

Approved - 11/14/18



**BOARD OF DIRECTORS MEETING  
NEW YORK CONVENTION CENTER OPERATING CORP.**  
655 West 34<sup>th</sup> Street  
New York, NY 10001-1188

**MINUTES**

**MEMBERS PRESENT:**

Henry R. Silverman, Chairman of the Board  
Robert Azeke  
J. Lee Compton  
Fred W. Dixon  
George Tsunis  
Ronald Goldstock  
Edward P. Kane  
Steven C. Koppel  
Gary Lavine  
Andrew Murstein  
Brian O'Dwyer  
Lee H. Perlman  
Mark Schienberg  
Joseph Spinnato

**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, SVP & CIO  
Tim Gaburungyi, VP, IT Solutions  
Kenneth Sanchez, SVP Facilities Management  
Kenneth Dixon, VP Security & Safety Solutions  
Tony Sclafani, SVP & Chief Communications Officer, Communications  
Mike Ruberry, VP Event Solutions & Set-Up  
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:**

**September 12, 2018**

**Time:**

**3:00 p.m.**

**Location:**

**Large Conference Room**

**ABSENT:**

Sara Berman  
Christine Ferer  
Hugh L. Carey II

**Guests/Visitors:**

Douglas W. Blais, Project Manager, Lehrer LLC

<p><b>Call to Order</b></p>	<p>The meeting of the Board of Directors for the New York Convention Center Operating Corporation was called to order at <b>3:00</b> p.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman.</p>	
<p><b>Agenda</b></p>	<p><b>Discussion</b></p>	<p><b>Recommendation Action/Follow-up</b></p>
<p><b>I. Approval of the Minutes</b></p>	<p><b><u>Welcoming of New Board Members</u></b> Mr. Silverman began the meeting by welcoming 3 new members to the Corporation’s Board: Steven Koppel of Sidley and Austin, LLP, Fred Dixon of NYC &amp; Co; and Brian O’Dwyer of O’Dwyer &amp; Bernstein.</p> <p><b><u>Approval of the Minutes of June 13, 2018 (Attachment 18-74)</u></b> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on June 13, 2018. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1378</u></b> <b>NOW THEREFORE BE IT RESOLVED</b> that the minutes of the Board of Directors meeting held on June 13, 2018, are hereby approved.</p>	
<p><b>II. Corporate Matters</b></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.</p> <p><b><u>President’s Report - Alan Steel (Attachment 18-75)</u></b> Mr. Steel updated the Directors on honey production on the Center’s green roof, noting that staff had bottled 500 jars of honey, double last year’s production.</p> <p>Mr. Stout, President of the Development Corporation, provided an update of the incident the day before, where a steel beam leaned into scaffolding along 12<sup>th</sup> Avenue while being lowered into place, causing a closure of the West Side Highway. There were no injuries, and a thorough investigation determined there were no steel or crane defects. It was simply a human error where the crane operator had made an error in the placement of the steel beam. The operator had been terminated. All stakeholders were working with DASNY, who is responsible</p>	

<p><b>II. Corporate Matters (continued)</b></p>	<p>for construction permitting, and the Department of Buildings, who is responsible from crane permitting, to resume work. Any financial impact of the incident would be absorbed by the contractor. The incident did not impact the Center’s operations.</p> <p>Douglas W. Blais, Project Manager, Lehrer LLC, presented an update on the expansion project to the Directors. 94% of the caissons have been installed. 60% of the pressure slabs and grade beams have been installed. The ConEdison feed is in place and live. At the transformer building, installation of equipment continues. 100% of the construction drawings have been delivered and are being reviewed. Roughly half of the 14,000 tons of steel for the project have been fabricated and they are in the final stages of permitting.</p> <p>Mr. Steel then showed a video simulated tour through the future expansion, highlighting the pre-function space, meeting rooms and event space.</p> <p>Mr. Steel updated the Directors on management’s strategic planning process. The process started in 2016. Management has updated its goals on an annual basis. The goals for the 2019 strategic plan will now start incorporating the impact of the expansion, which is anticipated to be completed in early 2021.</p> <p>Mr. Steel provided an update of perimeter security issues, explaining that a plan had been developed by retained architects, with input from various stakeholders, such as the NYPD, for the installation of K-rated bollards. The Development Corporation has reviewed the plans, which are estimated to cost approximately \$6.2 million, and is in agreement with them. Discussions are ongoing with Development Corporation, about the Development Corporation providing the requisite funding. The plan is to commence construction by October and be done by June of 2020. Discussions are taking place with the New York City Department of Transportation on their plans to replace the 11<sup>th</sup> Avenue Viaduct in front of the Javits Center from 35<sup>th</sup> Street to 33<sup>rd</sup> Street. Mr. Lavine noted that this issue had come up during the Audit and Finance Committees joint meeting. Mr. Lavine indicated the Committees’ collective view that it is the responsibility of the Development Corporation to fund capital projects such as security bollards and that for the Corporation to fund this scale of a project at this time would impact cash flow and require encroachment on restricted funds.</p> <p>Mr. Steel updated the Directors on the planned rooftop solar project. The plans involve installing solar panels over the HVAC units, which would have the added benefit of reducing the temperature of the air being taken in to the units and therefore reducing the energy necessary to operate the units. Panels would not be installed over any part of the green roof. The New York Power Authority was managing the project through a state program. The structure of the project has not been finalized, but it is anticipated that the array would be financed, and owned, by a third party, at no cost to the Corporation, with the prospect of revenue sharing in the future.</p>	
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<p><b>II. Corporate Matters (continued)</b></p>	<p>An RFP for a new food service vendor has been issued. The general structure of a deal will be a 10-year performance based management contract. Bidders have been given the option of submitting alternative and creative structures. It is anticipated that a winning bidder will be selected by January 2019.</p> <p>Mr. Steel updated the Directors regarding the Amazon World Summit in July, reporting that during torrential rainfall during the event, water did come through the glass ceiling in the Crystal Palace. An inspection was done and no deficiencies or defects were found in the structure or system. Because of the increase in bird life attracted to the green roof and the volume of construction in the area; gutters are filling with feathers and other debris at an increased rate, clogging drains. Increased maintenance of the drains has been implemented and it is not anticipated it will be an issue going forward.</p> <p>Plans are underway to update the fire alarm system in the existing building to integrate with the new system going into the expansion. The current fire alarm system was built to the 1968 building code. The updated system will comply with the 2014 code. The project will involve maintaining the current command center in the existing building while adding a secondary command center in the expansion.</p> <p>The implementation of the new workforce management system, One Javits, continues to progress. Payroll, time keeping and scheduling went live in July. Passport and the new IVR system will launch in November. It has been a very complicated process setting up the system given the 11 different bargaining units.</p> <p>Lastly, Mr. Steel provided an update on the proposed “Hudson Link” project which would connect the Highline to a greenway along the west side of the Center. The Highline’s board has expressed an interest in the project and are looking for an analysis of a design and also a visitation analysis. Conceptual designs are being shared with the Highline and the Hudson River Park. Funding options for the project are being explored.</p> <p><b><u>Financial Report – Ms. McManus (Attachment 18-76)</u></b></p> <p>Ms. McManus updated the Directors on the progress of the new online ordering system “Jake”. Online ordering continues to trend upward, with over 6,300 customers placing orders through Jake, amounting to more than 50% of all orders in 68 events, totaling over \$6.5 million in orders. 71% of orders in August were placed through Jake.</p>	
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<p><b>III. Committee Reports</b></p>	<p><b><u>Procurement Summaries for Approval (Attachments 18-77 through 18-78)</u></b>                  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><b><u>Approval of Contract – Drexel University (Attachment 18-77)</u></b>                  Ms. McManus presented a procurement summary seeking Board approval to increase the sole source contract to Drexel University by \$282,072 in years 2 and 3 to study climate and storm water runoff on the Jacob K. Javits Convention Center’s (Javits Center) green roof. The exiting contract is for one year with the option of two more years at the Javits Center’s discretion from May 2017 – April 2020. The current contract amounts to \$437,847. The revised total cost is \$655,725 (\$155,725 for the 1<sup>st</sup> year, \$250,000 for the 2<sup>nd</sup> year and \$250,000 for the 3<sup>rd</sup> year).</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1379</u></b>  <b>NOW THEREFORE BE IT RESOLVED</b> that the award of a contract to Drexel University to increase the sole source contract by \$282,072 in years 2 and 3 to study climate and storm water runoff on the Javits Center Green Roof at a total revised cost of \$655,725 (\$155,725 for the 1<sup>st</sup> year, \$250,000 for the 2<sup>nd</sup> year and \$250,000 for the 3<sup>rd</sup> year) is hereby approved.</p> <p><b><u>Approval of Contract – Noor Associates and Distinctive Personnel (Attachment 18-78)</u></b>                  Ms. McManus presented a procurement summary seeking Board approval to award contracts to Noor Associates and Distinctive Personnel for temporary porter staffing services at the Jacob K. Javits Convention Center (Javits Center). The term of the contract is for three years at an estimated cost of \$750,000 (Noor Associates - \$375,000 and Distinctive Personnel - \$375,000). The contract term is from October 1, 2018-September 30, 2021. There is an option to renew this contract for an additional year at the Javits Center’s discretion.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p>	
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<p><b>III. Committee Reports (continued)</b></p>	<p><b><u>Resolution No. 1380</u></b>  <b>NOW THEREFORE BE IT RESOLVED</b> that the award of contracts to Noor Associates and Distinctive Personnel for temporary porter staffing services at the Javits Center for a three-year contract term with option for one additional year at an estimated total cost of \$750,000 is hereby approved.</p> <p><b><u>Review of Procurement Summaries – (Attachments 18-79 through 18-87)</u></b>                  Ms. McManus provided two categories of procurements for review. The first set involved procurements approved by the Finance Committee at its July meeting, as authorized by the full Board. 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 Summaries Approved by Finance Committee:</u>                  ADP, Medrite Urgent Care, First Data, Security Services of Connecticut, Inc. &amp; TruView BSI, LLC                  (Attachments 18-79 through 18-82)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Project</th> <th style="text-align: left;">Vendor</th> <th style="text-align: left;">Procurement</th> <th style="text-align: center;">Total Contract Term</th> <th style="text-align: center;">Total Contract Amount</th> </tr> </thead> <tbody> <tr> <td>Payroll Tax Services</td> <td>ADP, LLC</td> <td>Single Source</td> <td style="text-align: center;">5 years</td> <td style="text-align: right;">\$343,450</td> </tr> <tr> <td>Functional Capacity Assessments</td> <td>Medrite Urgent Care</td> <td style="text-align: center;">RFP</td> <td style="text-align: center;">3 years</td> <td style="text-align: right;">\$60,000</td> </tr> <tr> <td>Background Check Services</td> <td>Security Services of Connecticut, Incorporated &amp; Truview BSI, LLC</td> <td style="text-align: center;">RFP</td> <td style="text-align: center;">3 years</td> <td style="text-align: right;">\$750,000</td> </tr> <tr> <td>Credit Card Integrator</td> <td>First Data Merchant Services, LLC</td> <td style="text-align: center;">RFP</td> <td style="text-align: center;">3 years</td> <td style="text-align: right;">\$900,000</td> </tr> </tbody> </table> <p>In addition, previously approved service procurement contracts that extend for more than one year were 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>	Project	Vendor	Procurement	Total Contract Term	Total Contract Amount	Payroll Tax Services	ADP, LLC	Single Source	5 years	\$343,450	Functional Capacity Assessments	Medrite Urgent Care	RFP	3 years	\$60,000	Background Check Services	Security Services of Connecticut, Incorporated & Truview BSI, LLC	RFP	3 years	\$750,000	Credit Card Integrator	First Data Merchant Services, LLC	RFP	3 years	\$900,000
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**III.  
Committee  
Reports  
(continued)**

Procurement Contracts for Review:

USI Landscape and Design, Inc., A & L Cesspool & Recycling, WSP USA, Sun Life and Health Insurance Co., Brosnan Risk Consultants. (Attachments 18-83 through 18-87)

Vendor	# of Years	Amount/Year
USI Landscape and Design, Inc.	3	\$210,000/2
A & L Cesspool & Recycling	3	\$34,560/2
WSP, USA	2	\$332,500/2
Sun Life and Health Insurance Co.	3	\$113,390/3
Brosnan Risk Consultants	3	\$215,000/2

**July 2018 YTD financials for review (Attachment 18-88)**

Ms. McManus presented the Board with the Financial Report for the period ending July 2018. Year to date, there is a total gross revenue of \$88,700,000, against a plan of \$85,900,000. Total operating expenses YTD are \$79,400,000 against a plan of \$78,500,000. Operating surplus was \$9,300,000 against a plan of \$7,500,000. Net surplus after depreciation was \$7,100,000 against a plan of \$5,100,000. Ms. McManus explained that the over performance against plan to date was the result of certain events occurring earlier in the year and that it is anticipated that as the year goes on the actual performance will fall in line with plan.

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

Mr. Lavine reported that the Committees had met on July 10, July 16, July 25 and immediately preceding the Board Meeting. The Committees continue to review the major IT implementations. An executive session was held prior to the Board Meeting with the Internal Auditor and the General Counsel. There were no material issues to report.

<p><b>III. Committee Reports (continued)</b></p>	<p><b><u>B. Human Resources/EEO – Edward P. Kane, Committee Chairman</u></b> No report.</p> <p><b><u>C. Facilities – Mark Schienberg, Committee Chairman</u></b> No report.</p> <p><b><u>D. Sales &amp; Marketing – Lee Compton, Committee Chairman (Attachment 18-89)</u></b> Ms. Guerin presented a report of the Sales and Marketing Committee. There were 80 days of activity in the third quarter of 2018 with a total of 32 events. For the fourth quarter of 2018, it is expected there will be 82 days of activity, with a total of 42 events, 4 of which are new.</p> <p><b><u>E. Governance - Ronald Goldstock, Committee Chairman</u></b> Mr. Siciliano reported on behalf of the Committee. He advised the Directors that management had worked with the offices of Senator Hoylman and Assemblyman Gottfried to introduce legislation redefining “quorum” for the Corporation’s Board Meetings. The legislation passed both houses of the legislature and was signed into law by the Governor. Quorum would now be defined as a majority of the total number of actual appointed board members, as opposed to the total number of board member positions provided for in the enabling legislation. There are 21 spots on the Board but only 17 appointed members, so the number for a quorum, given the current Board makeup decreased from 11 to 9 based upon the legislation. The change should make it easier to hold meetings going forward.</p> <p>Mr. Siciliano advised the Board that there were vacancies on the Governance Committee and Sales and Marketing Committee and that Mr. Dixon had agreed to serve on the Sales and Marketing Committee and Mr. Koppel and Mr. O’Dwyer had agreed to serve on the Governance Committee.</p> <p>A motion was made and seconded. The following resolution was passed by unanimous vote.</p> <p><b><u>Resolution No. 1381</u></b> <b>NOW THEREFORE BE IT RESOLVED</b> that the appointments of Fred Dixon as a member of the Sales &amp; Marketing Committee, Steven Koppel as a member of the Governance Committee and Brian O’Dwyer as a member of the Governance Committee are hereby approved.</p>	
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Approved - 11/14/18



<p><b>III. Committee Reports (continued)</b></p>	<p>Mr. Siciliano then advised the Directors of the recommendation from the Chairs of the Audit and Labor Committee and the Finance Committee that the Chairman be switched.</p> <p>A motion was made and seconded. The following resolution was passed by unanimous vote:</p> <p><b><u>Resolution No. 1382</u></b> <b>NOW THEREFORE BE IT RESOLVED</b> that Gary Lavine be appointed Chair of the Finance Committee and Ron Goldstock be appointed Chair of the Audit and Labor Committee.</p>	
<p><b>IV. Other Business</b></p>	<p>No Report</p>	
<p><b>V. Adjournment</b></p>	<p>By motion and agreement, the meeting was adjourned at 3:54 PM with the next meeting to be held on November 14, 2018</p>	