

APPROVED 3-16-16



**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
Karen He
Eric R. Komitee
Gary Lavine
Sherida E. Paulsen
Joseph E. Spinnato
Mary D'Elia
Edward P. Kane
Robert Azeka
Andrew D. Stone
David Emil
Mark Schienberg
Andrew M. Murstein
Christine Ferer

OTHERS PRESENT:

DATE: January 20, 2016
Time: 3:00 p.m.
Location: Large Conference Room

STAFF:

Alan E. Steel, President & CEO
John C. Menapace, Senior VP, CFO
Bradley A. Siciliano, Associate 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
Ken Dixon, VP, Security Solutions
Tony Sclafani, Senior VP & Chief Communications
Gretchen Moe, Manager, Purchasing Solutions
Shirley Coley, Legal Assistant

ABSENT:

Marc Ricks

Visitors:

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

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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 3:00 p.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman.	
Agenda	Discussion	Recommendation Action/Follow-up
I. Approval of the Minutes	<p><u>Approval of the Minutes of December 2, 2015 (Attachment 16-01)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on December 2, 2015. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1222</u></p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on December 2, 2015, are hereby approved.</p>	
II. Corporate Matters	<p><u>President's Report - Alan Steel (Attachment 16-02)</u> Mr. Steel presented his report. Mr. Steel provided an overview of the proposed expansion of the Javits Center announced by the Governor on January 7, 2016. Notable improvements included five times the amount of existing meeting room space, the largest ball room on the east coast, 500,000 square feet of exhibition space on one level, a four level parking structure to reduce traffic in the surrounding neighborhood and a 34,000 square foot solar array. The project is estimated to generate 4000 new full time jobs, 2000 part time jobs, 3100 construction jobs and 200,000 additional hotel room nights. Mr. Steel reported that the announcement has by and large been well received and that new business was already being generated based upon the announcement. The hope was to begin construction by the end of 2016 and be completed by 2020. Board members requested that in developing the plans for the expansion consideration be given to issues of sustainability, the impact on the local community, particularly in terms of access to the river, and security.</p> <p>Mr. Steel further updated the Board on various issues including fire safety improvements, the status of the Center's efforts to obtain peace officer status for its public safety officers, the continued installation of HD security cameras through the Center, and a return of state troopers at designated events during the year.</p>	

<p>III. Committee Reports</p> <p>A. Audit & Finance Committees – Gary Levine and Ronald Goldstock, Committee Chairmen</p> <p>Mr. Levine reported the Committees had met prior to the Board Meeting. He noted that senior management was planning on an off-site strategic meeting later in the week to develop a 3 to 5 year plan for the Center and to develop new metrics for success. The committee was pleased with this process and was looking forward to incorporating the new metrics into the audit review process. The Committee also received a Cyber Security Report from Mr. Gaburungyi of which the key takeaway for the Committee was the importance of training of staff in behaving in a responsible manner. The Committee was also updated on the status of the workforce management project, noting the hiring of a project manager in February was the next major milestone, with Kronos projected to be on site by the end of March to begin implementation.</p> <p><u>November MTD and YTD financials for review (Attachment 16-03)</u></p> <p>Mr. Menapace presented the financial report for November 2015, showing total gross revenue of \$13,025,000 which is \$2,525,000 better than the Plan. Total operating expenses for October 2015 were \$11,245,000 which is \$656,000 better than the Plan. Net surplus from operations was \$1,780,000 which is \$3,181,000 over Plan. Net surplus after depreciation was \$1,407,000 or \$3,441,000 over Plan.</p> <p>Year to date the Center generated \$135,172,000 in gross revenues, which is \$10,802,000 over Plan. Total operating expenses before depreciation were \$123,316,000, which was \$2,596,000 below Plan. Net surplus Year to Date was \$11,856,000 which is \$8,205,000 over Plan before depreciation. After depreciation, net surplus Year to date is \$8,968,000 which is \$8,686,000 over Plan.</p> <p><u>Review Of Contracts</u></p> <p>Mr. Menapace stated that previously approved service procurement contract that extend 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>Procurement Contract for Review - GG Group, Incorporated. (Attachments 16-04)</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 5px;">Vendor</th><th style="text-align: center; padding: 5px;"># of Year</th><th style="text-align: center; padding: 5px;">Amount/Year</th></tr> </thead> <tbody> <tr> <td style="padding: 5px;">GG Group, Incorporated</td><td style="text-align: center; padding: 5px;">1</td><td style="text-align: center; padding: 5px;">\$150,000 w/Renewal Option for 3 Years</td></tr> </tbody> </table>	Vendor	# of Year	Amount/Year	GG Group, Incorporated	1	\$150,000 w/Renewal Option for 3 Years	
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III. Committee Reports (continued)	<p><u>Procurement Contracts for Approval (Attachments 16-05 through 16-09)</u></p> <p>Mr. Menapace presented Board with a packet of individual procurements for approval. The procurement summaries were included with the packet sent to the Board in advance of the meeting. After discussion, the Board voted to approve all procurements. The minutes reflect that each procurement was the subject of a separate resolution.</p> <p><u>Approval of Contract – Neoscape (Attachment 16-05)</u></p> <p>Mr. Menapace presented a procurement summary seeking Board approval to award a contract to Neoscape for the production of a 2-3 minute video describing JKJCC activities and its positive economic impact in the city. The estimated total cost of the video describing JKJCC's positive impact in the city is \$180,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1223</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Neoscape for the production of a 2-3 minute video describing the JKJCC's positive impact in the city at an estimated total cost of \$180,000 is hereby approved.</p> <p><u>Approval of Contract – Waldner's Business Environments (Attachment 16-06)</u></p> <p>Mr. Menapace presented a procurement summary seeking Board approval to award a single source contract to Waldner's Business Environments to provide three custom designed millwork counters and desks in the amount of \$106,810.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1224</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Waldner's Business Environments to provide three custom designed millwork counters and desks in the amount of \$106,810 is hereby approved.</p> <p><u>Approval of Contract – Nouveau Elevator Industries, Inc. (Attachment 16-07)</u></p> <p>Mr. Menapace presented a procurement summary seeking Board approval to award a contract to Nouveau Elevator Industries, Inc. for the restoration of Elevator No. 8 in the amount of \$225,000.</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><u>Resolution No. 1225</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Nouveau Elevator Industries, Inc., for the restoration of Elevator No. 8 in the amount of \$225,000 is hereby approved.</p> <p><u>Approval of Contract – NetX Information Systems, Inc. & Veritas (Attachment 16-08)</u></p> <p>Mr. Menapace presented a procurement summary seeking Board approval to award NetX Information Systems, Inc. & Veritas a contract to provide data backup and disaster recovery solution for the JKJCC at a total estimated cost of \$491,193. (The contract term is for five years. \$232,007 for implementation and \$51,837 for maintenance per year for 5 years).</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1226</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to NetX Information Systems, Inc. & Veritas to provide a data backup and disaster recovery solution for the JKJCC at a total estimated cost of \$491,193 is hereby approved.</p> <p><u>Approval of Contract – Siemens Industry Inc. (Attachment 16-09)</u></p> <p>Mr. Menapace presented a procurement summary seeking Board approval to award a sole source contract to Siemens Industry, Inc., to provide a Building Management System (BMS) upgrade at the estimated total cost of \$232,500.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1227</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a sole source contract to Siemens Industry, Inc., to provide a Building Management System (BMS) upgrade at the estimated total cost of \$232,500 is hereby approved.</p>	
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III. Committee Reports (continued)	<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 16-10)</u> Ms. Guerin reported on the Center's sales activity and progress. She noted that 2 new events were added to the 2016 show calendar in the first quarter. Also noted, was the hosting of Governor Cuomo's press conference announcing the Javits Center Expansion Project. Ms. Guerin presented the results of sales activity for January – March 2016, and also a look ahead to the April, May and June show schedules.</p> <p><u>G. EEO/MWBE - Mary D'Elia, Committee Chairwoman</u> No report.</p>	
IV. Other Business	No report.	
V. Adjournment	By motion and agreement, the meeting was adjourned at 3:43 PM with the next meeting to be held on March 16, 2016.	