

Approved – 4/5/2018



**BOARD OF DIRECTORS MEETING
NEW YORK CONVENTION CENTER OPERATING CORPORATION
655 West 34th Street
New York, NY 10001-1188**

MINUTES

MEMBERS PRESENT:

Henry R. Silverman, Chairman of the Board
Robert Azeke
Hugh L. Carey II
Sara Berman
David Emil
George Tsunis
Ronald Goldstock
Edward P. Kane
Gary Lavine
Lee H. Perlman
Mark Schienberg
Joseph Spinnato
Christine Ferer

OTHERS PRESENT:

STAFF:

Alan E. Steel, President & CEO
Bradley A. Siciliano, General Counsel & Corporate Secretary
Doreen Guerin, Senior SVP, Sales & Marketing
Melanie McManus SVP & Controller
Christine McMahon, SVP, HR & Labor Solutions
Mark Sims, SVP, CIO
Tim Gaburungyi, VP, IT Solutions
Kenneth Sanchez, SVP, Facilities Management
Mike Ruberry, VP Event Solutions & Set-Up
Allison Richardson, Director of Internal Controls & Compliance
Shirley Coley, Legal Assistant

DATE:

December 13, 2017

Time:

2:00 p.m.

Location:

Large Conference Room

ABSENT:

John Lee Compton
Andrew Murstein
Andrew Stone

Guests/Visitors:

Robin Stout, President, NY Convention Center Development Corporation
David Thurm, Executive Vice President, Lehrer LLC

<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 2:00 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 13, 2017 (Attachment 17-99)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on September 13, 2017. The following resolution passed by unanimous vote: <u>Resolution No. 1329</u> NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on September 13, 2017, are hereby approved. 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 and the individual with such conflict would recuse themselves from any discussion or vote with regard to such item or items. Mr. Lavine raised a potential conflict in connection with litigation over a rate dispute a client of his firm was involved with against New York Power Authority. After consultation with the Ethics Officers it was determined no conflict would exist as to Mr. Levine’s participation in the review of a new contract between the Corporation and NYPA.</p>	
<p>II. Committee Reports</p>	<p><u>Procurement Summaries for Approval (Attachments 17-100 through 17-107)</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. <u>Approval of Contract – WSP USA (Attachment 17-100)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to WSP USA for professional engineering services associated with the existing mechanical room retrofits at the Javits Center at an estimated cost of \$665,000 for a two year period.</p>	

<p>II. Committee Reports (continued)</p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1330</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a single source contract to WSP USA for professional engineering services associated with the existing mechanical room retrofits at the Javits Center at an estimated cost of \$665,000 for a two year period is hereby approved.</p> <p><u>Approval of Contract – RCN Telecom Services of New York, LP (Attachment 17-101)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source renewal contract to RCN Telecom Services of New York, LP to provide 10 Gigabyte Internet and Digital Phone services for a period of one year at a cost of \$109,854.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1331</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a single source renewal contract to RCN Telecom Services of New York, LP to provide 10 Gigabyte Internet and Digital Phone services for a period of one year at a cost of \$109,854 is hereby approved.</p> <p><u>Approval of Contract – Wilkstone, LLC (Attachment 17-102)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract to Wilkstone, LLC for emergency repair service for the exterior rustic terrazzo flooring located in the A, B and C North entry ways at the Javits Center at a total cost of \$118,795.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1332</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Wilkstone, LLC for emergency repair service for the exterior rustic terrazzo flooring located in the A, B and C North entry ways at Javits Center, at a total cost of \$118,795 is hereby approved.</p>	
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<p>II. Committee Reports (continued)</p>	<p><u>Approval of Contract – New York Power Authority (Attachment 17-103)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to the New York Power Authority for the supply of electricity to the Jacob K. Javits Convention Center (Javits Center) for a period of five years with a five year renewal option, commencing January 1, 2018. At an estimated annual cost of \$6,000,000. A discussion was had regarding the benefits of utilizing NYPA as the power provider as well as the prospect of incorporating renewable energy into the Javits Center program.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1333</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a single source contract to the New York Power Authority for the supply of electricity to the Javits Center for a period of five years with a five year renewal option, commencing January 1, 2018 at an estimated annual cost of \$6,000,000 is hereby approved.</p> <p><u>Approval of Contract – A & L Cesspool & Recycling. (Attachment 17-104)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract to A & L Cesspool & Recycling (A & L) to provide maintenance services of the grease traps located in kitchen area of the Jacob K. Javits Convention Center (Javits Center) that is used by Centerplate. The contract term is for three years at a total cost of \$103,680 (\$34,560 per year) with an option to renew for an additional year. A discussion was had regarding the historical reason for Centerplate not being responsible for this cost.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1334</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to A & L Cesspool & Recycling to provide maintenance services of the grease traps located in the kitchen area of the Javits Center, used by Centerplate, for a period of three years at a total cost of \$103,680 with a one year renewal option is hereby approved.</p>	
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<p>II. Committee Reports (continued)</p>	<p><u>Approval of Contract – USI Landscape and Design, Inc. (Attachment 17-105)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract to USI Landscape and Design, Inc. (USI) to provide snow and ice removal services to the Jacob K. Javits Convention Center (Javits Center). The contract term is for 2017—2020 winter seasons (November, 2017 – March, 2020) with an option to renew for the 2020-2021 winter season. The cost of the contract is a fixed price of \$630,000 (\$210,000 per year) up to a cumulative total of 30 inches of snowfall per season for the five month period covered by the agreement. If the snowfall capacity is exceeded within the five month term of the agreement, USI will continue to perform the services at an additional price of \$8,000 for each inch of snowfall in excess of the snowfall capacity.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1335</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to USI Landscape and Design, Inc. to provide snow and ice removal services to the Javits Center for contract term 2017—2020 winter seasons (November, 2017 – March, 2020) with an option to renew for the 2020-2021 winter season at a fixed price of \$630,000 (\$210,000 per year) with the exception of if the snowfall capacity is exceeded within the five month term of the agreement, USI will continue to perform the services at an additional price of \$8,000 for each inch of snowfall in excess of the snowfall capacity, is hereby approved. A discussion regarding the mechanics of the pricing took place.</p> <p><u>Approval of Contract – Nouveau Elevator (Attachment 17-106)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to Nouveau Elevators (Nouveau) for elevator mechanical upgrades to elevators 3 and 5 for the Jacob K. Javits Convention Center (Javits Center) at a total cost of \$171,210.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p>	
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<p>II. Committee Reports (continued)</p>	<p><u>Resolution No. 1336</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Nouveau Elevators for elevator mechanical upgrades to elevators 3 and 5 at the Javits Center, at a total cost of \$171,210 is hereby approved.</p> <p><u>Approval of Contract – Automatic Data Processing, Inc. (Attachment 17-107)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to Automatic Data Processing, Inc. (ADP) for payroll services for the Jacob K. Javits Convention Center (Javits Center) at an estimated cost of \$209,670 (\$66,890 per year) including a onetime implementation fee of \$9,000, for a period of 3 years with an optional two year renewal. A discussion regarding ADP’s ability to deliver checks on a timelier basis than other vendors was had.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1337</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Automatic Data Processing, Inc. to provide payroll services for the Javits Center at an estimated cost of \$209,670, including a onetime implementation fee of \$9,000, for a period of 3 years with an optional two year renewal is hereby approved.</p>	
<p>III. Corporate Matters</p>	<p><u>President’s Report (Attachment 17-108)</u> Mr. Steel presented his report to the Board. Mr. Steel advised the Board that Ken Sanchez’s responsibilities had been modified to account for his expanded role in sustainability at the Center. Reflecting those responsibilities, and the importance of the issue to the Corporation, Mr. Sanchez’s new title is Senior Vice President of Facilities and Chief Sustainability Officer.</p> <p>Mr. Steel next provided an update on the activities of the Public Safety Solutions department, noting recent extensive training making the Center’s PSO’s the most highly trained convention security staff in the nation. In addition, the PSO’s are receiving new uniforms similar to state troopers, which would raise their profile in and around the Center.</p>	

<p>III. Corporate Matters (continued)</p>	<p>The Center has also instituted new screening and registration processes for temporary workers as well as truck drivers. It was reported that there had been an increased use of Magnetometers for events. Plans are underway for increased barriers around the Center to harden the exterior, but would be utilized to increase plantings to simultaneously “soften” the exterior.</p> <p>Mr. Steel next reported to the Board regarding an internal assessment of time keeping practices at the Javits Center, specifically focusing on ensuring employees were being paid for time actually present in the building. A review of over 64,000 time card entries showed discrepancies at a rate of less than 1%. It is anticipated that the new Kronos system, which will require employees to biometrically log in and log out will eliminate the small amount of discrepancies currently being experienced. It was suggested that a similar review of the Center’s compliance with the FLSA be conducted.</p> <p>Mr. Steel then reported on potential capital projects being considered. First, he outlined plans to develop a working farm on the rooftop of the new expanded center. It would be the first New York State Grown and Certified rooftop farm in New York City, producing an estimated 20,000 pounds of fresh produce a year for use at the Center. It was suggested that the Corporation look into utilizing the farm as part of a re-entry program for individuals leaving the prison system. Mr. Steel noted that McCormick Center in Chicago was in fact doing that on its roof farm. The second project would involve the creation of an elevated West Side Promenade along the west side of the Center, connecting the High Line at 34th Street to the Hudson River Park at 39th Street. Members expressed enthusiasm for the project and made a number of recommendations for consideration.</p> <p>Mr. Thurm of LendLease Turner then addressed the Board regarding the status of the expansion project. After viewing a video of work at the site since July of 2017, Mr. Thurm reported that the project was proceeding on schedule. 183 caissons were now in place and would be critical in supporting upcoming excavation at the site. Utilities which ran under 39th Street were being relocated. Steel orders had been placed for delivery in Mid-Summer and the curtain wall manufacturer had been selected. Mr. Sims reported to the Board regarding the Work Force Management System. Certain aspects of the program have gone live, such as Talent Acquisition. It is anticipated that the payroll function will go live March 1, 2018 and the time keeping piece will go live in February, 2018.</p>	
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<p>IV. Committee Reports (continued)</p>	<p><u>Review of Procurement Summaries – (Attachments 17-109 through 17-117)</u></p>		
	<p>Ms. McManus stated that previously approved service procurement contracts that extend 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. No Board Member had any comment or question with respect to these procurements.</p>		
	<p><u>Procurement Contracts for Review –Brosnan Risk Consultants, Brosnan Risk Consultants, Sun Life and Health Insurance Co., Delta Dental of New York, Inc., Panel of Nine Law Firms, Accurate Background, LLC, eMaint Enterprises, LLC., NetX Information Systems, Inc. & Veritas, Wells Fargo Insurance Services. (Attachments 17-109 through 17-117)</u></p>		
	<p>Vendor</p>	<p># of Year</p>	<p>Amount/Year</p>
	<p>Brosnan Risk Consultants</p>	<p>2</p>	<p>\$516,588</p>
	<p>Brosnan Risk Consultants</p>	<p>2</p>	<p>\$306,600</p>
	<p>Sun Life and Health Insurance Co.</p>	<p>2</p>	<p>\$113,390</p>
	<p>Delta Dental of New York, Inc.</p>	<p>2</p>	<p>\$156,541 (estimated)</p>
	<p>Panel of Nine Law Firms</p>	<p>2</p>	<p>\$375,000 (estimated)</p>
	<p>Accurate Background, LLC</p>	<p>2</p>	<p>\$20,000 (estimated)</p>
<p>eMaint Enterprises, LLC</p>	<p>3</p>	<p>\$23,250</p>	
<p>NetX Information Systems, Inc. & Veritas</p>	<p>3</p>	<p>\$51,837</p>	
<p>Wells Fargo Insurance Services</p>	<p>4</p>	<p>\$125,000</p>	

<p>IV. Committee Reports (continued)</p>	<p><u>Financial Report (Attachments 17-118 through 17-119)</u> Ms. McManus presented the Board with the Financial Report for the period ending October 31, 2017. Year to date, there is a total gross revenue of \$120,400,000, against a plan of \$118,300,000. Total operating expenses YTD are \$115,300,000 against a plan of \$111,500,000. Operating surplus was \$5,200,000 against a plan of \$6,800,000. Net surplus after depreciation and accrual reversals was \$7,000,000 against a plan of \$8,400,000.</p> <p>Ms. McManus then provided an overview of the Corporation’s capital planning, including budget estimates for high and medium priority projects. Ms. McManus also updated the Board on the pending launch of the new CPQ based ordering system for customers, branded under the name of “Jake.” The report included examples of the specific pages customers would be taken through in placing an order for services for an event. Ms. McManus reported on the Corporation’s MWBE and SDVOB performance for the last completed quarter, which was 34% against 30% target for MWBE, and 4% against a 6% target for SDVOB. Finally,. Ms. McManus reported about a change in accounting rules in connection with the accounting for Other Post-Employment Benefits (“OPEB”) which would enable the Corporation to reduce the amounts restricted for OPEB obligations from approximately \$41.6 Million to \$34.0 Million.</p> <p><u>A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u> The Audit Committee met on September 13, 2017, October 23, 2017 and on December 13, 2017.</p> <p><u>B. Human Resources – 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 17-120)</u> Ms. Guerin presented a report of the Sales and Marketing Committee. There were 76 days of activity in the fourth quarter of 2017 with a total of 48 events. For the 1st Quarter of 2018, it is expected there will be 88 days of activity, with a total of 36 events, 3 of which are new.</p>	
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IV. Committee Reports (continued)	<u>E. Governance – Ronald Goldstock, Committee Chairman</u> No report	
V. Other Business	Mr. Steel highlighted a recent report by FXFowle entitled “Follow the Water” which profiles the firm’s involvement in developing the Center’s Green roof and the environmental benefits of that work.	
VI. Adjournment	By motion and agreement, the meeting was adjourned at 3:13 PM with the next meeting to be held on January 17, 2018.	