

APPROVED on 1/14/2015



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
Ronald Goldstock
Mary D'Elia
Joseph E. Spinnato
J. Lee Compton
Daniel De Vita
David Emil
Sherida E. Paulsen
Eric Komitee
Gary Lavine
Andrew Murstein
Edward Kane
Hugh L. Carey II

ABSENT:

Marc Ricks
Karen He
Christine Ferer
Robert Azeke
Mark Schienberg

OTHERS PRESENT:

STAFF:

Alan E. Steel, President & CEO
Edward B. MacDonald, Senior VP, CFO
Elizabeth Bradford, Senior VP, General Counsel
Doreen Guerin, Senior VP, Sales & Marketing
Tony Sclafani, Senior VP, CCO
Mark Sims, VP, CIO
Christine McMahon, VP of HR & Labor Solutions
Kenneth Sanchez, VP of Facilities Management
Vincent Michello, VP of Event Solutions
Aleksandra Davydova, Legal Secretary

Visitors:

Patrick Leahy, VP of Business Development – Levy Restaurants

DATE:

November 19, 2014

Time:

3:00 p.m.

Location:

Large Conference Room

Call to Order	The meeting of the Board of Directors for the New York Convention Center Operating Corporation was called to order at 3:00 p.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman.		
Agenda	Discussion		Recommendation/Action-Follow-up
<p>I. Approval of the Minutes</p>	<p><u>Approval of the Minutes of September 17, 2014 (Attachment 14-69)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on September 17, 2014. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1171</p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on September 17, 2014, are hereby approved.</p>		
<p>II. Corporate Matters</p>	<p><u>President’s Report - Alan Steel (Attachment 14-70)</u> Mr. Steel presented the President’s Report, describing building activity for October through November, an update on the building renovation completion, an update on administrative renovation, opening of Jake’s Café, other development projects underway and planned for the West Side (short video), and building improvements.</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 advised the Board that the joint Audit /Finance Committee had met immediately before the Board meeting. He noted that Mr. Carey has been a valuable addition to the Committee, particularly with respect to his in-depth understanding of Oracle systems.</p> <p>Mr. Lavine informed the Board that Mr. Sims had reported to the Committee on the status of the Oracle project. Mr. Sims advised the Board that the Oracle modules that have been installed are fully operational and all the interfaces are functioning properly. Oracle Insight is reviewing the status and will make recommendations concerning the remainder of the project.</p> <p>Mr. Lavine advised that the Committee met in Executive Session with Ken Foley, the Director of Internal Controls. There was nothing material to report.</p>		

<p>III. Committee Reports (continued)</p>	<p><u>Finance:</u></p> <p><u>September 2014 & YTD Financials (Attachment – 14-71)</u> Mr. MacDonald presented the financial report for September 2014, showing total gross revenue of \$6,432,000, which is \$584,000 better than plan. Total operating expenses before depreciation for September 2014 were \$8,444,000, which is \$153,000 over the plan. Net loss from operations was \$2,012,000, which is \$431,000 better than plan. Net loss after depreciation was \$2,298,000 or \$355,000 better than plan.</p> <p>Year to Date the Center generated \$88,540,000 in Gross Revenues, which is \$4,372,000 better than plan. Total operating expenses before depreciation were \$84,985,000, which was \$2,467,000 worse than Plan. Net surplus Year to Date was \$3,555,000 which is \$1,905,000 better than Plan before depreciation. After depreciation, Net surplus Year to Date is \$2,050,000 which is \$1,680,000 better than Plan.</p> <p><u>Procurement Summaries (Attachments 14-72 through 14-79)</u> Mr. Goldstock reported that the joint Audit/Finance Committee reviewed the procurements submitted for approval (summary on Attachment 14-72). While the Committee recommended their approval, the Committee had requested that in the future the summaries contain additional items of information.</p> <p>In addition, Mr. Goldstock noted that of those firms that request a copy of the solicitation document a relatively small percentage submit a bid or proposal. He expressed his intent to explore with management the reasons for such a low rate of response and the measures that might be taken to improve it.</p> <p><u>Approval of Contract – RCN Telecom Services of New York, LP. (Attachment 14-73)</u> A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1172</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to RCN Telecom Services of New York, LP. for 1 GIG Internet service (new entrance) for 3 years at a total cost of \$181,200 (\$55,200 for the 1st year and \$63,000 for the 2nd and 3rd years) is hereby approved.</p>	<p><i>Management to provide more information in the Procurement Summary regarding the evaluation of the proposers.</i></p>
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<p>III. Committee Reports (continued)</p>	<p><u>Approval of Contract – Affiliated Electronics (Attachment 14-74)</u> A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1173</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Affiliated Electronics for repair and maintenance of the Video Advertising Network (VAN) for 2 years at a cost of \$38,300 per year or \$76,600 over two (2) years is hereby approved.</p> <p><u>Approval of Contract – Delta Dental of New York, Inc. (Attachment 14-75)</u> A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1174</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Delta Dental of New York, Inc. for dental insurance coverage for two years at an estimated total cost of \$328,206 (\$154,450 for the first year and a 12.5% rate cap in the second year) is hereby approved.</p> <p><u>Approval of Contract – USI (Ultimate Services, Inc.) Landscaping (Attachment 14-76)</u> There was a discussion of the new snow removal contract and its potential for lowering cost by reducing the need for in-house labor and equipment. Mr. Emil suggested that management discuss a possible future arrangement with the MTA and/or the Hudson River Trust to utilize their labor and equipment for snow removal.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1175</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to USI to provide snow service to the Center for 2014-2015 winter season (11/2014-03/2015) with an option to renew for the 2015-2016 winter season at a cost of \$229,500 lump sum price up to 27 inches of snowfall and additional option to continue to use the service for \$8,400 for each inch of snowfall in excess of the snowfall cap is hereby approved.</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Approval of Contract – Steamaster Carpet Cleaning, Inc. (Attachment 14-77)</u> A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1176</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Steamaster Carpet Cleaning, Inc. to provide carpet cleaning services for the Center’s new wool carpet for one year with an option to renew for an additional one year term at an estimated cost of \$95,000 per year is hereby approved.</p> <p><u>Approval of Contract – American Commercial Equipment Repairs (Attachment 14-78)</u> A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1177</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to American Commercial Equipment Repairs for the cleaning of the grease exhaust system including environmental air handlers, grease ducts, air supply/return, fans, grills and auxiliary equipment for two years at a cost of \$35,000 per year or \$70,000 over two years is hereby approved.</p> <p><u>Review of Contract – Wells Fargo Insurance Services (Attachment 14-79)</u> Mr. MacDonald stated that a 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 procurement summary was included with the packet sent to the Board in advance of the meeting.</p> <p><u>B. Human Resources – Edward Kane, Committee Chairman</u> No report.</p> <p><u>C. Facilities – Sherida Paulsen, Committee Chairwoman</u> Ms. Paulsen advised that due to the expiration of Director of Public Safety Solutions Eric Brown’s 211 waiver, the Center has hired a new Director for the Department, Kenneth Dixon. Mr. Dixon was previously the security director at Sotheby’s and has extensive experience with the CT camera system that the Center is in the process of implementing. Mr. Dixon began his</p>	
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<p>III. Committee Reports (continued)</p>	<p>employment at the Center on November 17, but Mr. Brown will remain in his position for a sufficient period of time to insure a smooth transition.</p> <p><u>D. Sales & Marketing – Lee Compton, Committee Chairman (Attachment 14-80)</u> Ms. Doreen Guerin gave a Power Point presentation of the Center’s sales activity and progress for October – December and a look ahead to the January, February and March show schedules.</p> <p><u>Executive session</u> A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1178</p> <p>NOW THEREFORE BE IT RESOLVED that the Board will go into Executive Session pursuant to § 105 of the Public Officers Law to discuss the status of the appointment of a food and beverage concessionaire.</p> <p><u>F. Governance – Ronald Goldstock, Committee Chairman</u> No report.</p> <p><u>G. Ad Hoc for Javits Expansion/Renovation – Joseph E. Spinnato, Committee Chairman</u> No report.</p> <p><u>H. EEO/MWBE - Mary D’Elia, Committee Chairwoman</u> Ms. D’Elia informed the Board that the Committee had met immediately prior to the Board meeting and she asked Ms. Bradford to report on the meeting. Ms. Bradford advised that the Committee had reviewed the results of certain statistical analyses and had also been updated on the status of the Corporation’s efforts to achieve its MWBE goals. In summary, the Corporation did not meet its goals in FY 2012-13 but is on track to meet its goals in FY 2014-15. Ms. Bradford noted that memoranda issue by Mr. Steel to the staff had resulted in increased cooperation by all levels of management in working to increase MWBE procurement participation.</p>	
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IV. Other Business	Nothing to discuss.	
V. Adjournment	By motion and agreement, the meeting was adjourned at 4:00 PM with the next meeting to be held on January 14, 2015.	