

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
Robert Azeke
Sara Berman
J. Lee Compton
Ronald Goldstock
Edward P. Kane
Eric Komitee
Gary Lavine
Lee H. Perlman
Andrew Stone
George Tsunis

OTHERS PRESENT:

STAFF:

Alan E. Steel, President & Chief Executive Officer
Bradley A. Siciliano, General Counsel & Corporate Secretary
Melanie McManus, SVP & Chief Financial Officer
Doreen Guerin, SVP Sales & Marketing
Christine McMahan, SVP Human Resources & Labor Solutions
Mark Sims, SVP & Chief Information Officer
Kenneth Sanchez SVP, Facilities Solutions
Ken Dixon, VP Security Solutions
Tony Sclafani, SVP Chief Communications Officer
Mike Ruberry, VP Event Solutions \$ Set-Up
Allison Richardson, Director of Internal Controls & Compliance
Susan Richardson, Director Sales & Marketing
Shirley Coley, Legal Assistant

DATE:

May 10, 2017

Time:

3:00 p.m.

Location:

Large Conference Room

ABSENT:

Hugh Carey
David Emil
Andrew Murstein
Marc Ricks
Mark Schienberg
Joseph Spinnato

Visitors:

Robin Stout, President, N.Y. Convention Center Development Corporation

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 April 5, 2017 - (Attachment 17-46)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on April 5, 2017. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1297</u></p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on April 5, 2017, is hereby approved.</p> <p>Before proceeding further, Mr. Silverman asked the Directors whether anyone had any potential conflict of interest with respect to any of the items on the Agenda and requested that they make an appropriate disclosure on the record. Any Director with such conflict should recuse themselves from any discussion or vote with regard to such item or items. No Director indicating any potential conflict, the meeting proceeded.</p>	
II. Corporate Matters	<p><u>President's Report - Alan Steel - (Attachment 17-47)</u> Mr. Steel offered the floor to Robin Stout, President of the Convention Center Development Corporation to update the Directors on the status of the Expansion. Mr. Stout was pleased to report the Design Build Contract had been approved on May 4, 2017 by both the New York State Attorney General's office and the Office of the State Controller, so the winning bidder, LendLease Turner could officially move forward with the Design Build process. Meetings are now under way, which include staff from the Operating Corporation, to finalize the design. In addition, work on the transformer building was proceeding, and it is expected that portion of the project would be done within two years. Work on the transformer building was being coordinated with the expansion project. The Development Corporation had met with the New York State Inspector General's Office, and was coordinating with other State Agencies to ensure compliance with all State requirements. The Development Corporation is in the process of hiring an Integrity Monitor as part of that process. The issue was raised of whether a security consultant would be retained for the project to ensure the safety of the building going forward,</p>	

	<p>notably from the threat of a terrorist attack. Mr. Stout explained that the winning bidder would be responsible for including in its design security features to protect against such threats. Finally, it was reported that the last event had occurred in Javits North, and the process of removing equipment which could be repurposed in the future was under way. Beyond the expansion, Mr. Stout reported that the Development Corporation was coordinating with the Operating Corporation on developing a capital plan for the building to ensure proper maintenance going forward.</p> <p>Mr. Steel then presented his report to the Directors. Mr. Steel reminded the Directors of the Strategic Plan management had presented in May of 2016 and reported on progress which had been made on areas involving processes and productivity improvement as well as revenue maximization. An update was also provided on facilities improvements which are ongoing, including the renovation of the Board Room, the installation of the New York State Welcome Center and the repaving of the Marshalling Yard. Mr. Steel advised the Directors of reports of a mixed use development on the property immediately in front of Javits North on 11th Avenue, commonly referred to as the “slaughter house” site. Reports indicate the construction will start in 2019 and be completed by 2022. The Center has questions regarding the developments impact on our own expansion as well as operations. The developer has asked for a meeting with management. Those arrangement are being made.</p>	
<p>III. Committee Reports</p>	<p><u>A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u></p> <p>Mr. Lavine reported the Committees had met immediately prior to the Board Meeting. The Committee reviewed the status of the Workforce Management project and well as the inventorying of fixed assets. The committee was also updated by management on a new approach it was developing to craft customer quotes for different lines of business. The Committee’s met in executive session with Ms. Richardson regarding her risk assessment.</p> <p><u>Procurement Contracts for Approval - (Attachments 17-48 through 17-57)</u></p> <p>Ms. McManus 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.</p>	

<p>III. Committee Reports (continued)</p>	<p><u>Approval of Contract – SSP Group Inc. dba Big Apple Window Cleaning - (Attachment 17-48)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract to the SSP Group Inc. dba Big Apple Window Cleaning to provide glass cleaning services for the Jacob Javits Convention Center. The contract is for a period of 3 years at a cost of \$530,937 per year or \$1,592,811 for 3 years with an additional 1 year renewal option.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1298</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to the SSP Group Inc. dba Big Apple Window Cleaning to provide glass cleaning services for the Jacob Javits Convention Center for a contract period of 3 years (with a 1 year renewal option), at a total cost of \$1,592,811 is hereby approved.</p> <p><u>Approval of Contract – Platinum Maintenance Services Corporation - (Attachment 17-49)</u> Ms. McManus presented a procurement summary seeking Board approval to award the Platinum Maintenance Services Corporation a contract to provide stainless steel cleaning services for the Jacob Javits Convention Center. The contract is for a period of 3 years at a cost of \$175,586 per year or \$526,760 for 3 years with an option to renew for 1 additional year.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1299</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to the Platinum Maintenance Services Corporation to provide stainless steel cleaning services for the Jacob Javits Convention Center for a contract period of 3 years (with 1 year renewal option), at a total cost of \$526,760 is hereby approved.</p> <p><u>Approval of Contract – Sunshine of East Coast, Inc. - (Attachment 17-50)</u> Ms. McManus presented a procurement summary seeking Board approval to award an emergency contract to Sunshine of East Coast, Inc. to fine grade existing millings, furnish, deliver and install 4” concrete binder and roll and compact in order to repair the 33rd-34th Street Truck Marshalling Yard, at a total cost of \$478,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Resolution No. 1300</u> NOW THEREFORE BE IT RESOLVED that the award of an emergency contract to Sunshine of East Coast, Inc. to fine grade existing millings, furnish, deliver and install 4” concrete binder and roll and compact in order to repair the 33rd-34th Street Truck Marshalling Yard at a total cost of \$478,000 is hereby approved.</p> <p><u>Approval of Contract – G. Fiore Concrete & Construction, Inc. - (Attachment 17-51)</u> Ms. McManus presented a procurement summary seeking Board approval to award G. Fiore Concrete & Construction, Inc. a contract to provide concrete and waterproofing services for the Jacob Javits Convention Center at a total cost of \$272,400.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1301</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to G. Fiore Concrete & Construction, Inc. to provide concrete and waterproofing services for the Jacob Javits Convention at a total cost of \$272,400 is hereby approved.</p> <p><u>Approval of Contract – Drexel University - (Attachment 17-52)</u> Ms. McManus presented a procurement summary seeking Board approval to award a sole source contract to Drexel University to study climate and storm water runoff on the Jacob Javits Convention Center’s green roof. The Contract is for 1 year (with an option for 2 additional years) at the Javits Center’s discretion. The total cost is \$437,847 (\$155,725 for 1st year, \$139,640 for 2nd year and \$142,482 for the 3rd year).</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1302</u> NOW THEREFORE BE IT RESOLVED that the award of a sole source contract to Drexel University to study climate and storm water runoff on the Jacob Javits Convention Center’s green roof for 3 years at a cost of \$155,725 for the first year, and an optional second and third year at \$139,640 and \$142,482 respectively is hereby approved.</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Approval of Contract – PCM Sales, Inc. - (Attachment 17-53)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract to PCM Sales Inc.; to provide an Enterprise Mobility Management System to the Jacob Javits Convention Center. The contract is for a period of 3 years at a total cost of \$131,028.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1303</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to PCM Sales Inc., to provide an Enterprise Mobility Management System to the Jacob Javits Convention Center for a period of 3 years at a total cost of \$131,028 is hereby approved.</p> <p><u>Approval of Contract – Reitdesign, Inc. - (Attachment 17-54)</u> Ms. McManus presented a procurement summary seeking Board approval to award Reitdesign, Inc. a contract to provide marketing services for the Jacob Javits Convention Center. The contract period is for 3 years at a cost of \$1.7 million (Year 1: \$516,150, Year 2: \$570,765 and Year 3: \$630,841). There is an option to renew the contract for 2 additional years.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1304</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Reitdesign, Inc., to provide marketing services for the Javits Center for a contract period of 3 years (with a 2 year renewal option) at a total cost of \$1.7 million, is hereby approved.</p> <p><u>Approval of Contract – Business Compliance & Investigations - (Attachment 17-55)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract to Business Compliance & Investigations, to provide fire guard and mid-level security guard services to the Jacob Javits Convention Center. The contract is for a period of 1 year at an estimated cost of \$568,500.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Resolution No. 1305</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Business Compliance & Investigations, to provide fire guard and mid-level security guard services to the Jacob Javits Convention Center for a period of 1 year at an estimated cost of \$568,500 is hereby approved.</p> <p><u>Approval of Contract – BrightView Landscaping, LLC - (Attachment 17-56)</u> Ms. McManus presented a procurement summary seeking Board approval to award BrightView Landscaping, LLC a contract to provide Landscaping Services to the Jacob Javits Convention Center. The contract period is for 3 years (Year 1: \$131,720, Year 2: \$136,121 and Year 3: \$140,654) with a 1 year renewal option at a total cost of \$408,495.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1306</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to BrightView Landscaping, LLC to provide Landscaping Services to the Jacob Javits Convention Center for the contract period of 3 years (with a 1 year renewal option), at a total cost of \$408,495 is hereby approved.</p> <p><u>Approval of Contract – Platinum Maintenance Services Corporation - (Attachment 17-57)</u> Ms. McManus presented a procurement summary seeking Board approval to award Platinum Maintenance Services Corporation a contract to provide maintenance services to 266,000 square feet of terrazzo flooring at the Jacob Javits Convention Center. The contract period is for 3 years at a total cost of \$550,268, with a 1 year renewal option.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1307</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to the Platinum Maintenance Services Corporation to provide maintenance services to 266,000 square feet of terrazzo flooring at the Jacob Javits Convention Center for a contract period of 3 years (with a 1 year renewal option), at a total cost of \$550,268, is hereby approved.</p>	
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**III.
 Committee
 Reports
 (continued)**
Review Of Contracts

Ms. McManus 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 Contract for Review - Wells Fargo Insurance Services - (Attachment 17-58)

Vendor	Procurement Renewal Period	Amount/Year
Wells Fargo Insurance Services	1	\$125,000 (5/5 years)

Unaudited March 31, 2017 YTD Financials - (Attachment 17-59)

Ms. McManus presented the Statement of Revenues and Expenses, unaudited, for the fiscal year ending March 31, 2017. Operating revenue was \$200,552,000, which was 5% over prior year. Operating expenses were \$189,505,000, which was also 5% over prior year. Operating Surplus before depreciation was \$11,047,000, which was 14% over prior year. After depreciation, the operating surplus was \$4,841,000, which was 8% less than prior year. Net Surplus, after an accrual reversal and interest income and expense, was \$6,716,000, which was 159% increase over prior year. Ms. McManus provided a breakdown of sources of revenue, with primary drivers being Exhibit Labor (48%), Electrical & Audio Visual (25%) and space rental (14%). On the expense side, 84% of expenses was for Salary and Benefits (43% of which was Exhibit Labor). Finally, Ms. McManus reported on the Javits Centers MWBE participation rate for the past 2 years, with fiscal year 2016 coming in at 36% and 2017 coming in at 27%.

B. Human Resources/EEO – Edward Kane, Committee Chairman

No report.

C. Facilities/Operations – Mark Schienberg, Committee Chairman

No report.

D. Sales & Marketing – Lee Compton, Committee Chairman

Mr. Compton introduced the new Director for Sales and Marketing Susan Richardson to the members and wished her luck in her new position.

<p>III. Committee Reports (continued)</p>	<p><u>E. Governance – Ronald Goldstock, Committee Chairman</u> Mr. Siciliano advised the members that the Committee had met on May 3.</p> <p><u>2015 Performance Measurements – (Attachment 17-60)</u> The committee presented the Center’s 2015 Performance Measurements to the Board for its approval. Mr. Siciliano explained that the Performance Measurement were more than a full year behind because certain key benchmarks were taken from an industry report which takes more than a full year for the vendor to generate.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1308</u> NOW THEREFORE BE IT RESOLVED that the Corporations 2015 Performance Measurements are hereby approved.</p> <p><u>By Laws– (Attachment 17-61)</u> Mr. Siciliano advised the Board that pursuant to the Public Authorities Reform Act, the Board was required to review the Corporation’s By-Laws on an annual basis. Mr. Siciliano advised the members that the By-Laws were last updated in 2012. The Governance Committee recommended that the By-Laws be reviewed by counsel expert in public entity By-Laws to ensure they were meeting current best practices. In addition, particular attention would be paid to the conflicts of interest provisions and the indemnification provisions. Mr. Siciliano agreed to undertake the requested reviews.</p> <p>Lastly, Mr. Siciliano reminded all Board Members that Financial Disclosure Statements required under the Public Authorities Act are due on May 16. .</p>	
<p>IV. Other Business</p>	<p>None</p>	
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 3:44 PM with the next meeting to be held on June 14, 2017.</p>	