

APPROVED -1/30/2019



**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
George Tsunis
Ronald Goldstock
Edward P. Kane
Steven C. Koppel
Gary Lavine
Andrew M. Murstein
Lee H. Perlman

OTHERS PRESENT:

STAFF:

Alan E. Steel, President & CEO
Bradley A. Siciliano, General Counsel & Corporate Secretary
Doreen Guerin, SVP Sales & Marketing
Melanie McManus, SVP & CFO
Christine McMahan, SVP, HR & Labor Solutions
Mark Sims, Senior SVP, CIO
Kenneth Sanchez, SVP Facilities Management
Kenneth Dixon, VP Security & Safety Solutions
Tony Sclafani, SVP & Chief Communications Officer, Communications
Allison Richardson, Director of Internal Controls & Compliance
Mariam Karim, VP Guest Experiences
Markus Szejnberg, Associate General Counsel
Kareem Salvant, Event Logistics & Facilities Support Manager
Shirley Coley, Legal Assistant

DATE:

November 14, 2018

Time:

3:00 p.m.

Location:

Large Conference Room

ABSENT:

Robert Azeke
Fred W. Dixon
Brian O'Dwyer
Mark Schienberg
Joseph Spinnato

Guests/Visitors:

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

Christine Ferer

<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 3:06 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 12, 2018 (Attachment 18-90)</u></p> <p>A motion was made and seconded to approve the minutes of the Board of Directors meeting held on <u>September 12, 2018</u>. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1383</u> NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on <u>September 12, 2018</u>, are hereby approved.</p>	
<p>II. Corporate Matters</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 and the individual with such conflict would recuse themselves from any discussion or vote with regard to such item or items. No one identifying any conflict, the meeting proceeded.</p> <p><u>President’s Report - Alan Steel (Attachment 18-91)</u></p> <p>Mr. Steel began his report by showing a video that was viewed at the Employee Service Awards the day before. The Employee Service Awards recognize employees upon their 5-year anniversaries at the Javits Center. This year 9 employees celebrated 30 years of service.</p> <p>Mr. Thurm provided an update to the Board as to the status of the expansion project. Mr. Thurm noted that much of the early work, which involved critical subgrade infrastructure, did not produce results which were visible. He advised the Board that the caissons were completely installed and 85% of the pressure slab was completed. The steel “spine” of the building was complete and the forms into which ramps will be poured as well as portions of the first floor of the marshalling facility are complete. DASNY issued the building permit for the entire building on November 2. 70% of the steel has been fabricated. A performance mockup of the expansion structure will be constructed in January in Florida for testing purposes.</p>	

<p>Corporate Matters (Continued)</p>	<p>Mr. Steel updated the Board on security initiatives. The RFP for the bollards has been issued. Discussions with the development corporation continue regarding the funding for that project. Management is in the process of setting up a “table top” exercise with local emergency response agencies, to coordinate a response plan in the event of an emergency. Staff also completed and submitted to NYS Homeland Security its required Emergency Management Response Protocol. Training of staff on security continues and in appropriate cases vendors and customers are invited to participate in the training.</p> <p>Plans to incorporate solar energy into the Center’s operations continued as the RFP issued by the New York Power Authority proceeds. NYPA received 6 bids for the installation of solar panels on the roof of the Center, out of which 3 had been selected as finalists. The 3 finalists were making presentations to NYPA on November 15 and a decision is expected by early December. It is anticipated that installation of the panels will commence in the first quarter of 2019 and be completed by the fourth quarter of 2019.</p> <p>Progress on the Food Service RFP continues. 5 bids have been received, each containing close to 400 pages. It is anticipated that a winner will be selected in January and submitted to the Board for approval on January 30, 2019.</p> <p>Mr. Steel next reported on plans to upgrade the Fire and Life Safety Systems in the building. The existing building’s system need to be upgraded to connect to the system going into the new expansion facility as well as the transformer building. It is estimated that the project will be in excess of \$17 million, but the precise cost is still open as not all portions have been fully bid out yet and/or validated.</p> <p>The Center continues to work on enhancing its cybersecurity. The Center is testing two levels of e-mail filters at the moment. In addition, staff went through cybersecurity training. In addition, phishing testing was done. The Center is active in participating in industry initiatives and programs promoting cybersecurity.</p> <p>Mr. Steel updated the Board on the status of the work force management implementation, also known as One Javits or Kronos. While the implementation has taken longer than initially planned, the project remains on budget and it is anticipated it will be fully implemented by the end of the year. Some parallel testing will continue.</p> <p>Mr. Steel concluded with an update on plans to extend the Highline along the 12th Avenue side of the Javits Center and connecting it to the Hudson River Park north of the Center. The Highline has been enthusiastic about the proposal and has engaged a firm to conduct a design study. They report that they are excited by the initial</p>	
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<p>Corporate Matters (Continued)</p>	<p>concepts. In addition to the upside of expanding the public space of the Highline, the proposal will have additional benefits to the Center including visually softening the 12th Avenue side of the building and providing weather protection over the loading docks on the 3rd level of the existing building.</p> <p>Mr. Tsunis asked to address the members, to thank the executive staff of the Center for their hospitality in hosting members of the Battery Park City Authority’s Board and Executive Staff recently. BPCA is working on its sustainability and resiliency programs and were appreciative of the Center’s staff’s time in taking them through the Center’s programs.</p>	
<p>III. Committee Reports</p>	<p><u>Financial Report – Melanie McManus (Attachment 18-92)</u></p> <p>Ms. McManus presented the Corporation’s 5 Year Capital Plan – Fiscal Year 2020 for the Board’s approval. She reported that the plan had been developed by the management team and had been reviewed with the members of the Facilities Committee, the Audit Committee and the Finance Committee, all whom responded favorably. The plan sets out recommended capital improvements to the Center over the next 5 years, with estimated budgets totaling approximately \$158 million. Capital funding will be needed going forward. No project on the list will proceed until funding is specifically identified for it. The Chairman noted for the record that excess Hotel Unit Fees could be used to fund the capital improvements. Mr. Lavine called for a motion approving the 5 Year Capital Plan.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1384</u> NOW THEREFORE BE IT RESOLVED that the Board of Directors hereby approves the Corporation’s 5 Year Capital Plan – Fiscal Year 2020.</p> <p><u>Procurement Summaries for Approval (Attachments 18-93 through 18-94)</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>Committee Reports (Continued)</p>	<p><u>Approval of Contract – Delta Dental of New York, Inc. (Attachment 18-93)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract to Delta Dental of New York, Inc. for dental insurance coverage at the Jacob K. Javits Convention Center. The contract term is for 2 years at an estimated total cost of \$313,420 (\$156,710 for year 1 and (\$156,710 for year 2).</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1385</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Delta Dental of New York, Inc. for dental insurance coverage at the Jacob K. Javits Convention Center for a contract term of 2 years at the estimated total cost of \$313,420 is hereby approved.</p> <p><u>Approval of Contract – Siemens Building Technologies, Inc. (Attachment 18-94)</u> Ms. McManus presented a procurement summary seeking Board approval to award Siemens Building Technologies, Inc. a Single Source Contract for the fire alarm component of life safety system to bring the existing building up to current code and align with the requirements of the expansion at the Jacob K. Javits Convention Center. The contract term is for a period of 3 years at an estimated cost of \$9,857,257. Additionally, this procurement will require approval by the New York State Comptroller’s office.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1386</u> NOW THEREFORE BE IT RESOLVED that the award of a Single Source contract to Siemens Building Technologies, Inc. for the alarm component of life safety system for a contract period of 3 years at the estimated cost of \$9,857,257 is hereby approved.</p> <p><u>Review of Procurement Summaries – (Attachments 18-95 through 18-99)</u></p> <p><u>Procurement Contracts for Review:</u> New York Power Authority, Outside Panel Counsel, NetX Information Systems, Inc. & Veritas, Brosnan Risk Consultants and eMaint Enterprises, LLC (Attachments 18-93 through 18-97)</p>	
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Committee Reports (Continued)

Vendor	# of Years	Amount/Year
New York Power Authority	5	\$6,000,000/2
Panel of Nine Law Firms	3	\$375,000/2
NetX Information Systems, Inc. & Veritas	5	\$51,837/3
Brosnan Risk Consultants	3 year-4 Month	\$516,588/2
eMaint Enterprises, LLC	3	\$20,160/3

September 2018 YTD financials for review (Attachment 18-100)

Ms. McManus presented the Board with the Financial Report for the period ending September 2018. Year to date, there is a total gross revenue of \$106,543,000, against a plan of \$105,487,000. Total operating expenses YTD are \$101,949,000 against a plan of \$102,413,000. Operating surplus was \$4,593,000 against a plan of \$3,074,000. Net surplus after depreciation was \$668,000 against a plan of (\$848,000). Reforecasting will take place come January to account for changes in the business over the year.

A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen

Mr. Lavine reported that the Committee’s had met that day just prior to the Board meeting as well as on October 24. Meetings focused primarily on reports from the head of the Security Solutions groups. In addition, they continue to closely monitor the implementations of the workforce management platform and CPQ (aka Jake).

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

No report.

C. Facilities – Mark Schienberg, Committee Chairman

Mr. Compton reported on behalf of the Facilities Committee. The Committee met to review the Capital Plan as well as to review ongoing renovations. In addition, they received a preview of the building information modeling system. Mr. Compton recommended that a presentation on the modeling system be presented to the full board. The Committee also discussed the need for a source of capital to support ongoing improvements to the facility, with the excess hotel unit fee being a sensible source for the Center

<p>Committee Reports (Continued)</p>	<p><u>D. Sales & Marketing – Lee Compton, Committee Chairman (Attachment 18-101)</u> Ms. Guerin reported on behalf of the Sales & Marketing Committee. There are 75 days of activity in the fourth quarter of 2018 with a total of 44 events. For the first quarter of 2019, it is expected there will be 88 days of activity, with a total of 36 events.</p> <p>In response to a question about the strength of the business, Mr. Steel noted that due to softness in the retail market, particularly for small retailers, those shows supporting that sector were experiencing some shrinking in their business. Management is working with customers on ways to address that market shift. This will likely lead to a different mix of business which will ultimately be better for the Center’s business.</p> <p><u>E. Governance - Ronald Goldstock, Committee Chairman</u> Mr. Siciliano advised the Board of the selected dates for Board meetings during the 2019 Calendar year and notified the members that an outlook invite would be sent out for all dates so they had them on their calendar.</p>	
<p>IV. Other Business</p>	<p>None</p>	
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 3:43 PM with the next meeting to be held on January 30, 2019.</p>	