

**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
Sara Berman
Joseph Spinnato
Ronald Goldstock
Gary Lavine
Lee H. Perlman
Mark Schienberg
David Emil
George Tsunis
Edward P. Kane

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
Tim Gaburungyi, VP IT Solutions
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
Shirley Coley, Legal Assistant

DATE:

April 5, 2017

Time:

3:00 p.m.

Location:

Large Conference Room

ABSENT:

Eric R. Komitee
Andrew M. Murstein
Marc Ricks
Robert Azeke
Andrew Stone

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 January 18, 2017 - (Attachment 17-28)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on January 18, 2017. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1286</u></p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on January 18, 2017, are hereby approved.</p> <p><u>Approval of the Minutes of February 14, 2017 - (Attachment 17-29)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on February 14, 2017. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1287</u></p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on February 14, 2017, are 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. Mr. Lavine responded that he had an acquaintance that did work on behalf of the insurance company C.V. Starr, one of the carriers which would be voted on as part of the Corporation's insurance program. Mr. Lavine indicated that it was not a familial relationship and that he had no financial interest in C.V. Starr and did not believe it required his recusal. Mr. Siciliano as Ethics Officer opined that he did not see any conflict under the circumstances. No further issues being raised, the meeting proceeded.</p>	

<p>II. Corporate Matters</p>	<p><u>President’s Report - Alan Steel - (Attachment 17-30)</u> Mr. Steel presented his report to the Board. Mr. Steel reported on the ground breaking ceremony for the expansion project and advised the Board that the project was officially underway. The early works in the form of the transformer building was “topped out”. On a related matter, Mr. Steel advised the Board that Sarah Saint-Amand had stepped down as the President of the Development Corporation and Robin Stout had been nominated to replace here. Mr. Steel advised the Board of additional facility services in the Crystal Palace. First, the New York State Welcome Center was in the process of being installed. The Welcome Center is part of the Governor’s initiative to promote tourism in the state. In addition, an informational kiosk has been installed in the Crystal Palace that provided visitors with a historical perspective of the Javits Center and its future plans.</p> <p>Mr. Steel held his 5th State of the Center address to staff, providing an overview of the Center’s achievements and future goals for the coming year. He also reported on the continued positive trends in security as well as ongoing efforts to harden the building to external threats while remaining accessible to customers and the public. Among positive trends was the continued IT services related revenue combined with a drop in the cost of delivering those services. Mr. Steel requested Mr. Sims to report to the Board on the status of the Workforce Management project. Mr. Sims advised the Board that the project remained on schedule and within budget.</p>	
<p>III. Committee Reports</p>	<p><u>A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u> Mr. Lavine reported the Committees had met immediately prior to the Board Meeting as well as on February 21st. The Committee’s met in executive session with Ms. Richardson regarding the internal audit plan. A call was had with UHY to kick off the external audit process and to raise specific areas of concern. It was reported to the committees that there was no material variance between what had been reserved for OPEB liability and the third party valuation report for that liability. The finance department has undertaken a review of its obligations to collect sales tax.</p> <p><u>Fiscal Year 2018 Operating Plan for review – (Attachment 17-31):</u> Ms. McManus presented an overview of the 2017-2018 Operating Plan. Key points included, the Corporation is expecting a revenue of \$199 million in the next fiscal year, with expenses of approximately \$195 million. Depreciation is expected to increase up to approximately \$7 million. This is a significant number and is reflective of the capital investment which has been made into the building in the last several years.</p> <p>The Corporation is forecasting a surplus of \$4.4 million, approximately 2% of revenue. The Corporation expects to make approximately \$15 million in capital improvements in fiscal year 2018, while looking to the development corporation to supplement that number.</p>	

<p>III. Committee Reports (continued)</p>	<p>There being no further questions a motion was made and seconded. The following resolution was passed by unanimous vote:</p> <p><u>Resolution No. 1288</u></p> <p>NOW THEREFORE BE IT RESOLVED that the New York Convention Center Operating Plan FY 2017-2018 is hereby approved.</p> <p><u>Procurement Contracts for Approval - (Attachments 17-32)</u> 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><u>Approval of Contract – Philip W. Burke - (Attachment 17-33)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to Philip W. Burke to provide consultation services. The contract is for a period of 1 year at a cost of \$250,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1289</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Philip W. Burke for the provision of consultation services for 1 year at a cost of \$250,000 is hereby approved.</p> <p><u>Approval of Contract – United Rentals, Inc. - (Attachment 17-34)</u> Ms. McManus presented a procurement summary seeking Board approval to award United Rentals, Inc. (United Rentals) a contract for repair and maintenance of aerial equipment. The contract is for a period of 3 years at a cost of \$83,360 per year or \$250,080 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. 1290</u></p>	
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<p>III. Committee Reports (continued)</p>	<p>NOW THEREFORE BE IT RESOLVED that the award of a contract to United Rentals, Inc. for repair and maintenance services of aerial equipment for 3 years in the amount of \$83,360 per year or \$250,080 for 3 years is hereby approved.</p> <p><u>Approval of Contract – United Steel Products, Inc. - (Attachment 17-35)</u> Ms. McManus presented a procurement summary seeking Board approval to award United Steel Products, Inc. (United Steel) a contract for overhead roll-up door repair and maintenance services. The contract is for 3 years at a total cost of \$147,954 (Year 1 - \$48,660, Year 2 - \$49,318 and Year 3 - \$49,976) 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. 1291</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to United Steel Products, Inc. for overhead roll-up door repair and maintenance services for a 3 year contract period at a total cost of \$147,954 with option to renew for 1 additional year is hereby approved.</p> <p><u>Approval of Contract – Daikin Applied Americas, Inc. - (Attachment 17-36)</u> Ms. McManus presented a procurement summary seeking Board approval to award Daikin Applied Americas, Inc. a single source contract to provide labor maintenance on Variable Air Volume, (VAV) Systems and Air Conditioning. The contract period is for 3 years at a total cost of \$255,000 (Year 1- \$80,000, Year 2 - \$85,000 and Year 3 - \$90,000).</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1292</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Daikin Applied Americas, Inc. to provide labor maintenance on VAV Systems and Air Conditioning for a contract period of 3 years at a total cost of \$255,000 is hereby approved.</p> <p><u>Approval of Contract – Siemens Building Technologies, Inc. - (Attachment 17-37)</u> Ms. McManus presented a procurement summary seeking Board approval for an extension on a sole source contract that had been awarded to Siemens Building Technologies, Inc. to provide technical support to the</p>	
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<p>III. Committee Reports (continued)</p>	<p>Building Management System and Fire Safety Systems at the Javits Center for a period of 6 months at a cost of \$150,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1293</u> NOW THEREFORE BE IT RESOLVED that the award of an extension of a sole source contract to Siemens Building Technologies, Inc. to provide technical support to the Building Management System and Fire Safety Systems at the Javits Center for a period of 6 months at a cost of \$150,000 is hereby approved.</p> <p><u>Approval of Contract – Canon Solutions America - (Attachment 17-38)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract for the lease and maintenance of 13 multi-function black/white and color copiers to Canon Solutions America (Canon). The contract term is for 3 years at a total cost of \$117,580 for the lease of the equipment and an estimated cost of \$105,300 for maintenance. The combined total cost for the lease and maintenance of the copiers for 3 years is estimated at \$222,880.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1294</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Canon for the lease and maintenance of 13 multi-function black/white and color copiers for a contract period of 3 years for lease and maintenance at a combined total estimated cost of \$222,880 is hereby approved.</p> <p><u>Approval of Contract – Wells Fargo Insurance Services - (Attachment 17-39)</u> Ms. McManus presented a procurement summary seeking Board approval to award property, general liability and other insurance contracts for the fiscal year ending March 31, 2018 through Wells Fargo Insurance Services. The Contracts are for periods ranging from 1 to 3 years at an aggregate cost of \$2,627,288, the specific breakdown of which was provided to the Board, for the fiscal period April 1, 2017 – March 31, 2018.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1295</u></p>	
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**III.
 Committee
 Reports
 (continued)**

NOW THEREFORE BE IT RESOLVED that the award of property, general liability and other insurance contracts for the fiscal year ending March 31, 2018 through Wells Fargo Insurance Services; for contract periods ranging from 1 to 3 years at an aggregate cost of \$2,627,288 for the fiscal period April 1, 2017-March 31, 2018 is hereby approved.

Approval of Contract – **Jensen Hughes Engineering, P.C.** - (Attachment 17-40)

Ms. McManus presented a procurement summary seeking Board approval to award Jensen Hughes Engineering, P.C. a single source contract for life safety engineering services at the Jacob K. Javits Convention Center. Jensen Hughes will provide testing, inspection, and code compliant design for the building’s fire alarm system manufactured and installed by Siemens. The contract is for a period of 1 year at a total cost of \$133,000.

A motion was made and seconded. The following resolution passed by unanimous vote:

Resolution No. 1296

NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Jensen Hughes Engineering, P.C. for life safety engineering services at the Javits Center for a contract period of 1 year at a total cost of \$133,000 is hereby approved.

Review Of Contracts

Ms. McManus 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 procurement summaries were included with the packet sent to the Board in advance of the meeting.

Procurement Contracts for Review - New York City Audubon Society, Phillip Kaplan Glass and Mirror, LLC, and UHY, LLP - (Attachments 17-41 through 17-43)

Vendor	Procurement Renewal Period	Amount/Year
New York City Audubon Society	2/3	\$84,367 (Year 2)
Phillip Kaplan Glass and Mirror, LLC	3/3	\$75,000 (Year 2 with option for 1 additional year)
UHY, LLP	4/4	\$100,000 (Year 4 with option for 1 additional year)

III. Committee Reports (continued)	<p><u>Month of February and February YTD financials for review - (Attachment 17-44)</u> Ms. McManus presented the financial report for the month of February, showing total gross revenue of \$16,058,000, which is \$1.4 million lower than Plan. Total operating expenses for February were \$15,928,000 which is \$1.9 million lower than Plan. Operating surplus was \$130,000, which is \$454,000 better than Plan. Net loss after depreciation was \$501,000 which was \$316,000 better than Plan. Year to date, total gross revenue of \$182,582,000, which is \$13,900,000 lower than Plan. Total operating expenses YTD are \$170,450,000 which is \$18,200,000 lower than Plan. Operating surplus was \$12,132,000, which is \$4,300,000 better than Plan. Net surplus after depreciation and accrual reversals was \$8,570,000 which was \$6,100,000 better than Plan.</p> <p><u>B. Human Resources/EEO – Edward Kane, Committee Chairman</u> No report.</p> <p><u>C. Facilities/Operations – Mark Schienberg, Committee Chairman</u> No report.</p> <p><u>D. Sales & Marketing – Lee Compton, Committee Chairman - (Attachment 17-45)</u> Ms. Guerin reported on sales and marketing activities. 9 New events were added for the first quarter of 2017 with a total of 46 events and 87 days of activity. Looking into the second quarter, there will be 89 days of activity with a total of 41 events.</p> <p><u>E. Governance – Ronald Goldstock, Committee Chairman</u> No report.</p>	
IV. Other Business	None	
V. Adjournment	By motion and agreement, the meeting was adjourned at 3:54 PM with the next meeting to be held on May 10, 2017.	