



**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
J. Lee Compton
Mary D'Elia
David Emil
Ronald Goldstock
Karen He
Eric R. Komitee
Gary Lavine
Sherida E. Paulsen
Marc Ricks
Andrew D. Stone

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
Margaret Tobin, Senior VP, Development
Tony Sclafani, Senior VP, CCO
Mark Sims, VP, CIO
Christine McMahon, VP, HR & Labor Solutions
Kenneth Sanchez, VP, Facilities Management
Ken Dixon, Director of Security & Safety Solutions
Bradley A. Siciliano, Associate General Counsel
Shirley Coley, Legal Assistant

DATE:

September 16, 2015

Time:

3:00 p.m.

Location:

Large Conference Room

ABSENT:

Robert Azeke
Christine Ferer
Edward P. Kane
Andrew M. Murstein
Mark Schienberg
Joseph E. Spinnato

Visitors:

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

<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.</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 June 17, 2015 (Attachment 15-50)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on June 17, 2015. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1196</p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on June 17, 2015, are hereby approved.</p>	
<p>II. Corporate Matters</p>	<p><u>President’s Report - Alan Steel (Attachment 15-51)</u> Mr. Steel introduced and welcomed a new Board member, Andrew D. Stone.</p> <p>Mr. Steel presented his report concerning the Corporation’s 2014-2015 Annual Report, favorable press coverage of the green roof, new developments on the West Side, the status of the office renovation project, a comparison of 2015 thefts to those in 2014, the refinancing of the 2005 CCDC Bonds, and anticipated further renovation work. There was a discussion of the second Starbucks installation to be located at the front of the Crystal Palace and the extent to which it might be made available to the general public as a neighborhood amenity.</p> <p>In response to inquiries concerning fire safety improvements, Mr. Steel stated that the new fire alarm system is fully functional and the fire safety crews are fully trained.</p>	<p><i>Mr. Steel will provide the Board with updates concerning the Center’s fire safety improvements.</i></p>

<p>Corporate Matters (continued)</p>	<p><u>Executive Session</u> A motion to go into Executive Session was made and seconded. The following resolution was passed by unanimous vote:</p> <p>Resolution No. 1197</p> <p>NOW THEREFORE BE IT RESOLVED that the Board will conduct an executive session pursuant to Public Officers Law § 105 to consider the employment history of the matters leading to the appointment of particular persons.</p> <p>No votes were taken; no resolutions were passed in Executive Session.</p> <p><u>Appointment of Margaret Tobin</u> A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1198</p> <p>NOW THEREFORE BE IT RESOLVED that Margaret Tobin is hereby appointed as the Corporation’s Senior Vice President for Development.</p> <p><u>Appointment of New Members to the Governance and EEO/MWBE Committees</u> This item was deferred until the next Board meeting.</p>	<p><i>New committee appointments to be made at November meeting.</i></p>
<p>III. Committee Reports</p>	<p><u>A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u></p> <p><u>July 2015 & YTD financials for review (Attachment 15-52)</u> Mr. MacDonald presented the financial report for July 2015, showing total gross revenue of \$14,577,000, which is \$1,000,000 better than Plan. Total operating expenses for July 2015 were \$13,412,000, which is \$670,000 worse than Plan. Net surplus from operations was \$1,164,000, which is \$332,000 better than Plan. Net surplus after depreciation was \$808,000 or \$321,000 better than Plan.</p>	

<p>III. Committee Reports (continued)</p>	<p>Year to date the Center generated \$83,055,000 in gross revenues, which is \$4,873,000 better than Plan. Total operating expenses before depreciation were \$73,579,000, which was \$1,749,000 worse than Plan. Net surplus Year to Date was \$9,476,000 which is \$3,124,000 better than Plan before depreciation. After depreciation, net surplus Year to date is \$8,067,000 which is \$3,108,000 better than Plan.</p> <p>Mr. MacDonald noted that the industry as a whole and Javits in particular are performing better than expected. The investment in new Internet infrastructure is beginning to pay off in the form of increased revenues, the December calendar is fuller than usual, and the new building management system is helping the Center control its utility expenses.</p> <p><u>Procurement Summaries</u></p> <p>Mr. Silverman advised the Board that by voting to approve the listed procurements, they would be passing separate resolutions that will reflect the approval of each procurement individually. The minutes will reflect that each procurement was the subject of a separate resolution.</p> <p><u>Approval of Procurements (Attachments 15-53 through 15-58)</u></p> <p><u>Approval of Contract – Groome Industrial Services Group, Inc. (Attachment 15-53)</u></p> <p>Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to Groome Industrial Services for Phase I of the new flood gates and modification of existing flood gates along 12th Avenue west wall for a one (1) year term at a total cost of \$697,268.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1199</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Groome Industrial Services for Phase I of the new flood gates and modification of existing flood gates along 12th Avenue west wall for a one (1) year term at a total cost of \$697,268 is hereby approved.</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Approval of Contract – Deerpath Construction (Attachment 15-54)</u> Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to Deerpath Construction for repair of sealants at the 34th Street wall and 11th Avenue stairwell for a one (1) time total cost of \$135,734.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1200</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Deerpath Construction for repair of sealants at the 34th Street wall and 11th Avenue stairwell for a one (1) time total cost of \$135,734 is hereby approved.</p> <p><u>Approval of Contract – IESI Corporation (Attachment 15-55)</u> Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to IESI Corporation to provide refuse removal, snow hauling services, and a recycling program for a four (4) year term at estimated cost of \$132,714 per month, \$1,592,568 per year and \$6,370,272 over four years.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1201</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to IESI Corporation to provide refuse removal, snow hauling services, and a recycling program for a four (4) year term at an estimated cost of \$132,714 per month, \$1,592,568 per year and \$6,370,272 over four years is hereby approved.</p> <p><u>Approval of Contract – Hy-Safe (Attachment 15-56)</u> Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to Hy-Safe for provision of hardware and installation of fall protection system on the roof of Javits Center for a three (3) year term at a cost of \$5,600 per year and a total cost of \$120,100 for three years.</p>	
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<p>III. Committee Reports (continued)</p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1202</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Hy-Safe for provision of hardware and installation of fall protection system on the roof of Javits Center for a three (3) year term at a cost of \$5,600 per year and a total cost of \$120,100 for three years is hereby approved.</p> <p><u>Approval of Contract – First Response Ambulance (Attachment 15-57)</u> Mr. MacDonald presented a procurement summary seeking Board approval to award a contract to First Response Ambulance for emergency medical services for a three (3) year term with an option to renew for two (2) additional years at the estimated total cost of \$343,725 per year or a total of \$1,031,175 for three years.</p> <p>The Board inquired about background of the emergency medical services contract. Mr. MacDonald explained that the NYS Public Health Law requires one or more emergency medical teams to be present when public attendance at an event or events is anticipated to exceed 5,000. Most of that cost is passed through to the show organizers whose events trigger those requirements.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1203</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to First Response Ambulance for emergency medical services for a three (3) year term with an option to renew for two (2) additional years at the estimated total cost of \$343,725 per year or a total of \$1,031,175 for three years is hereby approved.</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Approval of Contract – Send Word Now Communications, Inc. (Attachment 15-58)</u> Mr. MacDonald presented a procurement summary seeking Board approval to award a Single Source contract to Send Word Now Communications, Inc. for supply, installation and training on emergency mass notification software at the Javits Center for a three (3) year term at a total estimated cost of \$26,434 for all three years.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1204</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Send Word Now Communications, Inc. for supply, installation and training on emergency mass notification software at the Javits Center for a three (3) year term at an estimated total of \$26,434 is hereby approved.</p> <p><u>Review of Contract – Cintas Corporation (Attachment 15-59)</u> Procurement contracts that are extended for more than one year are 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. No Board member had any comment or question with respect to this procurement.</p> <p><u>Review of Contract – United Steel Products, Inc. (Attachment 15-60)</u> Procurement contracts that are extended for more than one year are 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. No Board member had any comment or question with respect to this procurement.</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Chairman’s Report</u></p> <p>Both Mr. Silverman and Mr. Lavine noted Mr. MacDonald’s impending retirement and thanked and commended him for his 20 years of service as the Javits Center’s CFO. Mr. Lavine expressed his personal appreciation to Mr. MacDonald for maintaining his vision and professionalism through times of crisis. Mr. MacDonald thanked the Board for its firm support throughout the years and expressed his regret at departing at a time of exciting transition for the Center and the West Side.</p> <p>Mr. Lavine reported that the Committee had met by phone on August 26, 2015 to review the results of the construction audit recently completed by UHY. He reminded the Board that the purpose of the audit was to review the \$5 million interior renovation project conducted by the Corporation and compare it to a set of benchmark metrics. The auditors concluded that the materials costs compared favorably to the benchmark but initially concluded that the labor cost was above the benchmark. Upon further review, however, this apparent anomaly was eliminated by taking into account the additional costs incurred in doing MEP work and in accommodating ongoing operations.</p> <p>Mr. Lavine reported that the Committee had also met immediately before the full Board meeting to review:</p> <ul style="list-style-type: none"> • UHY’s review of Centerplate’s annual internal audit. No issues of concern were found. • Mr. Sims’ status report on the ongoing IT upgrades, including a report on the status of the procurement process for workforce management and inventory management software. <p>Mr. Sims described other IT projects that have been wholly or partially completed, including the update of the Center’s website and the sale to Javits customers and tenants of data hosting services and space in the Javits data center of space for customer and tenant servers. In response to inquiries from the Board, Mr. Sims assured them that by providing these services the Center was in no way compromising the security of its own data.</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 (Attachment 15-61)</u></p> <p>Ms. Guerin gave a Power Point presentation of the Center’s sales activity and progress; noting the addition of 5 new events to the building. The report included results of sales activity for July – September 2015 and a look ahead to the October, November and December show schedules.</p> <p>Ms. Guerin noted that Canon Expo was a huge success with several thousand people attending to view new product lines. She pointed out that this year’s December calendar is booked through the first two weeks rather than just the first, which has typically been the case.</p> <p><u>E. 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> No report.</p>	
<p>IV. Other Business</p>		
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 4:02PM with the next meeting to be held on November 18, 2015.</p>	