

Approved – 6/13/19



**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  
Hugh L. Carey II  
J. Lee Compton  
Ronald Goldstock  
Steven C. Koppel  
Gary Lavine – (Web Ex)  
Brian O’Dwyer  
Lee H. Perlman  
Mark Schienberg  
Joseph Spinnato

**ABSENT:**

Robert Azeke  
Fred W. Dixon  
George Tsunis  
Edward P. Kane  
Andrew Murstein  
Christy Ferer

**OTHERS PRESENT:**

**STAFF:**

Alan E. Steel, President & CEO  
Bradley A. Siciliano, Chief Operating Officer  
Doreen Guerin, SVP, Sales & Marketing  
Sonia Low, VP, General Counsel and Corporate Secretary  
Melanie McManus, SVP & CFO  
Christine McMahon, 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  
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

**GUESTS/VISITORS:**

Robin Stout, President of NY Convention Center Development Corp.

**DATE:**

**April 2, 2019**

**Time:**

**1:00 p.m.**

**Location:**

**Large Conference Room**

<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 1:00 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>Approval of the Minutes of January 30, 2019 (Attachment 19-17)</u></b>                  A motion was made and seconded to approve the minutes of the Board of Directors meeting held on <b><u>January 30, 2019</u></b>. The following resolution passed by unanimous vote:   <b><u>Resolution No. 1393</u></b>   <b>NOW THEREFORE BE IT RESOLVED</b> that the minutes of the Board of Directors meeting held on January 30, 2019, 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. No one identifying any conflict, the meeting proceeded.   <b><u>Robin Stout Expansion Update – (Attachment 19-18)</u></b>                  Mr. Stout provided a brief update on the expansion project. Mr. Stout presented pictures of the construction site from January 2019 to now, and indicated that there is good progress. The “spine” of the building is progressing toward 11<sup>th</sup> Avenue with most of the structure at full height. The visual mockup of the enclosure has been approved. Electrical needs of the expansion have been mapped out and there are redundancies built in to ensure that the building and its electrical power continue to operate smoothly in case any issues arise with the electrical power. There will be substantial testing before the opening of the expanded portion. It is anticipated that the Board will be given a tour of the expansion site in April or May.</p>	

<p><b>II. Corporate Matters (continued)</b></p>	<p><b><u>President’s Report - Alan Steel (Attachment 19-19)</u></b></p> <p>Mr. Steel reported on the Corporation’s capital plans and unfunded capital projects. Under past and current practice, no projects would commence before funding is approved. However, two urgent projects have been activated without full funding from the Development Corp.: (1) Perimeter Security/Bollards and (2) Code required replacement of Fire and Safety systems in the existing building. CCOC is working with CCDC to obtain the necessary funding for such projects. Potential sources include the sale of Site K as well as Hotel Unit Fees collected in excess of the requirements to pay the obligations on the CCDC bonds issued in connection with the expansion project. An update on the funding and the Center’s ongoing capital needs will be provided to the Board in June. Mr. Steel presented pictures of the progress of the Perimeter Security project, including the exit gate on 34<sup>th</sup> Street. He discussed the building information modeling which identifies what needs to be renovated and maintained.</p> <p>On the sustainability front, Mr. Steel provided an update on the Rooftop Solar Farm installation, a 1.4MW renewable energy project which Siemens was selected to design and construct on the green roof of the Center. Siemens is expected to begin construction in early 2020 and is funding the project. Therefore, there is no capital cost to the Center, and the Center can benefit from the profits that will be derived from this project once Siemens recoups its investment. Renewable energy is an important element in the Center’s story and its support for sustainability to which the clients are now attracted. The Center is also on the cutting edge of sustainability. More than 4,000 solar panels will be constructed over the HVAC units on the Center’s green roof. The project is expected to offset more than 1.3 million pounds of carbon emissions each year, which is equal to removing 262 cars from the street. The Center will be issuing its second Sustainability Report in June.</p> <p>Mr. Steel then reported on his 8<sup>th</sup> Annual State of the Center address which provides employees with the latest news about the Center, from new security protocols and an online customer portal to a college scholarship program and a rooftop solar farm. The Annual State address also gives employees an opportunity to provide feedback. Mr. Steel discussed with the Members the Javits Cares program which is a new program that facilitates the donation of certain goods and materials left behind from events and exhibits that were held at the Center to a number of organizations. Mr. Steel also discussed the Javits Junior Scholarship Program which is entering its second year and has expanded from two to five \$5,000 college scholarships at two local schools. Winners will be honored at a ceremony on June 5<sup>th</sup> in the Crystal Palace to which all Board Members are invited to attend.</p>	
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<p><b>II. Corporate Matters (continued)</b></p>	<p>Mr. Steel next reported on the catering transition from Centerplate to Levy Premium Foodservice Limited Partnership. A food and beverage contract with Levy was recently signed and is awaiting approval by the Comptroller’s office. Levy is planning to go live on June 16<sup>th</sup>.</p> <p>On the traffic congestion proposal, Fix NYC, Mr. Steel reported that the proposal will better manage traffic congestion and facilitate freight movement. There should be no material negative impact to the Center. We will continue to keep the Board and customers apprised of this proposal as more information emerges.</p> <p><b><u>Appointment of Vice President, General Counsel and Corporate Secretary (Attachment 19-20)</u></b> Mr. Siciliano requested a motion to approve the appointment of Sonia Low as Vice President, General Counsel and Corporate Secretary of the Jacob K. Javits Center. A motion was made and seconded and the following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1394</u></b></p> <p><b>NOW THEREFORE BE IT RESOLVED</b> that Sonia Low is hereby appointed as the Corporation’s Vice President, General Counsel and Corporate Secretary, effective March 6, 2019.</p>	
<p><b>III. Committee Reports</b></p>	<p><b><u>A. Audit &amp; Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u></b></p> <p><b><u>Approval of the Fiscal Year 2020 Budget – (Attachment 19-21)</u></b> Ms. McManus presented the Board Members with the Fiscal Year 2020 budget and operating plan for their review and approval. A high-level overview of the budget projects approximately \$206 million in operating revenue, and \$204 million in operating expenses, netting an operating surplus of \$1.2 million. When accounting for (1) interest income and (2) depreciation expense, which arises out of significant capital improvements made by the Corporation over the last several years, there is a projected net loss of \$5.6 million. In addition, Ms. McManus provided an overview of projected capital expenses over the next 5 years, including requested funding from the Development Corporation.</p> <p>The Members noted that while the operating plan reflects an overall net loss, this is driven entirely by the non-cash expense of depreciation. Before depreciation, the plan reflects an operating surplus.</p>	

<p><b>III. Committee Reports (continued)</b></p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1395</u></b></p> <p><b>NOW THEREFORE BE IT RESOLVED</b> that the New York Convention Center Operating Plan FY 2019-2020 is hereby approved.</p> <p><b><u>Procurement Summaries for Approval (Attachments 19-22 through 19-27)</u></b></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. It was noted for the record that Mr. Siciliano had recused himself from involvement in both the Insurance Broker RFP and the Insurance Program RFP due to potential conflicts of interest.</p> <p><b><u>Approval of Contract</u></b> – Philip W. Burke (Attachment 19-22)</p> <p>Ms. McManus presented a procurement summary seeking Board approval to award a single source contract for a period of one year to Philip Burke at a cost of \$150,000 beginning April 3, 2019 – April 2, 2020 for the Jacob K. Javits Convention Center (Javits Center).</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1396</u></b></p> <p><b>NOW THEREFORE BE IT RESOLVED</b> that the award of a single source contract to Philip W. Burke for a period of one year beginning April 3, 2019 -April 2, 2020 at the cost of \$150,000 is hereby approved.</p> <p><b><u>Approval of Contract</u></b> – Paul J. Scariano, Inc. (Attachment 19-23)</p> <p>Ms. McManus presented a procurement summary seeking Board approval to award Paul J. Scariano, Inc. (PJS Group) a contract to provide Perimeter Security-Bollards for the Jacob K. Javits Convention Center (Javits Center). The contract is for 15 months and consists of 3 phases. The term of the contract is April 1, 2019-July 31, 2020 at the total cost of \$6,563,653. (Phase 1 - \$5,310,873) Front of Crystal Palace (CP) scope of work, north of CP area and 34<sup>th</sup> Street entry plaza. (Phase 2 - \$966,080) South of CP scope of work and (Phase 3 - \$286,700) Landscape work.</p>	
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<p><b>III. Committee Reports (continued)</b></p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1397</u></b>  <b>NOW THEREFORE BE IT RESOLVED</b> that the award to Paul J. Scariano, Inc., (PJS Group) to provide Perimeter Security-Bollards for the Javits Center for 15-month contract period from April 1, 2019-July 31, 2020 at a total cost of \$6,563,653 (which will consist of 3 Phases) is hereby approved.</p> <p><b><u>Approval of Contract</u></b> – EFPR Group, LLP (Attachment 19-24)          Ms. McManus presented a procurement summary seeking Board approval to award EFPR Group, LLP (EFPR) a contract to provide financial statement audit services for the Jacob K. Javits Convention Center (Javits Center). The contract is for three years at a total cost of \$249,600 (Y1: \$81,800 Y2: \$83,200 and Y3: \$84,600). The contract includes a 2-additional year option (Y4: \$86,000 and Y5: \$87,400) at the Javits Center’s discretion. Terms are as follows: Year 1 is April 1, 2019-June 30, 2020. The subsequent years, the terms will be from July 1, 2020 – June 30, 2022 and subsequently thereafter.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1398</u></b>  <b>NOW THEREFORE BE IT RESOLVED</b> that the award to EFPR Group, LLP (EFPR), to provide financial statement audit services for the Javits Center for a contract period of three years with a 2-additional year renewal option; at the Javits Center’s discretion with term periods as follows: Year 1 is April 1, 2019-June 30, 2020, Year 2 will be from July 1, 2020 – June 30, 2022 and Year 3 subsequently thereafter at the total cost of \$249,600, is hereby approved.</p> <p><b><u>Approval of Contract</u></b> – USI Insurance (Broker) Services, LLC (Attachment 19-25)          Ms. McManus presented a procurement summary seeking Board approval to award USI Insurance Services, LLC (USI) a contract to market the Jacob K. Javits Convention Center (Javits Center) property, casualty, workers compensation insurance, other required policies (excluding health and disability) and additional services. The contract is for 3 years at a cost of \$165,000 per year (Property &amp; Casualty \$110,000 and Workers Compensation \$55,000) for a total of \$ 495,000. The contract includes a 2-year renewal option (Y4: \$165,000, Y5: \$165,000) at the Javits Center’s discretion. The contract term is April 1, 2019 – April 30, 2022.</p>	
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<p><b>III. Committee Reports (continued)</b></p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1399</u></b>  <b>NOW THEREFORE BE IT RESOLVED</b> that the award of a contract to USI to market the Javits Center property, casualty, workers compensation insurance, other required policies (excluding health and disability) and additional services; for a contract term of 3 years at a cost of \$165,000 per year (Property &amp; Casualty \$110,000 and Workers Compensation \$55,000) for a total of \$ 495,000 which includes a 2-year renewal option (Y4: \$165,000, Y5: \$165,000) at the Javits Center’s discretion for a contract term April 1, 2019 – April 30, 2022 is hereby approved.</p> <p><b><u>Approval of Contract</u></b> – USI Insurance Services, LLC (Attachment 19-26)          Ms. McManus presented a procurement summary seeking Board approval to award general liability and other insurance contracts through USI Insurance Services, LLC (USI) for the Jacob K. Javits Convention Center (Javits Center). The contracts are for one year at an aggregate cost of \$2,518,782 for the fiscal period April 1, 2019 – March 31, 2020.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1400</u></b>  <b>NOW THEREFORE BE IT RESOLVED</b> that the award of a contract through USI Insurance Services, LLC (USI) for the Jacob K. Javits Convention Center (Javits Center) for general liability and other insurance contracts for one year at an aggregate cost of \$2,518,782; for the fiscal period April 1, 2019 – March 31, 2020 is hereby approved.</p> <p><b><u>Approval of Contract</u></b> – Daikin Applied Americas, Inc. (Attachment 19-27)          Ms. McManus presented a procurement summary seeking Board approval to award Daikin Applied Americas, Inc. (Daikin) a single source contract to provide maintenance on Variable Air Volume (VAV) Systems and Air Conditioning for the Jacob K. Javits Convention Center (Javits Center). The contract is for 3 years at a total cost of \$270,000 (Year 1: \$90,000, Year 2: \$90,000, Year 3: \$90,000). The term of the contract is April 3, 2019 – April 2, 2022.</p>	
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**III.  
Committee  
Reports  
(continued)**

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

**Resolution No. 1401**

**NOW THEREFORE BE IT RESOLVED** that the award of a single source contract to Daikin to provide maintenance on Variable Air Volume (VAV) Systems and Air Conditioning for the Javits Center for a 3-year contract term from April 3, 2019 – April 2, 2022 at a total cost of \$270,000 (Year 1: \$90,000, Year 2: \$90,000, Year 3: \$90,000) is hereby approved.

**Review of Procurement Summaries**

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 - BGS Controls, MTS Integratrak, Inc., Jensen Hughes Engineering, P.C., BrightView Landscaping, LLC. (Attachments 19-28 through 19- 31)

Vendor	# of Year	Amount/Year
BGS Controls	2/3	\$1,250
MTS Integratrak Inc.	3/3	\$9,540
Jensen Hughes Engineering, P.C.	3/3	\$180,000
BrightView Landscaping, LLC	3/3	\$140,654

**February 2019 YTD financials for review (Attachment 19-32)**

Ms. McManus presented the Board with the Financial Report for the period ending February 2019. Year to date, there is a total gross revenue of \$189,765,000 against a plan of \$184,350,000. Total operating expenses YTD are \$183,400,000 against a plan of \$181,413,000. Operating surplus before depreciation was \$6,365,000 against a plan of \$2,937,000. Depreciation was (\$7,322,000) against a plan of (\$7,337,000). Net Surplus after depreciation and interest income (expense) was \$17,000 against a plan of (\$4,036,000).



<p><b>III. Committee Reports (continued)</b></p>	<p><b><u>B. Human Resources – Edward 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 19-33)</u></b> Ms. Guerin reported on second quarter activity, which would have 91 days of activity out of 91 total days, 10 special events, 3 public shows and 27 trade shows, including 5 new events. Looking forward to the third quarter, the Center is scheduled to have 66 days of activity out of 92 days. 4 special events, 3 public events and 20 trade shows, including 3 new events, are scheduled.</p> <p><b><u>E. Governance – Ronald Goldstock, Committee Chairman</u></b> No report.</p>	
<p><b>IV. Other Business</b></p>	<p>None.</p>	
<p><b>V. Adjournment</b></p>	<p>By motion and agreement, the meeting was adjourned at 1:52 PM with the next meeting to be held on June 13, 2019.</p>	