



APPROVED

**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
Hugh L. Carey II
J. Lee Compton
Ronald Goldstock
Mary D'Elia
David Emil
Gary Lavine
Sherida E. Paulsen
Joseph E. Spinnato
Andrew Stone
Mark Schienberg
Christine Ferer

OTHERS PRESENT:

STAFF:

Alan E. Steel, President & CEO
John C. Menapace, Senior VP, CFO
Bradley A. Siciliano, Senior VP, General Counsel
Christine McMahon, Senior VP, Human Resources and Labor Solutions
Margaret Tobin, Senior VP, Development
Mark Sims, Senior VP, IT Solutions
Tim Gaburungyi, VP, IT Solutions
Doreen Guerin, Senior VP, Sales & Marketing
Kenneth Sanchez, Senior VP, Facilities Solutions
Melanie McManus, VP & Controller
Kris Woo, Director of Finance & Planning
Ken Dixon, VP, Security Solutions
Tony Sclafani, Senior VP & Chief Communications
Gretchen Moe, Manager, Purchasing Solutions
Shirley Coley, Legal Assistant

DATE:

March 16, 2016

Time:

11:30 a.m.

Location:

Large Conference Room

ABSENT:

Robert Azeke
Marc Ricks
Karen He
Andrew M. Murstein

Visitors:

Sarah Saint-Amand, President, N.Y. Convention Center Development Corp.

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<p>Call to Order</p>	<p>The meeting of the Board of Directors for the New York Convention Center Operating Corporation was called to order at 11:34 a.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman.</p>	
<p>Agenda</p>	<p>Discussion</p>	<p>Recommendation Action/Follow-up</p>
<p>I. Approval of the Minutes</p>	<p><u>Approval of the Minutes of January 20, 2016 (Attachment 16-11)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on <u>January 20, 2016</u>. The following resolution passed by unanimous vote: <u>Resolution No. 1228</u> NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on <u>January 20, 2016</u>, are hereby approved.</p>	
<p>II. Corporate Matters</p>	<p><u>President’s Report - Alan Steel (Attachment 16-12)</u> Mr. Steel presented his report. Mr. Steel advised the Board that senior management was expending considerable resources assisting the Development Corporation with developing the expansion plans. The project is going to be utilizing a “Design/Build” approach. It is anticipated the RFP for the project will go out somewhere in the June to September time frame, with work beginning on utility related issues before the end of the year. In response to a member’s inquiry, Mr. Steel acknowledged the requirement of the Board’s approval of the plans and assured the Board they would be kept advised. Mr. Steel further updated the Board about senior management’s recent offsite strategy meeting, which was the first step in developing a 5 year plan. It is anticipated that it would be presented to the Board at the May meeting. Related to that, a revised mission statement for the Javits Center was being developed and would similarly be submitted to the Board in May. Staff also recently underwent Cybersecurity training pursuant to a state mandate on the topic.</p>	

<p>II. Corporate Matters (continued)</p>	<p>Mr. Steel further reported that he had delivered his annual State of the Center address both to Administrative employees and the labor groups. During that presentation he highlighted the Javits Center’s performance during 2015, notably on the number of events, gross square footage, direct employment numbers, hours worked, wages earned, the economic impact of the Javits Center’s operations and the Javits Center’s operating margin.</p> <p>Highlighting a number of short term goals, Mr. Steel reviewed statistics on improved security procedures, noting the increase in the number of security cameras. This investment has enabled the Javits Center to improve safety, resulting in fewer reported accidents and a reduced number of claims and costs related to those claims. Mr. Steel also outlined goals to implement a new time keeping system, redevelop the Javits Center’s sales force to better promote the expanded Javits Center, and to bring all CBA’s current. On a more long term basis, Mr. Steel reviewed the Javits Center’s investments in the IT Infrastructure, noting approximately \$19 million in investments since 2012. These investments have resulted in increased direct IT related revenue, and well as enabled the Javits Center to capture events it was not previously able to book. There is more upside revenue potential as only 30% of exhibitors currently are ordering IT services.</p>	
<p>III. Committee Reports</p>	<p><u>A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u></p> <p><u>Audit:</u> Mr. Lavine reported the Committees had met on February 22nd as well as immediately prior to the Board Meeting. Information management projects remain a focus of the Committees. Mr. Lavine advised the Board that the Labor Management project was working through some contractual issues with the winning bidder which was slowing the process. The Committees discussed the strategic plan and the need for performance measurements to be utilized on a monthly basis going forward. The Committee is considering UHY’s continued engagement as auditors. Their contract is coming to an end and it is likely the work will be rebid. That being said, the timing to make a switch in the middle of the expansion may not be advisable. A robust discussion of Phil Burke’s continued engagement took place in the Committees meeting and it was agreed to continue his engagement for another year. The Committees went through a review of the Javits Center’s insurance program. Mr. Lavine expressed the Committees view that a stronger internal audit process for floor activities would be recommended. Finally, the Committees met in Executive Session with Mr. Foley, primarily to discuss succession planning given Mr. Foley’s announced plans to retire.</p>	

<p>III. Committee Reports (continued)</p>	<p><u>Finance:</u></p> <p><u>Procurement Contracts for Approval (Attachments 16-13 through 16-21)</u></p> <p>Mr. Menapace presented the Board with a packet of individual procurements for approval. The Chairman advised the members that by voting to approve the listed procurements, the Board would be passing separate resolutions reflecting each procurement individually; and the minutes will reflect that each procurement was the subject of a separate resolution. A discussion ensued regarding the landscaping procurement, and what additional efforts could be made to bring additional greening to the facility, notably on 11th Avenue and on 34th Street. An additional discussion was had regarding the selection process of the winning bidder for the flood gate project. After discussion, the Board voted to approve all procurements.</p> <p><u>Approval of Contract – Philip W. Burke (Attachment 16-13)</u></p> <p>Mr. Menapace presented a procurement summary seeking Board approval to award a single source contract to Philip W. Burke for 12 months for an estimated cost of \$250,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1229</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Philip W. Burke for 12 months for an estimated cost of \$250,000 is hereby approved.</p> <p><u>Approval of Contract – Mats, Inc. (Attachment 16-14)</u></p> <p>Mr. Menapace presented a procurement summary seeking Board approval to award a contract for the purchase of custom manufactured “Ultra Entry” Matting Systems for Vestibules to Mats, Inc. at an estimated cost of \$111,463.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1230</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Mats, Inc. for the purchase of custom manufactured “Ultra Entry” Matting Systems for Vestibules at an estimated cost of \$111,463 is hereby approved.</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Approval of Contract – New York City Audubon Society (Attachment 16-15)</u> Mr. Menapace presented a procurement summary seeking Board approval to award a sole source contract to the New York City Audubon Society to study biodiversity on the Javits Center’s Green Roof at an estimated cost of \$228,654 (The contract term is for three years. Year 1 \$70,044, Year 2 \$84,367 and Year 3 \$74,243).</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1231</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to the New York City Audubon Society to study biodiversity on the Javits Center’s Green Roof at an estimated cost of \$228,654 is hereby approved.</p> <p><u>Approval of Contract – Javits II Architecture/FxFowle (Attachment 16-16)</u> Mr. Menapace presented a procurement summary seeking Board approval to award a single source contract to Javits II Architecture/FxFowle for the continuation and completion of the East Egress Canopy and Taxi Shelter at a total estimated total cost of \$323,020.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1232</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Javits II Architecture/FxFowle for the continuation and completion of the East Egress Canopy and Taxi Shelter at a total estimated cost of \$323,020 is hereby approved.</p> <p><u>Approval of Contract – Specialty Construction System (Attachment 16-17)</u> Mr. Menapace presented a procurement summary seeking Board approval to award a contract to Specialty Construction System, Inc. to provide floodgates concrete work for a total cost of \$445,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1233</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Specialty Construction System, Inc. to provide floodgates concrete work for a total cost of \$445,000 is hereby approved.</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Approval of Contract – Signs & Decal Corporation (Attachment 16-18)</u> Mr. Menapace presented a procurement summary seeking Board approval to award the Signs & Decal Corporation a single source contract to purchase and install new building-wide signage for all common areas and common corridors throughout the Javits Center (Contract will cover one year and includes installation) for a total cost of \$128,500.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1234</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Signs & Decal Corporation to purchase and install new building-wide signage for all common areas and common corridors throughout the Javits Center for a total cost of \$128,500 which includes installation is hereby approved.</p> <p><u>Approval of Contract – Daikin Applied Americas, Inc. (Attachment 16-19)</u> Mr. Menapace presented a procurement summary seeking Board approval to award Daikin Applied Americas, Inc. a single source contract to provide labor maintenance on VRV Systems and Air Conditioning in the amount of \$255,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1235</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Daikin Applied Americas, Inc. to provide labor maintenance on VRV Systems and Air Conditioning in the amount of \$255,000 is hereby approved.</p> <p><u>Approval of Contract – JR Clancy, Incorporated (Attachment 16-20)</u> Mr. Menapace presented a procurement summary seeking Board approval to award JR Clancy Inc. a critical exception contract to install the new LED panel in the Crystal Palace in the amount of \$211,275.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1236</u> NOW THEREFORE BE IT RESOLVED that the award of a critical exception contract to JR Clancy Inc., to install the new LED panel in the Crystal Palace in the amount of \$211,275 is hereby approved.</p>	
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**III.
Committee
Reports
(continued)**

Approval of Contract – Nouveau Elevators (Attachment 16-21)

Mr. Menapace presented a procurement summary seeking Board approval to award a contract to Nouveau Elevator Industries, Inc. for the restoration of elevators number 2 and number 13 in the amount of \$200,445.

A motion was made and seconded. The following resolution passed by unanimous vote:

Resolution No. 1237

NOW THEREFORE BE IT RESOLVED that the award of a contract to Nouveau Elevator Industries, Inc. for the restoration of elevators number 2 and number 13 in the amount of \$200,445 is hereby approved.

Review Of Contracts

Mr. Menapace stated that previously approved service procurement contracts that extended for more than one year was being submitted for annual Board review as required by the Corporation’s procurement guidelines. The procurement summaries were included with the packet sent to the Board in advance of the meeting.

Procurement Contracts for Review - The Brickman Group, Platinum Maintenance, Philip Kaplan Glass and Mirror, LLC, UHY LLP, Reitdesign, Inc.,

(Attachments 16-22 through 16-26)

Vendor	# of Year	Amount/Year
The Brickman Group	2	\$184,377 (2 nd yr.)
Platinum Maintenance	1 w/option for 2 nd	\$162,700 (2 nd yr.)
Philip Kaplan Glass and Mirror, LLC	2	\$75,000 (2 nd yr.)
UHY, LLP	3 w/option for 2 addl. 1 yr. terms	\$98,000 (3 rd yr.)
Reitdesign, Inc.	2 w/option for 1 addl. 1 yr. term	\$330,000 (3 rd yr.)

<p>III. Committee Reports (continued)</p>	<p><u>January YTD Financials for Review (Attachment 16-27)</u> Mr. Menapace presented the financial report for January 2016, showing total gross revenue of \$17,739,000, which is \$808,000 over Plan. Total operating expenses for January 2016 were \$15,437,000, which is \$16,000 below Plan. Net surplus from operations was \$2,302,000, which is \$792,000 over Plan. Net surplus after depreciation was \$1,961,000 or \$1,077,000 over Plan.</p> <p>Year to date the Center generated \$162,312,000 in gross revenues, which is \$11,776,000 over Plan. Total operating expenses before depreciation were \$149,978,000, which was \$3,100,000 below Plan. Net surplus Year to Date was \$12,334,000 which is \$8,676,000 over Plan before depreciation. After depreciation, net surplus Year to date is \$8,783,000 which is \$9,728,000 over Plan.</p> <p><u>Fiscal Year 2016-2017 Operating Plan (Attachment 16-28)</u> Mr. Menapace presented an overview of the Operating Plan for 2016-2017, a detailed copy of which was provided to the members prior to the meeting. Mr. Menapace explained the Operating Plans Goal of a marginal surplus and advised that the Javits Center was employing a more detailed bottom up processing this year with the intent of creating an accurate Operating Plan. Key points highlighted by Mr. Menapace included an 11.9% increase of \$22.9 million in revenue, coupled with a 12.4% increase of \$12.9 million in expenses, largely driven by salaries and benefits. The Operating Plan also projects a slight increase in the operating margin 0.4% to \$8.456 million before depreciation. The Chairman opened the subject up to questions and comments. A wide ranging discussion ensued by the members of the boards including topics relating to the competing interests of revenue generation for the Javits Center, return on investment for exhibitors and economic impact for the City and the State of New York. Further discussions centered on properly setting prices for services to generate revenue while not negatively impacting the marketability of the Javits center. Additional comments were directed towards determining the most effective model for food services, particularly with the anticipated ballroom.</p> <p>There being no further questions a motion was made and seconded. The following resolution was passed by unanimous vote:</p> <p><u>Resolution No. 1238</u> NOW THEREFORE BE IT RESOLVED that the New York Convention Center Operating Plan FY 2016-2017 is hereby approved.</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>B. Human Resources – Edward Kane, Committee Chairman</u> No report.</p> <p><u>C. Facilities – Sherida Paulsen, Committee Chairwoman</u> No report.</p> <p><u>D. Sales & Marketing – Lee Compton, Committee Chairman</u> No report</p> <p><u>G. EEO/MWBE - Mary D’Elia, Committee Chairwoman</u> No report.</p>	
<p>IV. Other Business</p>	<p>Inquiries were made as to the ability to develop signage opportunities on the 12th Avenue side of the Javits Center, both from revenue generating stand point and an aesthetic point of view. No action was determined.</p>	
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 12:28 PM with the next meeting to be held on May 11, 2016.</p>	