



**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
Robert Azeke
David Emil
Eric R. Komitee
Gary Lavine
Lee H. Perlman
Mark Schienberg
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 McMahon, SVP Human Resources and Labor Solutions
Mark Sims, SVP & Chief Information Officer
Tim Gaburungyi, VP of MIS & Technology 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:

January 18, 2017

Time:

3:00 p.m.

Location:

Large Conference Room

ABSENT:

Sara Berman
Ronald Goldstock
Andrew M. Murstein
Marc Ricks
Joseph Spinnato
Edward P. Kane

Visitors:



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| <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 September 14, 2016 - (Attachment 17-01)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on <u>September 14, 2016</u>. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1267</u></p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on <u>September 14, 2016</u>, are hereby approved.</p> <p><u>Approval of the Minutes of November 16, 2016 - (Attachment 17-02)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on <u>November 16, 2016</u>. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1268</u></p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on <u>November 16, 2016</u>, 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. No Director indicating any potential conflict, the meeting proceeded.</p> | |

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| <p>II. Corporate Matters</p> | <p><u>President’s Report - Alan Steel - (Attachment 17-03)</u></p> <p>Mr. Steel presented his report to the Board. 8 events were held over an 18 day period in the month of December, a significant increase over historical performance in terms of events and days of activity for the month. This has led to a shorter period of time to perform building maintenance in the traditionally quiet period. 20 maintenance projects were undertaken during the month, 17 of which were completed. Projects included installation of new floodgates, installation of additional turnstiles in the administration area, a new coat check area and new driver check in areas on 12th Avenue. Mr. Steel reported on the overall positive trends year over year on the security front, with overnight thefts down 86%, aggregate theft down 74% and a 40% increase in the return of lost items. Positive results were also reported on safety, with a 25% decrease in reports year over year. The Center is also now offering security services to show management, generating additional revenue and some margin. The Center provided security to 13 events in 2016.</p> <p>Mr. Sims’ reported to the Board on the status of the Workforce Management Implementation, noting that the project remained on schedule.</p> <p>Mr. Steel reported on the Center’s sustainability activities reporting a total of \$1.7 million dollars in savings since 2013 from overall reduction in use, rebates from reduction in use during critical demand periods and other programs. Mr. Steel further reported on a number of projects including the installation of an Information Display in the Crystal Palace, a proposed state “Welcome Center”, new traffic patterns on 11th avenue and lease negotiations with the Development Corporation.</p> <p>Mr. Steel updated the Board on the status of the planned expansion of the Center. Construction of the new Transformer Building is underway. Review of the Design/Build submissions was on going but was very close to being final. The winning bidder will go to the Development Corporation for approval and then to the Operating Corporation for its approval. It is anticipated that a ground breaking would take place in the coming weeks.</p> <p>The question was raised about potential risks and liabilities of taking on security services. The Board was assured that proper insurance, contractual provisions and screening processes were all in place to mitigate any additional risk entailed in taking on this new work.</p> | |
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| <p>III. Committee Reports</p> | <p><u>Financial Report</u></p> <p><u>OPEB Discretionary Reserve - (Attachments 17-04)</u> Ms. McManus explained that to assist in managing cash flow, authorization was being sought for the Finance Committee to have the authority to authorize management to un-restrict up to 20% of the OPEB restricted assets.</p> <p>A motion was made and seconded. The following motion was passed by unanimous vote:</p> <p><u>Resolution No. 1269</u> NOW THEREFORE BE IT RESOLVED that the Board of Directors grants to the Finance Committee to authorize Management to un-restrict up to 20% of the designated net assets for the total other postemployment benefit obligation (OPEB) upon a finding by the Finance Committee that there is a temporary need for additional operating funds to meet cash flow requirements. The Board of Directors is classifying the restricted assets as Board designated for other postretirement employee benefit obligation within the Statement of Net Position.</p> <p><u>Authorization of Signatories for the NYCCOC - (Attachments 17-05 through 17-08)</u> Ms. McManus explained that a number of resolutions were needed to be passed by the Board relating to signing authority for certain categories of payments.</p> <p>A motion was made and seconded. The following motion was passed by unanimous vote:</p> <p><u>Resolution No. 1270 – (Attachment 17-05)</u> NOW THEREFORE BE IT RESOLVED that effective as of this date the following individuals are authorized signatories for 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 Operating Corporation Warrant Procedures.</p> <p>Alan Steel – President & Chief Executive Officer Melanie McManus – Senior Vice President & Chief Financial Officer Doreen Guerin – Senior Vice President Sales & Marketing Bradley A. Siciliano – Senior Vice President, General Counsel & Corporate Secretary Kevin Aronowitz – Controller</p> <p>A motion was made and seconded. The following motion was passed by unanimous vote:</p> | |
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| <p>III. Committee Reports (continued)</p> | <p><u>Resolution No. 1271</u> – (Attachment 17-06) NOW THEREFORE BE IT RESOLVED that effective as of this date the following individuals are authorized as signatories for manual payroll checks drawn on a payroll account maintained on the Corporation’s behalf at J.P Morgan Chase Bank in accordance with §2569 of the Public Authorities Law.</p> <p>Alan Steel – President & Chief Executive Officer Melanie McManus – Senior Vice President & Chief Financial Officer Doreen Guerin – Senior Vice President Sales & Marketing Christine McMahan – Senior Vice President, Human Resources & Labor Solutions Bradley A. Siciliano – Senior Vice President, General Counsel & Corporate Secretary Kevin Aronowitz – Controller</p> <p>A motion was made and seconded. The following motion was passed by unanimous vote:</p> <p><u>Resolution No. 1272</u> – (Attachment 17-07) NOW THEREFORE BE IT RESOLVED that effective as of this date the following individuals are authorized signatories for the New York Convention Center Operating Corporation – Flex Spending Account maintained on the Corporation’s behalf at J.P Morgan Chase Bank in accordance with §2569 of the Public Authorities Law.</p> <p>Melanie McManus – Senior Vice President & Chief Financial Officer Doreen Guerin – Senior Vice President Sales & Marketing Kevin Aronowitz – Controller</p> <p>A motion was made and seconded. The following motion was passed by unanimous vote:</p> <p><u>Resolution No. 1273</u> – (Attachment 17-08) NOW THEREFORE BE IT RESOLVED that effective as of this date the following individuals are authorized signatories for The New York Convention Center Operating Corporation – Retirement Escrow Account maintained on the Corporation’s behalf at J. P. Morgan Chase Bank in accordance with §2569 of the Public Authorities law.</p> <p>Melanie McManus - Senior Vice President & Chief Financial Officer Doreen Guerin – Senior Vice President Sales & Marketing Kevin Aronowitz - Controller</p> | |
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| <p>III. Committee Reports (continued)</p> | <p><u>Procurement Contracts for Approval</u> - (Attachments 17-09 through 17-17) 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 – Brosnan Risk Consultants</u> - (Attachment 17-09) Ms. McManus presented a procurement summary seeking Board approval to award a contract to Brosnan Risk Consultants to provide armed active and retired law enforcement officers to replace the NYPD paid detail services on JKJCC premise. The term of the contract is 4 years and 4 months for a total cost of \$1,768,323.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1274</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Brosnan Risk Consultants for the provision of armed active and retired law enforcement officers’ security services at a total cost of \$1,768,323 is hereby approved.</p> <p><u>Approval of Contract – Brosnan Risk Consultants</u> - (Attachment 17-10) Ms. McManus presented a procurement summary seeking Board approval to award a contract to Brosnan Risk Consultants to provide security guard services as needed during events. The term of contract is 17 months at a cost of \$306,600 with a renewal option for 2 additional years.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1275</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Brosnan Risk Consultants to provide security guard services as needed during events at a total cost of \$306,600 is hereby approved.</p> <p><u>Approval of Contract – RCN Telecom Services of New York, LP</u> - (Attachment 17-11) Ms. McManus presented a procurement summary seeking Board approval to revise the current contract with an upgrade to a 10 Gigabyte Internet and Digital Phone Service with RCN Telecom Services of New York, LP (RCN). This is the third and final year of the 3 year contract at a total cost of \$114,000.</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><u>Resolution No. 1276</u> NOW THEREFORE BE IT RESOLVED that the award to revise the current contract with an upgrade to a 10 Gigabyte Internet and Digital Phone Service with RCN Telecom Services of New York, LP (RCN) at a total cost of \$114,000 is hereby approved.</p> <p><u>Approval of Contract – Delta Dental of New York, Inc.</u> - (Attachment 17-12) Ms. McManus presented a procurement summary seeking Board approval to award a contract for dental insurance coverage to Delta Dental of New York, Inc. The term of the contract is for 2 years (\$152,520 for the first year and \$156,541 or 2.6 increase the second year) at an estimated total cost of \$309,061.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1277</u> NOW THEREFORE BE IT RESOLVED that the award of a contract for dental insurance coverage to Delta Dental of New York, Inc. with a term of 2 years (\$152,520 for the first year and \$156,541 or 2.6 increase the second year) at an estimated total cost of \$309,061 is hereby approved.</p> <p><u>Approval of Contract – Sun Life and Health Insurance Company</u> - (Attachment 17-13) Ms. McManus presented a procurement summary seeking Board approval to award the Sun Life and Health Insurance Company a contract to provide Life, Accidental Death and Dismemberment (AD&D) Long Term Disability (LTD) and Voluntary Short Term Disability (VSTD) Insurance. The contract term is for 3 years at an estimated cost of \$75,611 per year for Life and AD&D and \$37,779 per year for LTD and VSTD at no cost to the Javits Center (paid by employee-2 year guaranteed contract). Total cost for 3 years \$340,170.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1278</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to the Sun Life and Health Insurance Company to provide Life, Accidental Death and Dismemberment (AD&D) Long Term Disability (LTD) and Voluntary Short Term Disability (VSTD) Insurance for 3 years at a total estimated cost of \$340,170 is hereby approved.</p> | |
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| <p>III. Committee Reports (continued)</p> | <p><u>Approval of Contract – JPR Lighting Group</u> - (Attachment 17-14) Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to JPR Lighting Group for the purchase of 300 new custom LED Parcan Lights for use in Exhibitor Booths at Javits Center in the amount of \$180,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1279</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to JPR Lighting Group for the purchase of 300 new custom LED Parcan Lights to be used in Exhibitor Booths at the Javits Center in the amount of \$180,000 is hereby approved.</p> <p><u>Approval of Contract – Panel of Nine Law Firms</u> - (Attachment 17-15) Ms. McManus presented a procurement summary seeking Board approval to award contracts to nine law firms to provide legal services in different areas of law for the Jacob Javits Convention Center. The term of the contracts are for 3 years. The budget for legal fees for the first year is estimated at \$375,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1280</u> NOW THEREFORE BE IT RESOLVED that the award of contracts to Jackson Lewis, P.C., Glanstein, LLP, Davidoff Hutcher & Citron, LLP, Thompson Hine, LLP, Gerber & Partners, LLP, Holland & Knight, LLP, Schiff Hardin, LLP, Jenner & Block LLP and Phillip Nizer, LLP to provide legal services in different areas of law to the Jacob K. Javits Convention Center for three years is hereby approved.</p> <p><u>Approval of Contract – Accurate Background, LLC</u> - (Attachment 17-16) Ms. McManus presented a procurement summary seeking Board approval to award a contract to Accurate Background, LLC to provide pre-employment drug testing services for the Javits Center. The term of the contract is for 3 years with an estimated cost in the amount of \$60,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> | |
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**III.
Committee
Reports
(continued)**

Resolution No. 1281
NOW THEREFORE BE IT RESOLVED that the award of a contract to Accurate Background, LLC to provide pre-employment drug testing services for the Jacob K. Javits Convention Center for 3 years at the estimated cost of \$60,000 is hereby approved.

Approval of Contract – USI (Ultimate Services, Inc.) Landscaping - (Attachment 17-17)
 Ms. McManus presented a procurement summary seeking Board approval to award an additional optional renewal year on the existing 1 year contract with Ultimate Services, Inc. (USI) Landscaping for snow and ice services for the Jacob K. Javits Convention Center (Javits Center). Total cost of the optional renewal year is \$229,000 up to 27”inches of snowfall for the five month period covered by the agreement. If snowfall exceeds 27” during the term of five month period, the Javits Center, at its option, can request that USI continue to perform the services at an additional price of \$8,400 for each inch of snowfall in excess of the 27” cap.

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

Resolution No. 1282
NOW THEREFORE BE IT RESOLVED that the award of an additional optional renewal year on the existing 1 year contract with Ultimate Services, Inc. (USI) Landscaping for snow and ice services for the five month period (which covers up to 27” inches of snowfall) for the Jacob K. Javits Convention Center at a total cost of \$229,000 plus \$8,400 per inch beyond the 27 inch cap is hereby approved.

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 Contracts for Review - Wells Fargo Insurance Services, Send Word Now Communications, Inc., eMaint Enterprises, LLC., GG Group Inc., NetX Information Systems, Inc. & Veritas - (**Attachments 17-18 through 17-22**)

| Vendor | Procurement Renewal Period | Amount/Year |
|--------------------------------|----------------------------|--|
| Wells Fargo Insurance Services | 4/5 | \$125,000 (3 Year w 2 Year Renewal Option) |

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| III. Committee Reports (continued) | Send Word Now Communications, Inc. | 2/3 | \$8,811 (3 Year) |
| | eMaint Enterprises, LLC. | 2/3 | \$23,249 (2 Year w 1 Year Renewal Option) |
| | GG Group, Inc. | 4/4 | \$150,000 (1 Year w 3 Year Renewal Option) |
| | NetX Informational Systems, Inc. & Veritas | 2/5 | \$51,837 (5 Year) |
| <p><u>November 2016 YTD financials for review - (Attachment 17-23)</u> Ms. McManus presented the financial report for November 2016, showing total gross revenue of \$14,461,000, which is \$117,000 higher than Plan. Total operating expenses for November were \$14,281,000 which is \$310,000 lower than Plan. Operating surplus was \$181,000, which is \$426,000 better than Plan. Net loss after depreciation was \$299,000 which was \$449,000 better than Plan. Year to date, total gross revenue of \$132,432,000, which is \$13,100,000 lower than Plan. Total operating expenses YTD are \$122,512,000 which is \$15,900,000 lower than Plan. Operating surplus was \$9,920,000, which is \$2,800,000 better than Plan. Net surplus after depreciation and accrual reversals was \$7,952,000 which was \$4,700,000 better than Plan.</p> <p>Ms. McManus then reported on the Corporation’s performance in meeting its MWBE goals. As of the time of the meeting the Corporation was at 25.46% of MWBE procurements, short of the 30% target set by the state. It is anticipated that the Corporation will close that gap in the final quarter of the fiscal year.</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 December 15. The Audit Committee continues to monitor the progress of the Workforce Management implementation. Mr. Carey has invested a lot of his personal time in that project. The Committee held an Executive Session with the Internal Auditor, Allison Richardson. No concerns were reported. The focus of the session was to review the transition process to Ms. Richardson from her predecessor. By all accounts the transition has been smooth.</p> <p><u>B. Human Resources/EEO – Edward Kane, Committee Chairman</u> No report.</p> | | | |

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| <p>III. Committee Reports (continued)</p> | <p><u>C. Facilities/Operations – Mark Schienberg, Committee Chairman</u> No report.</p> <p><u>D. Sales & Marketing – Lee Compton, Committee Chairman - (Attachment 17-24)</u> Ms. Guerin reported on behalf of the Sales & Marketing Committee, noting a projected 8% increase in attendance for the fourth quarter of 2016 over the previous year, driven by 6 new events. The Center had activity on 77 of 92 days during the period. Looking ahead to the first quarter of 2017, a total of 42 events, 4 of which are new, are scheduled, representing 87 out of 90 days of activity. This represents more events in fewer days when compared to 2016.</p> <p><u>E. Governance – Ronald Goldstock, Committee Chairman</u> No report.</p> | |
| <p>IV. Other Business</p> | <p>None</p> | |
| <p>V. Adjournment</p> | <p>By motion and agreement, the meeting was adjourned at 3:54 PM with the next meeting to be held on March 15, 2017.</p> | |