

APPROVED on 1/15/2014



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

MINUTES

MEMBERS PRESENT:

Henry R. Silverman, Chairman of the Board
Carl H. Loewenson, Jr. Vice-Chair
Robert Azeke
J. Lee Compton
Daniel De Vita
David Emil
Ronald Goldstock
Jed Howbert
Gary Lavine
Edward Kane
Marc Ricks
Mark Schienberg
Jeffrey Scruggs
Joseph Spinnato
Sherida E. Paulsen
Christine Ferer

ABSENT:

Mary D'Elia
Andrew Murstein

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
Mark Sims, VP, CIO
Aleksandra Davydova, Legal Secretary
Christine McMahan, HR Director
Tony Sclafani, CCO

DATE:

November 21, 2013

Time:

3:05 p.m.

Location:

Large Conference Room

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Call to Order	The meeting of the Board of Directors for the New York Convention Center Operating Corporation was called to order at 3:05 p.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman.	
Agenda	Discussion	Recommendation/Action-Follow-up
I. Approval of the Minutes	<p><u>Approval of the Minutes of September 25, 2013 (Attachment 13-47)</u></p> <p>A motion was made and seconded to approve the minutes of the Board of Directors meeting held on September 25, 2013. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1138</p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on September 25, 2013, are hereby approved.</p>	
II. Presentation concerning Javits Renovation	<p><u>Presentation by Barbara Lampen, President CCDC and Glen Johnson, SVP Tishman Construction Corporation concerning Javits Renovation</u></p> <p>Ms. Lampen advised the Board that the Board of the Development Corporation had approved the use of \$39 million in contingency funds to add to the scope of the renovation by, among other things, replacing terrazzo flooring, replacing food service kiosks, doing additional MEP work and making additional improvements to the exterior of the Center.</p> <p>Glen Johnson, project director for Tishman Construction, made a power point presentation to the Board describing the progress of the improvements (Attachment 13-48).</p>	

<p>III. Corporate Matters</p>	<p><u>A. President’s Report - Alan Steel (Attachment 13-49)</u></p> <p>Mr. Steel played a video celebrating the renovation improvements. He advised the Board that the video had been produced for and played at the Reception to Celebrate the New Jacob K. Javits Center on November 11, 2013, and again at the long service awards luncheon for the employees held on November 12, 2013.</p> <p>Mr. Steel presented the President’s Report, describing activity for September – November, the progress of Hurricane Sandy remediation, anticipated flood prevention measures, the Center’s energy and sustainability master plan, the progress of the connected venue improvements, the progress of the ERP conversion and a review of security procedures.</p> <p>There was a discussion of the height of the planned flood prevention gates, which at 7 feet will exceed the City’s standards and will be higher than what would have been needed during Hurricane Sandy.</p> <p>With respect to the security procedures review Mr. Steel advised the Board that a Facilities Committee meeting had been scheduled but had been canceled due to Committee Chair Mary D’Elia’s unavailability. Mr. Lavine commended management for its diligence in contracting for a thorough review of the Center’s security procedures, but expressed his opinion that the Board would need to address security staffing at the Center.</p> <p><u>B. Appointment of Tony Sclafani as Senior V.P.</u></p> <p>Mr. Steel advised the Board that the Corporation had hired Tony Sclafani on recommendation of the Governor to be the Javits Center’s Chief Communications Officer and as Senior Vice President.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1139</p> <p>NOW THEREFORE BE IT RESOLVED that the appointment Tony Sclafani as Senior Vice President and Chief Communications Officer is hereby approved.</p>	<p><i>Mr. Steel noted that the energy and sustainability master plan being presented is just a broad outline, the details of which will be provided to the Board in the next month or so.</i></p>
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<p>IV. Committee Reports</p>	<p><u>A. Audit and Finance Committee – Gary Lavine and Ronald Goldstock, Committee Chairmen</u></p> <p>Mr. Lavine advised the Board that the Committee had met separately from the Finance Committee. The Committee reviewed the status of the ERP project with the Center’s CIO Mark Sims.</p> <p>The Committee met in executive session to review the internal audit plan with Internal Control Officer Ken Foley. Mr. Foley recommended that the upcoming year’s audit begin with a department by department risk assessment, and he has already initiated that process.</p> <p><u>B. Finance Committee</u></p> <p><u>September 2013 & YTD Financials (Attachment – 13-50)</u></p> <p>Mr. MacDonald presented the financial report for September 2013, showing total gross revenue of \$6,046,000, which is \$378,000 better than plan. Total expenses for September 2013 were \$7,790,000, which is \$219,000 better than plan. Net loss from operations was \$1,744,000, which is \$597,000 better than plan.</p> <p>Year to Date the Center generated \$79,578,000 in Gross Revenues, which is \$210,000 better than plan. Expenses were \$76,912,000, which was \$1,287,000 better than Plan. Net Income Year to Date was \$2,666,000 which is \$1,497,000 better than Plan.</p> <p><u>Procurement Summaries</u></p> <p><u>Review of Contract – Delta Dental of New York, Inc. (Attachment 13-51)</u></p> <p>Mr. MacDonald stated that previously approved service procurement contract that extended for more than one year was being submitted for annual Board review as required by the Corporation’s procurement guidelines. The original procurement summary was 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><i>Mr. Lavine recommended that the Board receive a monthly report from management concerning the status of the ERP project.</i></p> <p><i>Mr. Silverman asked that in the future management assume that any procurement summaries included in the Board packet have been read, and advised that an omnibus motion will be presented to approve all procurements with a single resolution.</i></p>
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<p>IV. Committee Reports (Continued)</p>	<p><u>Approval of Contract – Liebert Corporation (Attachment 13-52)</u> Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to Liebert Corporation.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote: Resolution No. 1140</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a single source contract for purchase of three water cooled air conditioners with six distributed uninterrupted power supply units to Liebert Corporation at a total cost of \$272,155 is hereby approved.</p> <p><u>Approval of Contract for Structured Cabling System (Attachment 13-53)</u> Mr. MacDonald presented a draft of a procurement summary seeking Board approval to award a contract for the supply and installation of a structured telecommunications cabling system on levels 2, 3, and 4 of the Center at an estimated cost of \$2.6 million. Mr. MacDonald advised that the procurement is still in progress and a contractor has not yet been selected. The contract must be awarded in early December prior to the January Board meeting, so that the work can be done while the Center is “dark”.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote: Resolution No. 1141</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract for the supply and installation of a structured telecommunications cabling system on levels 2, 3, and 4 of the Center at an estimated cost of \$2.6 million is hereby approved, subject to review by the Finance Committee of the selection process.</p> <p><u>Approval of Contract Extension – Philip Burke (Attachment 13-54)</u> Mr. MacDonald presented a procurement summary seeking Board approval to extend a contract with IT consultant Philip Burke.</p> <p>Mr. Lavine asked that the minutes reflect that the Board was aware of Mr. Burke’s prior employment with George Little Management when they approved his consulting relationship.</p>	
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<p>IV. Committee Reports (Continued)</p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1142</p> <p>NOW THEREFORE BE IT RESOLVED that the extension of the expiring 18 month contract with Philip Burke for an additional 6 months at an estimated cost of an additional \$120,000, for a total estimated expenditure of \$500,000 for the total 24 month period of the contract, is hereby approved.</p> <p><u>Approval of Contract – Garrat-Callahan Company (Attachment 13-55)</u> Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to Garratt-Callahan Company.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1143</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Garratt-Callahan Company for water quality control, testing and treatment of the cooling tower water system for two (2) year term at a cost of \$23,880 per year or \$47,760 for two (2) years is hereby approved.</p> <p><u>Approval of Contract – Wells Fargo Insurance Services (Attachment 13-56)</u> Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to Wells Fargo Insurance Services.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1144</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Wells Fargo Insurance Services to market Center’s property/casualty insurance policy for three (3) year term at a cost of \$125,000 per year, for a total cost of \$375,000 with option to renew for an additional two (2) years is hereby approved.</p>	
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<p>IV. Committee Reports (Continued)</p>	<p><u>Approval of Contract – Carr Business Systems, Inc. (Attachment 13-57)</u> Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to Carr Business Systems.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1145</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Carr Business Systems (a Xerox Company) for the lease and maintenance of eight (8) multi-function black/white & color copiers for three (3) year lease term at a total cost of \$162,720 and an estimated cost of \$187, 200 for maintenance, totaling \$349,920 for three (3) years.</p> <p><u>Resolution to restrict use of funds for OPEB Liability (Attachment 13-58)</u></p> <p>Mr. MacDonald requested a resolution restricting the use of funds for OPEB liability.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1146</p> <p>NOW THEREFORE BE IT RESOLVED that the Board authorizes the Corporation/Management to set aside sufficient assets to cover the fiscal 2013 OPEB liability of \$28,444,692. This represents an increase of \$2,918,381 from the fiscal 2012 liability. The Board of Directors is classifying those assets as Board designated for other postretirement employee benefit obligation within the Net Asset section of the Statement of Net Assets.</p> <p><u>Approval of Amended Procurement Guidelines (Attachment 13-59)</u> Mr. MacDonald presented the amended Procurement Guidelines for approval. Minor changes regarding contracts awarded by other government entities had been made on page 5 (Art III, 303, 1d), as indicated on the attachment.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p>	
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<p>IV. Committee Reports (Continued)</p>	<p>Resolution No. 1147</p> <p>NOW THEREFORE BE IT RESOLVED that the Procurement Guidelines, as amended, are hereby approved.</p> <p><u>C. Human Resources – Edward Kane, Committee Chairman</u> No report.</p> <p><u>D. Facilities - Mary D’Elia, Committee Chairwoman</u> No report.</p> <p><u>E. Sales & Marketing –Marc Ricks, Committee Chairman</u> Ms. Guerin presented the event schedule for the first quarter of 2014 (Attachment 13-60), noting that the building will be at 100% occupancy for the entire period.</p> <p>Mr. Steel noted that with the hiring of Tony Sclafani as chief communications officer, and the winding down of the renovation project, Ms. Guerin will be able to focus all her attention on the Center’s sales and marketing efforts.</p> <p><u>F. Governance – Elizabeth Bradford, Committee Staff</u> No report.</p> <p><u>G. Ad Hoc for Javits Expansion/Renovation – Carl H. Loewenson, Jr., Committee Chairman</u> No report. Updates on the project were covered in the presentation made in the beginning of the meeting.</p> <p><u>H. EEO/MWBE– Carl H. Loewenson, Jr, Esq., Committee Chairman</u> No report.</p>	
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 4:20 PM with the next meeting to be held on January 15, 2014.</p>	