

BOARD APPROVED on 6/18/2014



**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
Mary D'Elia
Robert Azeke
J. Lee Compton
Daniel De Vita
David Emil
Sherida E. Paulsen
Edward Kane
Gary Lavine
Marc Ricks
Mark Schienberg
Jeffrey Scruggs
Karen He

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
Bradley A. Siciliano, Associate General Counsel
Christine McMahan, HR Director
Kenneth Sanchez, VP of Facilities Management
Aleksandra Davydova, Legal Secretary
Kenneth Foley, Director of Internal Controls & Compliance
Priscilla Odoom, Change Manager

DATE:

April 9, 2014

Time:

3:00 p.m.

Location:

Large Conference Room

ABSENT:

Jed Howbert
Ronald Goldstock
Joseph E. Spinnato
Christine Ferer
Andrew Murstein

<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 3:00 p.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman. Mr. Silverman introduced and welcomed new Board member Karen He.</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 15, 2014 (Attachment 14-17)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on January 15, 2014. The following resolution passed by unanimous vote: Resolution No. 1150 NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on January 15, 2014, are hereby approved.</p>	
<p>II. Corporate Matters</p>	<p><u>President’s Report - Alan Steel (Attachment 14-18)</u> Mr. Steel presented the President’s Report, describing activity for first three months of 2014, including building renovation update, goals for 2014-515 and comparison of water damage claims 2011 - 2013. The board watched a video presentation of Hudson Yards Development. Mr. Steel discussed the need to develop a plan of action for Javits freight operations in anticipation of area development. Mr. Lavine inquired about the status of management’s review of security measures. Mr. Steel advised that management was scheduled to meet with an outside consultant to review options and had met with the Superintendent of State Police to discuss the possibility of renewing the previous arrangement for state trooper presence at the Center.</p>	
<p>III. Committee Reports</p>	<p><u>A. Audit and Finance Committee – Gary Lavine and Ronald Goldstock, Committee Chairmen</u> <u>February 2014 & YTD Financials (Attachment – 14-19)</u> Mr. MacDonald presented the financial report for February 2014, showing total gross revenue of \$18,789,000, which is \$2,547,000 better than plan. Total expenses for February 2014 were</p>	

<p>III. Committee Reports (continued)</p>	<p>\$17,064,000, which is \$1,297,000 worse than plan. Net surplus from operations was \$1,725,000, which is \$1,250,000 better than plan.</p> <p>Year to Date the Center generated \$140,916,000 in Gross Revenues, which is \$5,400,000 better than plan. Expenses were \$142,432,000, which was \$4,364,000 worse than Plan. Net loss Year to Date was \$1,516,000 which is \$1,035,000 better than Plan.</p> <p><u>New York Convention Center Operating Plan FY 2014-2015 (Attachment 14-20)</u> Mr. MacDonald presented highlights of the 2014-2015 Operating Plan. He noted that the Board should focus on operating profit/loss since net figures are affected by the significant level of new capital investment.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1151</p> <p>NOW THEREFORE BE IT RESOLVED that the New York Convention Center Operating Plan FY 2014-2015 is hereby approved.</p> <p><u>Procurement Summaries (Attachments 14-21 through 14-30)</u> The committee reviewed and recommended approval of all of the procurements presented for the Board’s approval. There was a discussion among the Board members concerning the selection of UHY as the Corporation’s external auditors. Mr. Lavine noted the excellence of their past performance and the fact that it was not a propitious time to make a change. He also pointed out that a new engagement partner had been appointed to oversee the audit.</p> <p>There was a discussion concerning the selection of a graphic art firm. Management explained to the Board members that the scope of service was limited to developing the Center’s website and related materials and did not include a complete rebranding.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1152</p>	<p><i>RA/FU Graphic art firm Reitdesign will make a brief presentation at the June Board meeting to lay out their plan for redesigning the Center’s website and related materials.</i></p>
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<p>III. Committee Reports (continued)</p>	<p>NOW THEREFORE BE IT RESOLVED that the Board approved the following contracts, as more fully described in the procurement summaries attached as Attachments 14-21 through 14-29 and summarized in Attachment 14-30:</p> <ul style="list-style-type: none"> - UHY LLP - ADCO Electrical Corp. - PGS Consulting, Inc. - Guardian Exterminating - Reitdesign, Inc. - Siemens Building Technologies, Inc. - Siemens Building Technologies - Bortek Industries, Inc. - Philip Burke <p><u>Review of Contracts – Nouveau Elevator Industries, Inc., Scientific Fire Prevention, SSP Group, Inc/ d/b/a Big Apple Window Cleaning, United Steel Products, Inc., TransCare New York, Inc., IESI NY Corporation. (Attachments 14-31 - 14-36)</u></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><u>Resolution to Authorize Staff to sign warrants (Attachment 14-37)</u></p> <p>Mr. MacDonald requested a resolution authorizing certain individuals to sign warrants. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1153</p> <p>NOW THEREFORE BE IT RESOLVED that the Board authorizes the following individuals to sign warrants for the purpose of requisitioning checks, wire transfers and transfers of monies in the name of the Corporation in accordance with §2569 of the Public Authorities Law, in accordance with the New York Convention Center Operation Corporation Warrant Procedures: Alan Steel – President & CEO, Edward B. MacDonald, Jr. – SVP, CFO, Elizabeth Bradford – SVP, General Counsel, Doreen Guerin – SVP, Sales & Marketing, Melanie McManus –</p>	
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<p>III. Committee Reports (continued)</p>	<p>Controller, and Deirdre O’Connell – Assistant Controller.</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> No report. Ms. Guerin presented the event schedule for the next quarter of 2014 (Attachment 14-38).</p> <p><u>F. Governance – Ronald Goldstock, Committee Chairman</u></p> <p><u>Changes to the Mission Statement and Performance Measurements, and the 2012 Performance Measurement Report (Attachments 14-39 & 14-40)</u></p> <p>Mr. Siciliano set forth, pursuant to the requirements of Public Authority Reform Act, the Governance Committee’s recommended changes to the Corporation’s Mission Statement and Performance Measurements. Changes to the Mission Statement most notably reflected the near completion of the Center’s renovations as well as several minor editorial changes for clarification purposes. Changes to the Performance Measurements were intended to better reflect the Corporation’s performance, by (1) adding estimated hotel nights generated, (2) replacing Labor payroll with hours-based measurements, and (3) removing measurements which were not related to the stated mission of the Corporation.</p> <p>Mr. Siciliano also presented the 2012 Performance Measurements Report, which the Governance Committee has recommended for approval.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1154</p> <p>NOW THEREFORE BE IT RESOLVED that the changes to the Mission Statement and</p>	
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<p>III. Committee Reports (continued)</p>	<p>Performance Measurements, and the 2012 Performance Measurements Report are hereby approved.</p> <p><u>G. Ad Hoc for Javits Expansion/Renovation – Joseph E. Spinnato, Committee Chairman</u> No report.</p> <p><u>H. EEO/MWBE– Carl H. Loewenson, Jr, Esq., Committee Chairman</u> No report.</p>	
<p>IV. Other Business</p>	<p><u>Other Audit Matters</u> Mr. Lavine reported that the joint Committee met with the outside auditors concerning their review of internal controls. Two new items were discussed: control of supply inventory and management of the food and beverage concession contract.</p> <p>The Committee also met with CIO Mark Sims to get an update on completing implementation of ERP, which has been held in abeyance in order to give priority to the telecommunications wiring projects. The ERP project is expected to be complete in 18 months. There was a discussion concerning the reasons that the project will ultimately cost more than originally projected.</p> <p>Mr. Lavine reported that Committee met with Internal Controls Director Ken Foley concerning the internal audit. There are no open issues to report. The Committee has asked Mr. Foley to devote more of his review to the Corporation’s operations functions.</p>	
<p>IV. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 4:00 PM with the next meeting to be held on June 18, 2014.</p>	