization reflects YOY Increase in premiums: 10% (\$197,000).

Through rest of March, AJG working to negotiate better rate offerings and finalize remaining coverage terms before binding.

- Premiums above reflect general market conditions based on initial renewal forecast by broker.

VOTE: Insurance

VOTE: The Administration, Finance and Personnel Committee of the Massachusetts Convention Center Authority recommends that the full Board adopt the following vote:

VOTE: The Massachusetts Convention Center Authority hereby authorizes the executive director, in consultation with the Authority's insurance broker, Arthur J. Gallagher & Co, to bind coverage as described on Exhibit A in an amount not to exceed \$2,084,000 for period April 1, 2024-March 31, 2025 for the premiums set forth, subject to such adjustments as may be necessary in connection with finalizing the terms of the policies, provided that the total amount of such premiums shall not exceed \$2,084,000.

Vote: Insurance Renewals: April 1, 2024-March 31, 2025

In January of 2020, the Massachusetts Convention Center Authority (“Authority”) selected the services of insurance broker Arthur J. Gallagher & Co (“Gallagher”) through a competitive procurement process. The duties under the contract, among other things, consist of securing coverage for property, crime, workers’ compensation, automobile, general liability, umbrella liability, public officials’ liability, foreign liability and employment practices liability insurance and subsequently cyber liability.

Gallagher has been engaged in soliciting offers from current and potential underwriters actively over the past several months in order to meet the Authority’s minimal coverage standards and secure the most competitive quotations for the different lines of coverage described below. Gallagher has provided initial recommendations and estimates for the Authority to prepare a vote authorizing the Executive Director to bind coverage for the Authority’s renewal date of April 1, 2024 for an amount of \$2,084,000.

The amounts set forth on Exhibit A are estimates with the total for all coverage not to exceed amount being \$2,084,000.

A vote to authorize the Executive Director to instruct Gallagher to bind coverage as set forth above would take the following form:

**VOTED: The Administration, Finance and Personnel Committee of the
Massachusetts Convention Center Authority recommends that the full
Board adopt the following vote:**

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executive director, in consultation with the Authority’s insurance broker,
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necessary in connection with finalizing the terms of the policies.**

Draft

Exhibit A

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FY 2025 Energy Budget

Administration, Finance and Personnel Committee

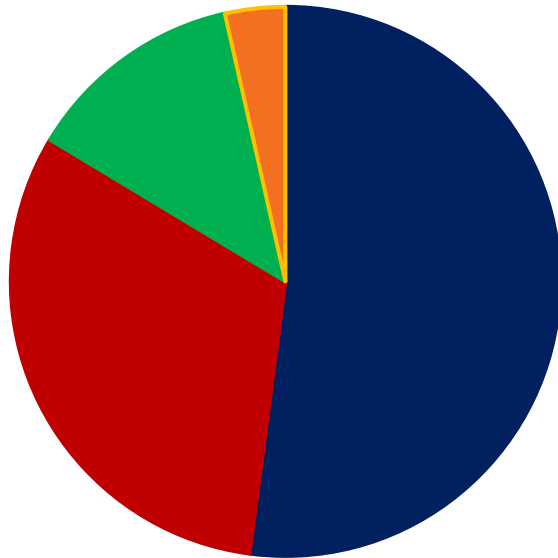
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DRAFT - CONFIDENTIAL
FOR POLICY DEVELOPMENT PURPOSES

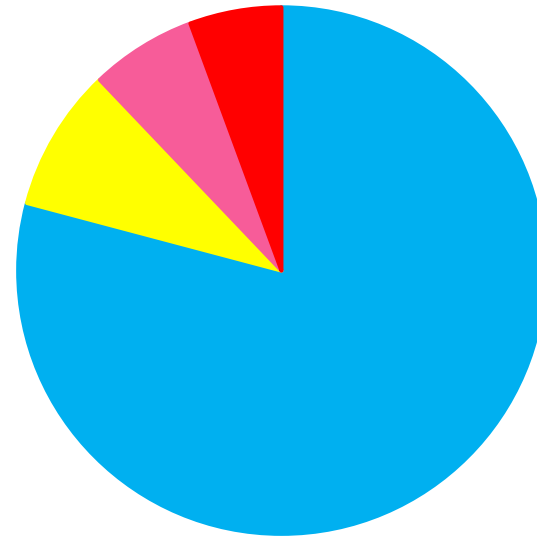
Energy Budget At a Glance

% Annual Spending by Building



■ BCEC ■ Hynes ■ MMC ■ BCG

% Annual Spending by Category



■ Electricity ■ Natural Gas ■ Steam ■ Water and Sewer

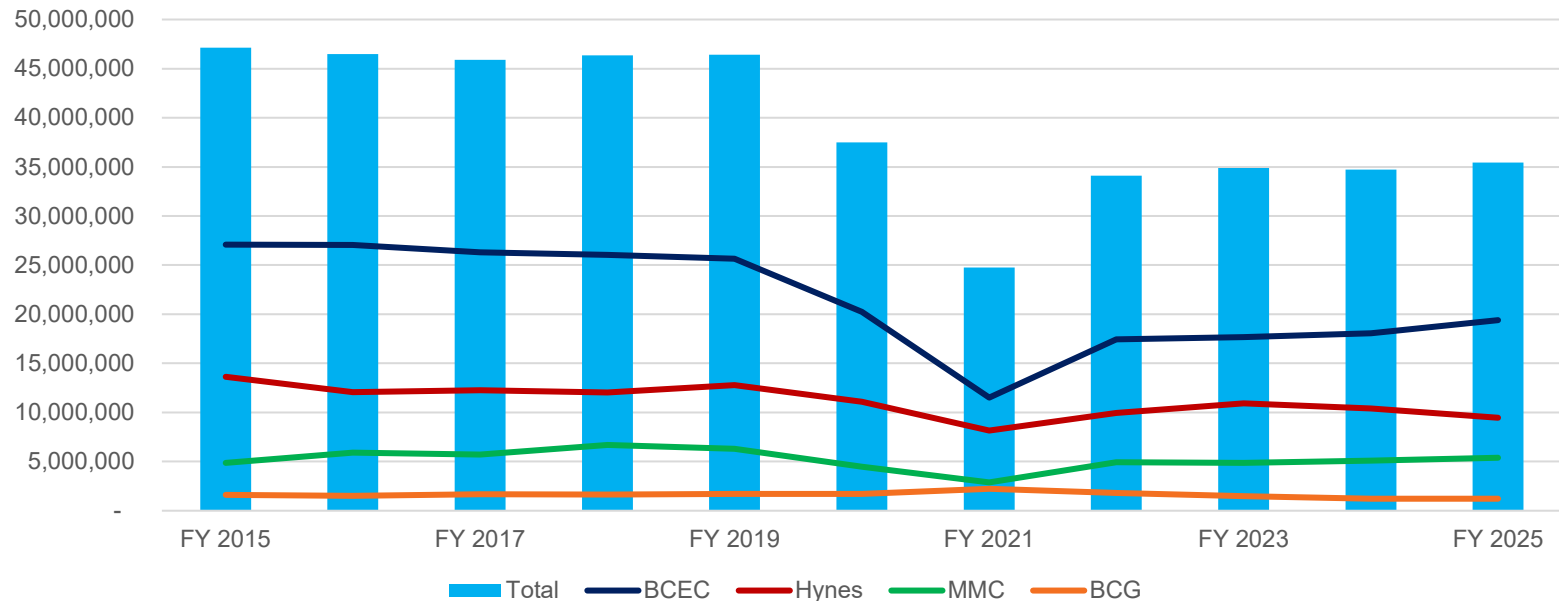
Electricity costs are primary focus in preparing annual energy budget.

- Annual spending influenced by show activity, weather, capital projects and supply rates.
- Heating (natural gas / steam) budgets reflect “typical” winter.

Source: MCCA; % Annual Spending 3-Year History, FY's 2021-2023

Energy Budget At a Glance

Annual Electricity Consumption (KWH)
FYs 2015-2025



Even with recovery in event activity, billed KWH is significantly reduced.

Energy conservation efforts and key investments, including lighting replacements and building management system upgrades.

Source: MCCA; Billed Consumption.

Energy Budget At a Glance

BCEC

Electrical

Natural Gas

Sewer / Water

Hynes

Electrical

Steam

Natural Gas

Sewer / Water

Electrical commodity supply purchased through MCCA's membership in Power Options, MA-based energy consortium.

Boston Common Garage

Electrical

Sewer / Water

MassMutual Center

Electrical

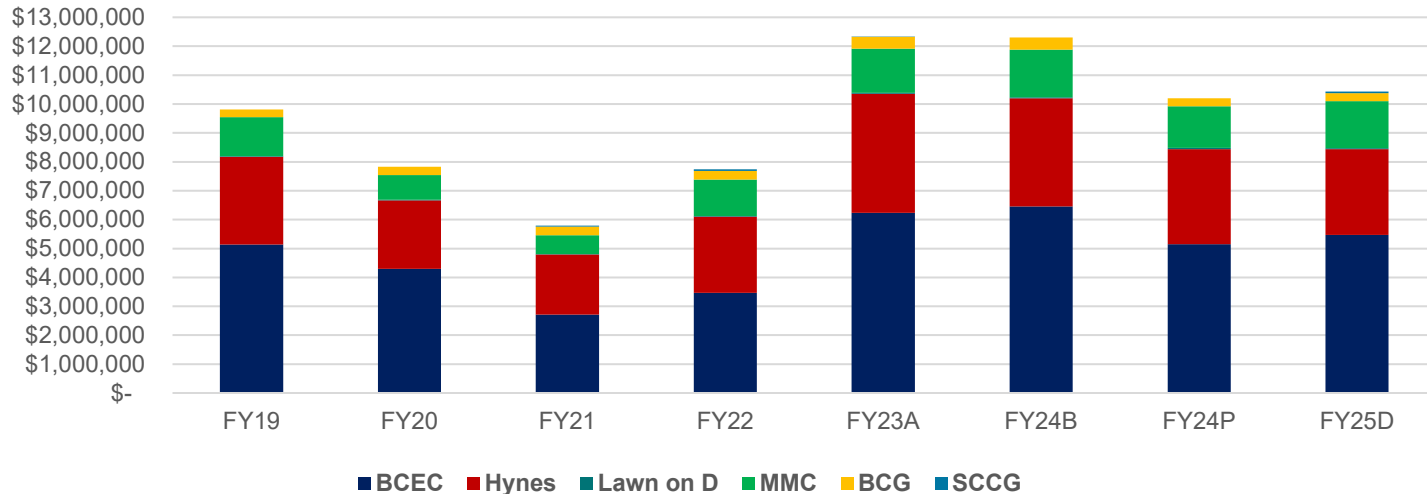
Natural Gas

Sewer / Water

- BCEC Electricity Costs => 42% of annual energy portfolio for FY2025

FY 2025 Projected (see handout)

Annual Utility Spending by Building



The FY 2025 Draft Utilities budget totals \$10.5 million.

This funding level represents a 15% decrease from adopted FY24 budget.

Key factors of note:

- FY24 budget reflected continuation of spiked electrical rate
- Billed KWH continues to be lower than historical levels.

Source: MCCA.

BCEC Energy Efficiency Measures

Building	Location	Existing Technology	number of fixtures	Total kWh/year saved
BCEC	throughout	controls		1,195,484
BCEC	exhibit hall	metal halide	226	300,484
BCEC	exhibit hall	metal halide	152	306,586
BCEC	tree lights	metal halide	172	499,075
BCEC	north lobby	metal halide	476	183,937
BCEC	prefunction	fluorescent	615	87,753
BCEC	meeting room	fluorescent	140	19,976
				2,593,295

Virtual Purchase Power Agreement

Solar Project in Texas



- 200 MW
- 515,266 MWh annually (19,540,000 kWh – MCCA)
- 15-year term
- Expect to receive Renewable Energy Credits in 2025
- A financial instrument protects interests of 9 signatories

Future Energy & Sustainability Opportunities

- Replace Roof at BCEC to add solar panels, Look at opportunities to add solar on other facilities
- Pursue cost effective insulation and air sealing opportunities
- Continue lighting and HVAC energy conservation measures
- Electrify transportation fleet where feasible
- Aggressively pursue opportunities to reduce waste, including a behavioral campaign

