

**MINUTES**

***TWO HUNDRED AND SIXTY SECOND MEETING***

of the

**EXECUTIVE COMMITTEE**

of the

**MASSACHUSETTS TECHNOLOGY PARK CORPORATION**

**[OPEN SESSION]**

June 13, 2019  
Boston, Massachusetts

The Two Hundred and Sixty Second Meeting of the Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation (“Mass Tech Collaborative”) was held on June 13, 2019, at the Massachusetts Technology Collaborative, Two Center Plaza, Suite 200, Boston Massachusetts, pursuant to notice duly given to the Directors and publicly posted on the Mass Tech Collaborative website with corresponding notice provided to the Office of the Secretary of State.

The following members of the Mass Tech Collaborative Executive Committee were present and participated: Secretary of Housing and Economic Development (Jay Ash (represented by Damon Cox of the Executive Office of Housing and Economic Development or “EOHED”), Alexandra Drane, Anne Margulies and Pam Reeve.

The following Mass Tech Collaborative staff was present: Michael Baldino, James Byrnes, Joseph Downing, Lisa Erlandson, Dan Haro, Stephanie Helm, Carolyn Kirk, Pat Larkin, Ira Moskowitz, Holly Lucas Murphy, Brian Noyes, Jasmijn Rompa, Jennifer Saubermann, Laurance Stuntz and Brianna Wehrs.

Mr. Cox observed the presence of a quorum of the Executive Committee and called the meeting to order at 8:34 a.m.

**Agenda Item I      Approval of Minutes**

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

**The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation, acting on behalf of the full Board pursuant to section three of Chapter Forty J of the General Laws of the Commonwealth, hereby adopts the Draft Minutes of the open session portion of the Two**

**Hundred Fifty Sixtieth Meeting of the Executive Committee, held on December 17, 2018, in Boston, Massachusetts, as the formal Minutes thereof.**

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

**The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation, acting on behalf of the full Board pursuant to section three of Chapter Forty J of the General Laws of the Commonwealth, hereby adopts the Draft Minutes of the Two Hundred Sixty First Meeting of the Executive Committee, held on February 6, 2019, in Boston, Massachusetts, as the formal Minutes thereof.**

**Agenda Item II      Executive Session**

Mr. Cox requested that the Executive Committee convene in executive session to discuss litigation strategy. Mr. Cox, in his capacity as Chairperson, stated that he would call for a roll call vote of the Executive Committee to go into executive session to discuss strategy with respect to matters involving ongoing disputes in which the Mass Tech Collaborative is currently involved, including the litigation with G4S Technology and KCST/Axia. He stated that the purpose for meeting in executive session to discuss these matters is that discussion of the Mass Tech Collaborative's strategy with respect to these matters in an open meeting may have a detrimental effect on the litigating position of the Mass Tech Collaborative.

A roll call vote was taken to go into executive session. Mr. Cox, Ms. Drane, Ms. Margulies and Ms. Reeve voted in the affirmative to enter into executive session. All members of the staff that were not needed for the litigation strategy discussion left the room.

The meeting proceeded in executive session at 8:39 a.m. The proceedings that occurred in executive session are addressed in a separate set of meeting minutes.

Mr. Cox, in consultation with the members of the Executive Committee, determined that the executive session should conclude at 9:04 a.m. At that point the meeting proceeded in open session.

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

**The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation ("MassTech"), acting pursuant to the authority delegated under Chapter 40J of the General Laws of the Commonwealth, does hereby delegate to the Executive Director the authority to execute a settlement agreement with G4S Technology LLC ("G4S") and pay to G4S the amount of Four Million Five Hundred Thirty-Eight Thousand Dollars (\$4,538,000), which**

shall be in settlement of, and shall constitute, all amounts remaining to be due and owing G4S with regard to the design and construction of the MassBroadband 123 network and its claims in the Suffolk Superior Court Civil Action No. 1484CV02998, *G4S Technology LLC v. Massachusetts Technology Park Corporation*. Such payment shall be made prior to June 20, 2019 from the following funding sources:

- a. \$4,030,647, which constitutes the full amount of the funds MassTech previously withheld for liquidated damages and reimbursement of certain costs from amounts payable to G4S; and
- b. \$507,353 from the unrestricted Enterprise Fund balance

**Agenda Item III Report of the Chairperson**

The report of the Chairperson was deferred.

**Agenda Item IV Report of the Executive Director**

The report of the Executive Director was deferred.

**Agenda Item V Action Items and Discussion Topics**

Ms. Kirk and Mr. Baldino presented a recommendation to approve a grant award to Charter to provide broadband service to the Town of Sandisfield. Mr. Baldino reviewed the proposed project and grant terms. He clarified that Charter will reach 96% of residential premises on public roads but will not reach the Otis Wood Lands development, which is located on private roads. Mr. Baldino noted that Charter grant award amount exceeds the Massachusetts Broadband Institute (“MBI”) allocation for Sandisfield. He indicated that the Commonwealth will front the additional funds needed for the project and that the town will execute a Contribution and Assessment Agreement that will commit the town to repay 60% of the gap funding through local aid assessments. The only difference from prior private provider projects involving a funding gap is that the cost share will be 60/40 rather than 50/50.

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

**The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation (“MassTech”), acting pursuant to the authority delegated under Chapter 40J of the General Laws of the Commonwealth does hereby authorize the MassTech Executive Director to execute a grant agreement with Comcast for an award under the Flexible Grant Program Notice of Funding Availability for Innovative Approaches to Provide Broadband Service to Unserved Towns in Western Massachusetts (NOFA No. 2018-MBI-01) and to expend funds in accordance with the following conditions**

**and parameters, as presented and as recommended by the Board of Directors of the Massachusetts Broadband Institute:**

- 1. A grant award to Charter that shall not exceed \$2,607,800 for a privately owned and operated broadband network that shall provide access to broadband service to the Town of Sandisfield (“Town”) and shall consist of two components:**
  - Up to \$1,230,000 which represents the full amount of the MBI allocation from the Massachusetts Broadband Incentive Fund for a last mile broadband solution for the Town; and**
  - Up to \$1,377,800 in additional state bond funds to be provided by the Executive Office of Housing and Economic Development (“Supplemental Funding”)**
- 2. The final amount of the grant award shall be subject to the review and approval of the Secretary of the Executive Office of Housing and Economic Development.**
- 3. The expenditure of grant funds pursuant to this award shall be contingent upon satisfaction of the following conditions:**
  - Execution of an agreement between the Commonwealth (currently anticipated to be represented by EOHED) and the Town relative to the obligation of the Town to repay sixty percent of the Supplemental Funding amount to the Commonwealth; and**
  - Execution of a cable television license agreement by Charter and the Town.**

Mr. Baldino presented a recommendation to approve a grant award to Comcast to provide broadband service to the Town of Tolland. He explained that MBI is proposing a modified framework for funding this project involving a combination of milestone-based grant payments and reimbursement-based grant payments that provides the Commonwealth and Tolland with a chance to benefit if make-ready costs are lower than Comcast’s estimates. Comcast’s estimated make-ready costs are approximately three times higher than MBI’s prior desktop estimates prepared by Cartesian. Mr. Baldino clarified that MBI will reimburse Comcast for make-ready costs up to a maximum amount of the Comcast estimate of \$627,760 with Comcast assuming the risk for make-ready cost overruns of up to 10%. Any make-ready costs over that amount would be covered by Tolland. Mr. Baldino also indicated that Comcast was not aware at the time that they submitted their proposal under the Flexible Grant Program that there are three route miles that connect the center of Tolland to North Tolland that do not have any existing utility poles or conduit. The project is not financially viable for Comcast if it does not include the more densely populated neighborhoods in North Tolland. Mr. Baldino stated that MBI and Tolland would share the cost of building the infrastructure

needed along this three mile route. He noted that this project will also have a 60/40 cost share with Tolland covering 60% of the gap funding needed for the project as well as 60% of the costs for the three mile route.

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

**The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation (“MassTech”), acting pursuant to the authority delegated under Chapter 40J of the General Laws of the Commonwealth does hereby authorize the MassTech Executive Director to execute a grant agreement with Comcast for an award under the Flexible Grant Program Notice of Funding Availability for Innovative Approaches to Provide Broadband Service to Unserved Towns in Western Massachusetts (NOFA No. 2018-MBI-01) and to expend funds in accordance with the following conditions and parameters, as presented and as recommended by the Board of Directors of the Massachusetts Broadband Institute:**

- 1. The MassTech Executive Director shall be authorized to expend up to \$2,280,412 to support the development of a privately owned and operated broadband network that will be owned and operated by Comcast and shall provide access to broadband service to the Town of Tolland (“Tolland Broadband Project”)**
- 2. Funding for the Tolland Broadband Project shall consist of the following components:**
  - A grant to Comcast to implement the Tolland Broadband Project at an amount that shall not exceed \$1,497,652 plus properly documented costs incurred by Comcast for make-ready work for said project;**
  - A grant to the Town of Tolland to support the installation of utility poles along a route of approximately three miles to support broadband access for the residents of North Tolland, with a preliminary estimated cost of approximately \$150,000;**
  - Procuring the services of a contractor that will perform a “red pole” analysis of utility poles in the Town of Tolland, with a preliminary estimated cost of approximately \$5,000;**
- 3. MassTech shall apply the full amount of the MBI allocation from the Massachusetts Broadband Incentive Fund for a last mile broadband solution for the Town of Tolland (\$830,000) with the balance of additional state bond funds to be provided by the Executive Office of Housing and Economic Development (“Supplemental Funding”)**

**4. The expenditure of grant funds to Comcast and the Town of Tolland pursuant to this award shall be contingent upon satisfaction of the following conditions:**

- **Execution of an agreement between the Commonwealth (currently anticipated to be represented by EOHED) and the Town relative to the obligation of the Town to repay sixty percent of the Supplemental Funding amount to the Commonwealth; and**
- **Execution of a cable television license agreement by Comcast and the Town of Tolland.**

Mr. Stuntz presented a recommendation to approve a grant award from the Massachusetts eHealth Institute (“MeHI”) to MassChallenge to continue support for their HealthTech activities and programs. He stated that the proposed \$170,000 grant would be the fourth year of funding for MassChallenge’s HealthTech efforts and that MeHI’s grant covers approximately 15% of their budget. Mr. Stuntz highlighted the publication of a weekly digital health newsletter and noted that the grant aligns with the recommendations of the Governor’s Digital Health Council. Ms. Drane observed that she would like to see the focus on venture capital financing lessened in favor of alternative financing methods for digital health companies.

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

**The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation (“Mass Tech Collaborative”), acting pursuant to the authority delegated under Chapter 40J of the General Laws of the Commonwealth, does hereby authorize the Mass Tech Collaborative’s Executive Director to expend up to \$170,000 for a grant to MassChallenge that shall not exceed \$170,000 to support the digital health activities of the HealthTech program in Fiscal Year 2020. This authorization is subject to the execution by MassChallenge of a grant agreement in a form and with terms approved by the Executive Director.**

Ms. Kirk, Ms. Erlandson and other members of the Mass Tech Collaborative executive team presented the proposed Fiscal Year 2020 budget. Ms. Kirk explained the new approach to presenting the financials that draws out and highlights key programmatic themes and objectives. Ms. Kirk indicated that the change is driven by her view that the budget should be a policy and planning document that serves as a decision-making tool. Ms. Kirk indicated that the Commonwealth’s budget will be finalized after the Mass Tech Collaborative budget is approved by the Executive Committee. Therefore, the Mass Tech Collaborative feels it is necessary to plan for two different state appropriate funding scenarios. Ms. Kirk reviewed the operating budgets for each division and the central office/program support, which total approximately \$11.4 million. She also reviewed the expense offsets that show that the operations of some of our divisions

are being subsidized by the Mass Tech Collaborative and result in an overall deficit of approximately \$500,000. Ms. Kirk explained her approach to fund the deficit through a variety of measures, including tapping into fund balances pursuant to a fund balance policy, the details of which are still being finalized for presentation at a future meeting. It was noted that most of the Mass Tech Collaborative's fund balances are subject to restrictions. Ms. Kirk emphasized that less than \$5 million is available to invest in new programs that will help to provide the foundation for future operations.

Each division and department head provided an overview of key operating themes, objectives and details extracted from their respective Fiscal Year 2020 budgets. Each presentation provide insights into staffing levels and other significant operational expenditures and how these expenditures support programmatic activities and objectives. The organizational chart for each division/department was also discussed.

The following key points emerged during the ensuing discussion: (1) Ms. Kirk introduced Brianna Wehrs as MassTech's new Chief of Staff; (2) The lease with Kopin Corporation ends in 2023 and provides a valuable source of revenue; (3) the Mass Tech Collaborative is consolidating the Westboro staff into one building, with the exception of the Medicaid staff; (4) The Innovation Institute's new staffers will bolster their convening and grant management capabilities and will support engagement across a wide range of clusters, including nascent efforts in areas like artificial intelligence and blockchain; (5) MeHI's Medicaid and HIway staff are fully funded through state contracts with the Executive Office of Health and Human Services; (6) MeHI is working closely with the Health Policy Commission on the development of a new program; (7) MBI's staffing levels will remain steady, while professional fees are being reduced; (8) During Fiscal Year 2020 there will be a significant increase in the number of unserved towns that gain access to broadband service; (9) It was clarified that the M2I2 advanced manufacturing funds still flow through EOHED, although there have been discussions about establishing a Center for Advanced Manufacturing at the Mass Tech Collaborative; and (10) The MassCyberCenter will be organizing a Massachusetts Cybersecurity Week and the annual Governor's Forum and will support a broad range of resiliency-focused efforts informed by a working group that has over 45 participating organizations.

Ms. Erlandson presented the consolidated P&L and fund balances associated with each state appropriation scenario. At the conclusion of the discussion Ms. Reeve commended Ms. Kirk for providing the clearest budget presentation she has ever received from the Mass Tech Collaborative. Ms. Margulies noted that the Finance and Audit Committee shared that perspective and recommended final approval of the budget by the Executive Committee. She also noted that the visibility into the operating budgets is very helpful. Mr. Cox indicated that he would like the division heads to provide more in-depth presentations at future meetings.

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

**The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation (“Mass Tech Collaborative”), acting pursuant to the authority delegated by the Board of Directors, does hereby approve the Fiscal Year 2020 budget (“Budget”) in a form that substantially comports with all material elements of the Budget as presented to the Committee. The Committee acknowledges that the Budget includes two state appropriation funding scenarios and the associated impacts on the expense budget, fund balances and other budget elements (“State Appropriation Scenarios”). Furthermore, the Committee hereby delegates to the Executive Director of the Mass Tech Collaborative the authority to approve modifications to the Fiscal Year 2020 budget to reflect adjustments relating to (1) the appropriate allocation between the Fiscal Year 2019 actual results and Fiscal Year 2020 budget following the Fiscal Year 2019 year-end financial closing; and (2) the actual final Fiscal Year 2020 state appropriation amounts; provided that the Executive Director shall notify the Committee of any modifications to reflect actual state appropriation amounts that materially deviate from the State Appropriation Scenarios and shall provide an appropriately detailed description of the modifications and the associated budgetary impact.**

There being no other business to discuss and upon a motion duly made and seconded, it was unanimously and without abstention voted to adjourn the meeting at 10:05 a.m.

A TRUE COPY  
ATTEST: (Secretary)

DATE:

Materials and Exhibits Used at this Meeting:

1. Draft Minutes – Open Session of the December 17, 2018 Executive Committee meeting
2. Draft Minutes – February 6, 2019 Executive Committee meeting
3. Approval Item – MBI Grant Award to Charter Communications – Broadband Service for the Town of Sandisfield
4. Approval Item – MBI Grant Award to Comcast – Broadband Service for the Town of Tolland
5. Massachusetts Technology Collaborative Fiscal Year 2020 Budget and Supporting Materials
6. Presentation – Massachusetts Technology Collaborative Fiscal Year 2020 Budget
7. Approval Item – MeHI Grant Award to MassChallenge