

BOARD APPROVED on 6/26/2013



**BOARD OF DIRECTORS MEETING**  
**NEW YORK CONVENTION CENTER OPERATING CORP.**  
655 West 34<sup>th</sup> Street  
New York, NY 10001-1188

**MINUTES**

**MEMBERS PRESENT:**

Carl H. Loewenson, Jr., Chairman of the Board  
E. Scott Gilbert  
Robert Azeke  
Kevin Corbett  
Edward Kane  
Gary Lavine  
Ronald Goldstock  
Jed Howbert  
Sherida E. Paulsen  
Jeffrey Scruggs  
Mark Schienberg

**ABSENT:**

Mary D'Elia, Vice-Chair  
Michael J. Stengel  
Marc Ricks  
Joseph Spinnato  
Christine Ferer  
J. Lee Compton

**OTHERS PRESENT:**

**STAFF:**

Alan Steel, President & CEO  
Edward B. MacDonald, Senior VP, CFO  
Elizabeth Bradford, Senior VP, General Counsel  
Doreen Guerin, Senior VP, Marketing & Sales  
Aleksandra Davydova, Legal Secretary

**DATE:**

**April 24, 2013**

**Time:**

**3:15 p.m.**

**Location:**

**Large Conf. Room**



<b>Call to Order</b>	The meeting of the Board of Directors for the New York Convention Center Operating Corporation was called to order at 3:15 p.m. A quorum was present. The meeting was presided over by Board Chairman Carl H. Loewenson, Jr.	
<b>Agenda</b>	<b>Discussion</b>	<b>Recommendation/Action-Follow-up</b>
<p><b>I.</b> <b>Approval of the Minutes</b></p>	<p><b><u>Approval of the Minutes of January 30, 2013 (Attachment 13-16)</u></b></p> <p>A motion was made and seconded to approve the minutes of the Board of Directors meeting held on January 30, 2013. The following resolution passed by unanimous vote:</p> <p><b>Resolution No. 1115</b></p> <p><b>NOW THEREFORE BE IT RESOLVED</b> that the minutes of the Board of Directors meeting held on January 30, 2013, are hereby approved.</p>	
<p><b>II.</b> <b>Corporate Matters</b></p>	<p><b><u>President’s Report - Alan Steel (Attachment 13-17)</u></b></p> <p>Mr. Steel made a report describing: activity from February through April, 2013, progress in remediation following Hurricane Sandy, comparison of Javits Center occupancy rates with those at comparable convention centers, the Center’s success in achieving its 2012-2013 MWBE purchasing goals, the Center’s new sustainability program and manager, plans to license office and storage space to customers and plans for further ERP implementation and IT improvements.</p> <p>Mr. Steel introduced Mark Schienberg, a newly appointed Board member and advised the Board that another new Board member, Lee Compton, had been appointed but was unable to attend the current meeting. The Board requested that Mr. Steel write to the two Board members, Stephen Drummond and Michael McGuire, who had been replaced by the new appointees, thanking them for their service.</p> <p>The Board inquired as to the security from cyber-attack of the Center’s new IT system. Mr. Steel responded that the Center had received assurances from the vendor that it was secure but would be conducting its own analysis.</p>	<p><i>Cathy Resler, the Center’s new Sustainability Manager, will report to the Board at its September meeting concerning her plans and recommendations for improving the Center’s sustainability program.</i></p>

<p><b>II. Corporate Matters (Continued)</b></p>	<p><b><u>Request to Rename Javits Center North</u></b></p> <p>Mr. Steel reported that the customers on the Center’s Customer Advisory Board had requested that the Javits Center North addition be renamed for Robert E. Boyle, in recognition of his success in 1995 in eliminating corruption and establishing the Center’s profitability and good reputation. The Board expressed concern that JCN is not a permanent structure. They agreed to look into a number of options for publicly recognizing Mr. Boyle’s significant contribution and expressing the gratitude of the Board, the staff and the customers.</p>	
<p><b>III. Committee Reports</b></p>	<p><b><u>A. Audit and Finance Committee – Gary Lavine and Ronald Goldstock, Committee Chairmen</u></b></p> <p><b><u>March Year-To-Date Financials 2013 (Attachment – 13-18)</u></b></p> <p>Mr. MacDonald presented the financial report for March YTD 2013, showing total gross revenue of \$124,902,000, which is \$2,781,000 worse than plan. Total expenses for YTD were \$128,516,000, which is \$3,183,000 better than plan. Net loss from operations was \$4,594,000, which is \$729,000 better than plan.</p> <p><b><u>New York Convention Center Operating Plan FY 2013-2014 (Attachment 13-19)</u></b></p> <p>Mr. MacDonald presented the Corporation’s Operating Plan/Budget for FY 2013-2014. The Operating Plan/Budget for FY 2013-14 shows gross revenues of \$146,805,000, which is \$21,903,000 over projected gross revenues for FY 2012-2013, expenses for FY 2014-14 of \$146,896,000, which is \$18,379,000 over projected expenses for FY 2012-2013. The Operating Plan/Budget for FY 2013-14 shows an operating loss of \$91,000 and a net loss of \$3,725,000, compared to a projected operating loss of \$3,614,000 and a projected net loss of \$4,594,000 for FY 2012-13.</p> <p>In response to inquiry, Mr. MacDonald advised the Board that it was not possible to compare the Center’s revenues and expenses to those of other convention centers. Javits is the only significant exhibition facility to provide labor, and its operations are not tax supported, so its business model is substantially different from that of other convention centers.</p>	

<p><b>III. Committee Reports (Continued)</b></p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b>Resolution No. 1116</b></p> <p><b>NOW THEREFORE BE IT RESOLVED</b> that the New York Convention Center Operating Plan FY 2013-2014 is hereby approved.</p> <p><b><u>Procurement Summaries</u></b></p> <p><b><u>Approval of Contract – Philip W. Burke (Attachment 13-20)</u></b></p> <p>Mr. MacDonald presented a procurement summary seeking Board approval to award a contract extension to Philip W. Burke for IT consulting services for additional 6 months at an estimated cost of \$100,000 to the expiring 12 month contract (\$225,000) for a total estimated cost of \$325,000.</p> <p><b>Resolution No. 1117</b></p> <p><b>NOW THEREFORE BE IT RESOLVED</b> that the award of a contract to Philip W. Burke for IT consulting services at an estimated total cost of \$325,000 for the period including the 6 month extension is hereby approved.</p> <p><b><u>Approval of Contract – Noetix Corporation (Attachment 13-21)</u></b></p> <p>Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to Noetix Corporation for the configuration, implementation and maintenance of a reporting system for the Center’s Oracle E-Business Suite at a cost of \$295,775 for a three (3) month term for configuration and implementation and one (1) year for maintenance.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b>Resolution No. 1118</b></p> <p><b>NOW THEREFORE BE IT RESOLVED</b> that the award of a contract to Noetix Corporation for configuration, implementation and maintenance of the OBIEE reporting system at a total</p>	
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<p><b>III. Committee Reports (Continued)</b></p>	<p>cost of \$295,775 for one (1) year is hereby approved.</p> <p><b><u>Approval of Contract – United Steel Products, Inc. (Attachment 13-22)</u></b></p> <p>Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to United Steel Products Inc. for overhead roll-up doors repair, fire/smoke testing, and maintenance services at a cost of \$57,428 for a two (2) year term with an option to renew for one (1) additional year.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b>Resolution No. 1119</b></p> <p><b>NOW THEREFORE BE IT RESOLVED</b> that the award of a contract to United Steel Products Inc. for overhead roll-up doors repair, fire/smoke testing, and maintenance services at a cost of \$57,428 for a two (2) year term with an option to renew for one (1) additional year is hereby approved.</p> <p><b><u>Review of Contracts – IESI NY Corporation, Nouveau Elevator Industries, Inc., SSP Group, Inc. d/b/a Big Apple Window Cleaning (Attachments 13-23 through 13-25)</u></b></p> <p>Mr. MacDonald stated that previously approved service procurement contracts that extended for more than one year were being submitted for annual Board review as required by the Corporation’s procurement guidelines. The original procurement summaries were included with the packet sent to the Board in advance of the meeting. No Board member had any comment or question with respect to the ongoing procurements submitted for review.</p> <p><b><u>Property and Casualty Insurance Renewals (Attachment 13-26)</u></b></p> <p>Mr. MacDonald presented the results of the Center’s insurance renewals, noting that the property insurance premium had increased significantly, but not as much as was expected following the Hurricane Sandy claims. The deductible for Flood Insurance has increased from \$100,000 to \$500,000 but may be reduced once the flood gates on the loading docks are installed.</p>	
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<p><b>III. Committee Reports (Continued)</b></p>	<p>The Board inquired about the status of the Center’s FEMA claim for the amount of the deductible and any uninsured damage, and was advised that the Center is on a list with other agencies and is waiting to learn how the State intends to distribute the available funds.</p> <p><b><u>External Audit</u></b></p> <p>Mr. Lavine reported that the Committee had reviewed plans for the external audit, the results of which will be reported at the June meeting along with the FY 2012-13 financials. The Committee is of the view that the Corporation should solicit audit firms periodically and has therefore recommended that an RFP be issued to solicit proposals from all firms to conduct the annual audits beginning with the FY 2013-14 audit.</p> <p>The Committee held an executive session with Ken Foley, the Center’s internal controls officer. No material deficiencies in the Corporation’s internal controls were noted. Mr. Foley has indicated that he does not plan to retire for three more years. The Committee has requested that he place greater emphasis in his internal audits on reviews of the Center’s operations, particularly its exhibit labor.</p> <p><b><u>C. Human Resources – Edward Kane, Committee Chairman</u></b></p> <p>Mr. Steel advised the Board that he had had a discussion with Committee Chairman Ed Kane concerning a proposal to implement step increases at the Center.</p> <p><b><u>D. Facilities - Mary D’Elia, Committee Chairwoman</u></b></p> <p>No report.</p> <p><b><u>E. Sales &amp; Marketing –Marc Ricks, Committee Chairman</u></b></p> <p>Ms. Guerin made a report noting that the new events are coming to Javits as well as several returning events (<b>Attachment 13-26</b>).</p> <p><b><u>F. Governance – E. Scott Gilbert, Committee Chairman</u></b></p>	<p><i>The Committee will bring the proposal to the full Board with its recommendation at the next meeting.</i></p>
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<p><b>III. Committee Reports (Continued)</b></p>	<p>Mr. Schienberg left the Board room during the Governance Committee report. Mr. Gilbert reported that the Committee met and reviewed a proposal to manage the potential conflicts of interest presented by Mr. Schienberg’s appointment to the Board. Mr. Schienberg is the CEO of Greater New York Auto Dealers Association, which owns and operates the Greater New York International Auto Show. It was agreed that Mr. Gilbert and Mr. Loewenson would discuss the matter directly with Mr. Schienberg.</p> <p><b><u>G. Ad Hoc for Javits Expansion/Renovation – Carl H. Loewenson, Jr., Committee Chairman</u></b></p> <p>Ms. Guerin reported on the progress of the renovation (<b>Attachment 13-27</b>).</p> <p><b><u>H. EEO Oversight – Carl H. Loewenson, Jr, Esq., Committee Chairman</u></b></p> <p>No report.</p>	
<p><b>IV. Adjournment</b></p>	<p>By motion and agreement, the meeting was adjourned at 5:15 PM with the next meeting to be held on June 26<sup>th</sup>, 2013.</p>	