

APPROVED on October 17, 2012

BOARD OF DIRECTORS MEETING



Marketplace for the World

NEW YORK CONVENTION CENTER OPERATING CORP.

655 West 34th Street
New York, NY 10001-1188

MINUTES

MEMBERS PRESENT:

Carl H. Loewenson, Jr., Chairman of the Board
Joseph Spinnato
Ronald Goldstock
Gary Lavine
Jed Howbert
Edward Kane
Jeffrey Scruggs
Sherida E. Paulsen
Kevin Corbett
Christine Ferer
Marc Ricks - Video-conference via SKYPE
Stephen Drummond - Video-conference via SKYPE

ABSENT:

Robert Azeke
Michael J. McGuire
Mary D'Elia (Vice-Chair)
Michael J. Stengel
E. Scott Gilbert

OTHERS PRESENT:

STAFF:

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

VISITORS:

Michael Mahoney, UHY
Melanie McManus, UHY

DATE:

June 27, 2012

Time:

3:35 p.m.

Location:

Large Conf. 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 3:35 p.m. A quorum was present. The meeting was presided over by Board Chairman Carl H. Loewenson, Jr.	
Agenda	Discussion	Recommendation/Action-Follow-up
I. Approval of the Minutes	<p><u>Approval of the Minutes of April 25, 2012 (Attachment 12-24)</u></p> <p>A motion was made and seconded to approve the minutes of the Board of Directors meeting held on April 25, 2012. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1092</p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on April 25, 2012, are hereby approved.</p>	
II. Corporate Matters	<p><u>Consultant's Report</u></p> <p>Mr. Steel described the actions he has taken in the last two months, and his plans and goals for the next few months.</p>	
III. Committee Reports	<p><u>A. Audit & Finance Committee – Gary Lavine & Ronald Goldstock, Committees Chairmen</u></p> <p><u>Audited Financial Statements FY 2011-12 (Attachment 12-25)</u></p> <p>Mr. Lavine reported that the committees met jointly with Michael Mahoney of UHY to review the Corporation's March 31, 2012 Audit Results and the Audited Financial Statements FY 2011-12. UHY issued an unqualified opinion and found no internal controls issues. The committees met in executive session with Mr. Mahoney, without management present. No material deficiencies were noted in that session.</p> <p>Mr. Lavine described the purpose behind each of the Corporation's reserves.</p> <p>There was a discussion of a \$15 million dollar payment due from the Development Corporation</p>	

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<p>III. Committee Reports (continued)</p>	<p>to the Operating Corporation upon the sale of the 33rd-34th Street property, which must be utilized to fund capital improvements.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1093</p> <p>NOW THEREFORE BE IT RESOLVED that the Corporation's Audited Financial Statements for FY 2011-2012 are hereby approved.</p> <p><u>New York Convention Center Operating Plan FY 2012-2013 (Attachment 12-26)</u></p> <p>Mr. MacDonald explained that the Operating Plan had been distributed and discussed at the last meeting, but through an oversight had not been formally approved.</p> <p>Mr. MacDonald explained that a \$5.5 million dollar loss is projected for the coming fiscal year in contrast to a \$1.4 million dollar loss for the last fiscal year because a \$1.4 million credit received from NYPA is not likely to be repeated, the mix of shows is less favorable to the Corporation's bottom line, and there is more depreciation reflected in the capital plan.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1094</p> <p>NOW THEREFORE BE IT RESOLVED that the New York Convention Center Operating Plan FY 2012-2013 is hereby approved.</p> <p><u>Annual Procurement Report (Attachment 12-27)</u></p> <p>Mr. MacDonald presented the Corporation's Annual Procurement Report for approval. Mr. MacDonald noted that the procurement dollars had been aggregated for each vendor, as Mr. Goldstock had requested last year. He explained the process for approving single/sole source purchases.</p> <p>There was a discussion of the Corporation's success in meeting its previous M/WBE goals, which have now been replaced by much higher goals mandated by the State.</p>	
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III. Committee Reports (continued)	<p>Ms. Bradford informed the Board that the Center’s EEO Compliance Manager, Deborah Richardson de Cuevas, has been appointed to the newly created position of M/WBE Compliance Manager as well. In that capacity she will be assisting the Purchasing Department in achieving the new goals.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1095</p> <p>NOW THEREFORE BE IT RESOLVED that the Annual Procurement Report for FY 2011-2012 is hereby approved.</p> <p><u>May and Year-To-Date Financials 2012 (Attachment – 12-28)</u></p> <p>Mr. MacDonald presented the financial report for May 2012, showing total Gross Revenue of \$13,402,000, which is \$543,000 worse than Plan. Total expenses for May were \$12,518,000, which is \$483,000 better than Plan. Net Income from operations was \$884,000, which is \$60,000 worse than Plan.</p> <p>Year to Date the Center generated \$40,332,000 in Gross Revenues, which is \$1,174,000 behind Plan. Expenses were \$35,225,000, which was \$1,142,000 better than Plan. Net Income Year to Date was \$5,107,000 which is \$32,000 worse than Plan.</p> <p>Ms. Guerin added that the building would be going dark for 16 days in July to accelerate the renovation work and facilitate maintenance projects. Business will pick up again in August but will be slow in September due to the Jewish high holy days and U.N. Week with its attendant elevated hotel room rates. The Crystal Palace scaffolding will come down in December.</p> <p><u>Procurement Summaries</u></p> <p><u>Approval of Contract – Paul J Scariano Incorporated (Attachment 12-29)</u></p> <p>Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to Paul J. Scariano Inc. for asphalt removal and concrete work for a one (1) year term at a total cost of \$231,000.</p>	
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III. Committee Reports (continued)	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1096</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Paul J. Scariano Inc. for asphalt removal and concrete work for a one (1) year term at a total cost of \$231,000 is hereby approved.</p> <p><u>Approval of Contract – Nouveau Elevator Industries, Inc. (Attachment 12-30)</u></p> <p>Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to Nouveau Elevator Industries, Inc. for elevator/escalator repair and maintenance services for a three (3) year term at a cost of \$918,479 for first year, \$1,310,645 for the second year and \$1,039,521 for the third year. The total cost over three years is \$3,268,645.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1097</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Nouveau Elevator Industries, Inc. for elevator/escalator repair and maintenance services for a three (3) year term at a total cost of \$3,268,645 is hereby approved.</p> <p><u>Approval of Contract – Adco Electrical Corporation (Attachment 12-31)</u></p> <p>Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to Adco Electrical Corporation for the removal, replacement and disposal of 3 KVA switchgear transformers for a two (2) month term at an estimated cost of \$589,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1098</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Adco Electrical</p>	
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III. Committee Reports (continued)	<p>Corporation for the removal, replacement and disposal of 3 KVA switchgear transformers for a two (2) month term at an estimated cost of \$589,000 is hereby approved.</p> <p><u>C. Human Resources – Edward Kane, Committee Chairman</u></p> <p>No report.</p> <p><u>D. Facilities - Mary D’Elia, Committee Chairwoman</u></p> <p>No report.</p> <p><u>E. Sales & Marketing –Marc Ricks, Committee Chairman</u></p> <p>No report.</p> <p><u>F. Governance – E. Scott Gilbert, Committee Chairman</u></p> <p>No report.</p> <p><u>G. Ad Hoc for Javits Expansion – Carl H. Loewenson, Jr., Committee Chairman</u></p> <p>Mr. Loewenson reported that the Development Corporation Board met earlier in the day and listened to a presentation by Barbara Lampen concerning the additional items that she proposes to include in the renovation scope with the moneys left over in the contingency fund.</p> <p><u>H. EEO Oversight – Carl H. Loewenson, Jr, Esq., Committee Chairman</u></p> <p>No report.</p>	
IV. Adjournment	<p>The Board agreed to meet again in September, on a date to be determined, and to change the meeting time to 3 p.m. By motion and agreement, the meeting was adjourned at 5:00 PM.</p>	