

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
John Lee Compton
George Tsunis
Ronald Goldstock
Edward P. Kane
Steven C. Koppel
Gary Lavine
Andrew Murstein
Brian O'Dwyer
Lee H. Perlman
Joseph Spinnato

OTHERS PRESENT:

STAFF:

Bradley A. Siciliano, Chief Operating Officer
Doreen Guerin, Senior SVP, Sales & Marketing
Melanie McManus, SVP & CFO
Christine McMahon, SVP, HR & Labor Solutions
Mark Sims, SVP, CIO
Kenneth Sanchez, SVP, Facilities Management
Sonia Low, VP, General Counsel and Corporate Secretary
Ken Dixon, VP, Security & Safety Solutions
Tony Sclafani, Senior SVP, CCO
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:

June 13, 2019

Time:

1:00 p.m.

Location:

Large Conference Room

ABSENT:

Robert Azeke
Fred W. Dixon
Mark Schienberg
Christy Ferer

Guests/Visitors:

Robin Stout, President, NY Convention Center Development Corporation
David Gabel, EFPR Group
Douglas Zimmerman, EFPR Group

<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 1:00 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 April 2, 2019 (Attachment 19-34)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on April 2, 2019. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1402</u></p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on April 2, 2019, are hereby approved.</p>	
<p>II. Corporate Matters</p>	<p>Before proceeding further, Mr. Silverman asked the Members 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 Director having indicated such a potential conflict, the meeting proceeded.</p> <p><u>Review and Approval of the Financial Statements March 31, 2019 (Attachment 19-35)</u> Mr. Zimmerman from EFPR Group, the Corporation’s external auditors, reported that they met with the Audit and Finance Committees immediately preceding the Board Meeting to review the audited financials for the fiscal year ended March 31, 2019 being submitted to the Members for approval. Mr. Zimmerman indicated that they did not identify any deficiencies in internal controls and that there was a high level of cooperation by management with the audit team.</p> <p>A motion was made and seconded to approve Corporation’s Financial Statements for the fiscal year ended March 31, 2019. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1403</u> NOW THEREFORE BE IT RESOLVED that the New York Convention Center Operating Corporation’s Financial Statements for the fiscal year ended March 31, 2019 are hereby approved.</p>	

<p>II. Corporate Matters (continued)</p>	<p><u>President’s Report (Attachment 19-36)</u></p> <p>As Mr. Steel was unable to attend the board meeting, Mr. Bradley A. Siciliano provided a report to the Members. He presented Mr. Stout to give an update on the expansion project. Mr. Stout reported that the steel spine structure has progressed significantly since his last report in April, and that behind the steel, concrete slabs on deck are being poured, and plumbing, electrical, masonry and carpentry are being installed. He also reported that the truck marshalling facility construction is ahead of schedule. In connection with the transformer building, two of the six feeders have been energized by ConEd and Tishman. In response to a question from Mr. Lavine, he reported that there are blast walls in place in the marshalling facility which are very secure. Finally, he reported that the steel fabrication work on the expansion project is almost complete.</p> <p>Mr. Siciliano reported that NYCCOC had hired Lisa Lopez, Director of Sales and Marketing, and she will be responsible for developing and implementing sales and marketing strategies for the expansion.</p> <p>Mr. Siciliano reported that the Center would begin using more specific addresses at the facility to better direct people to the appropriate part of the facility depending upon their needs. Specifically, in addition to the 655 34th Street address, which will continue to be used for the administrative offices, 369 12th Avenue will be used for truck related deliveries, 429 11th Avenue will be used at the public entrance to the event space and 445 11th Avenue will be used for the expansion space once it is completed.</p> <p>Regarding security, NYCCOC will conduct an emergency management table top exercise on July 18, 2019 in coordination with city, state and federal Public Safety agencies. Contractors, vendors and business partners will be invited to attend the table top exercise.</p> <p>Mr. Siciliano also reported that there is a proof of concept being developed for a comprehensive vehicle management system to help manage the dock and marshalling activity, yard management and freight process. This system will help streamline trucking operations, reduce street congestion and carbon emissions, enhance security and improve customer experience. The new system will utilize a dashboard to create efficiencies and obtain dwell time analytics per location to help reduce congestion on the street. NYCCOC will be getting input from its contractors and</p>	
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<p>II. Corporate Matters (continued)</p>	<p>exhibitors to ensure the system will be useful to their operations. The hope is to implement the system within the next year.</p> <p>Mr. Siciliano then reported on the JavitsCares Program, a new program which facilitates the donation of various goods and materials left behind from events. Under JavitsCares, the staff works closely with event organizers and exhibitors to identify, donate and transport goods, materials and other items to nonprofit organizations and public schools. Over 50 tons of materials have been donated in 2019 already. As part of the program, more than 20 of NYCCOC’s employees visited Materials for the Arts, the largest recipient of the donations, in Long Island City to help sort items donated from organizations throughout New York City.</p> <p>On June 5th, the Javits Junior Scholarship Program ceremony took place in the Crystal Palace for a second year in a row. Five students from two schools were awarded college scholarships of \$5,000 each. The program expanded through the additional donations from customers Emerald Expositions, Reed Exhibitions and Informa. Joy Javits and Emma Javits attended the ceremony and awarded two of the scholarships in person.</p> <p>Mr. Siliciano also reported on the food and beverage transition. Levy takes over on June 16th under the brand “Cultivated.” A key component of the new relationship involved 12 pre-approved off-site caterers giving customers more catering options, as well as providing new business opportunities to the Center.</p> <p>Regarding the draft of the Port Authority Bus Terminal Proposal that was distributed to Members prior to the board meeting, Mr. Siciliano noted that of the three options identified in the proposal, two of the options involved utilizing the Javits Center’s lower level as a bus terminal. Mr. Siciliano notified the Members that management would be opposing any plan which involved utilizing the Javits Center as a bus terminal. The Members discussed the proposal and noted that they and community organizations would not be in favor of these options. Mr. Silverman indicated that he would speak to the appropriate person about this proposal.</p>	
<p>III. Committee Reports</p>	<p><u>A. Audit & Finance Committees – Ronald Goldstock and Gary Lavine, Committee Chairmen</u></p> <p>It was reported that the Audit and Finance Committees met prior to the meeting.</p> <p>Ms. McManus introduced a series of items for the Board’s consideration.</p>	

<p>III. Committee Reports (continued)</p>	<p><u>Restriction of funds for OPEB Liability (Attachment 19-37)</u> Ms. McManus requested a resolution restricting sufficient assets to cover the Fiscal 2019 OPEB (Other Post Employment Benefit) Liability. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1404</u> NOW THEREFORE BE IT RESOLVED that the Board of Directors authorizes the Corporation/Management to set aside sufficient assets to cover the Fiscal 2019 OPEB liability of \$37,785,081.</p> <p><u>Review and Approval of Annual Procurement Report (Attachment 19-38)</u> Ms. McManus presented the Corporation’s Annual Procurement Report for the required annual review and approval. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1405</u> NOW THEREFORE BE IT RESOLVED that the Annual Procurement Report is hereby approved.</p> <p><u>Approval of Procurement Guidelines – (Attachment 19-39)</u> Ms. McManus presented the Corporation’s Procurement Guidelines for the required annual review and approval. No changes were reported from the prior year. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1406</u> NOW THEREFORE BE IT RESOLVED that the Procurement Guidelines are hereby approved without changes.</p> <p><u>Review and Approval of Property Disposal Policy – (Attachment 19-40)</u> Ms. McManus presented the Corporation’s Disposition of Property Process for the required annual review and approval. No changes were reported from the prior year. A motion was made and seconded. The following resolution passed by unanimous vote:</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Resolution No. 1407</u> NOW THEREFORE BE IT RESOLVED that the Disposition of Property Policy is hereby approved without changes.</p> <p><u>Review and Approval of Investment Policy – (Attachment 19-41)</u> Ms. McManus presented the Corporation’s Investment Guidelines for the required annual review and approval. No changes were reported from the prior year. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1408</u> NOW THEREFORE BE IT RESOLVED that the Corporation’s Investment Guidelines are hereby approved without changes.</p> <p><u>Procurement Summaries for Approval (Attachments 19-42 through 19-46)</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.</p> <p><u>Approval of Contract – New York City Audubon (Attachment 19-42)</u> Ms. McManus presented a procurement summary seeking Board approval to award a sole source contract to New York City Audubon to study biodiversity on the Jacob K. Javits Convention Center (Javits Center) green roof. The contract is for three years at an estimated cost of \$322,607 (Y1: \$106,044, Y2: \$106,361 and Y3: \$110,202). The contract term is from July 1, 2019-June 30, 2022.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1409</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to New York City Audubon to study biodiversity on the Javits Center green roof for a contract term of three years (from July 1, 2019-June 30, 2022) at an estimated cost of \$322,607, is hereby approved.</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Approval of Contract – All Seated (Attachment 19-43)</u> Ms. McManus presented a procurement summary seeking Board approval to award All Seated a contract to provide an event space diagramming and rendering solution to the Jacob K. Javits Convention Center (Javits Center). The contract is for three years at a total cost of \$40,000 (Y1: \$20,000 includes a one-time implementation fee of \$10,000, Y2: \$10,000 and Y3: \$10,000). The term of the contract is from July 1, 2019-June 30, 2022.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1410</u> NOW THEREFORE BE IT RESOLVED that the award of contract to All Seated to provide an event space diagramming and rendering solution to the Javits Center for a contract term of three years at a total cost of \$40,000 is hereby approved.</p> <p><u>Approval of Contract – Comply Corporation (Attachment 19-44)</u> Ms. McManus presented a procurement summary seeking Board approval to award Comply Corporation a contract to provide drug testing at the Jacob K. Javits Convention Center (Javits Center). The term of this agreement is for a period of three years at an estimated cost of \$12,000 (\$4,000 per year); with an option to renew for an additional two years at the Javits Center’s discretion. The contract term is from July 1,2019-June 30, 2022.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1411</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Comply Corporation to provide drug testing at the Javits Center for a three-year contract term at an estimated cost of \$12,000 (with a two-year renewal option at the Javits Center’s discretion) is hereby approved.</p> <p><u>Approval of Contract – USI Insurance Services, LLC (Attachment 19-45)</u> Ms. McManus presented a procurement summary seeking Board approval to award USI Insurance, LLC (USI) a contract to provide employee benefit broker services to the Jacob K. Javits Convention Center (Javits Center) for the administrative employees’ benefits plan and certain collective bargaining unit employees. The contract is for three years from July 1, 2019 –</p>	
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<p>III. Committee Reports (continued)</p>	<p>June 30, 2022. Ms. McManus noted that there is no cost to the contract as the fees are paid by the carriers to the broker.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1412</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to USI Insurance, LLC to provide employee benefit broker services to the Javits Center for the administrative employees’ benefits plan and certain collective bargaining unit employees for a three-year contract term is hereby approved.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Approval of Contract – HighQ Inc. (Attachment 19-46)</u> Ms. McManus presented a procurement summary seeking Board approval to award HighQ Inc., a single source contract to provide an onboarding solution for the labor hiring process at Jacob K. Javits Convention Center (Javits Center). The contract is for 3 years at a total cost of \$114,400 (Y1: \$49,800 includes a one-time implementation fee of \$17,500, Y2: \$32,300 and Y3: \$32,300). The term of the contract is July 1, 2019 – June 30, 2022.</p> <p><u>Resolution No. 1413</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to HighQ Inc. to provide an onboarding solution for the labor hiring process at the Javits Center for a three-year contract term, at a total cost of \$114,400 is hereby approved.</p> <p><u>Review of Contracts – (Attachments 19-47 through 19-57)</u> 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>	
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**III.
Committee
Reports
(continued)**

Procurement Contracts for Review – USI, Landscape and Design, Inc., EcoDomus, Inc., Garratt-Callahan Company, Ron Antonelli Photography, LLC, Joa-Lyn Enterprise, Inc., First Response Ambulance, Arch Insurance Group, Inc., Noor Associates and Distinctive Personnel, Drexel University, Card Connect, Inc., Highpoint Solutions of New York, Inc., (Attachments 19-47 through 19-57)

Vendor	# of Year	Amount/Year
USI Landscape and Design, Inc.	3	\$210,000
EcoDomus, Incorporated	2	\$215,000
Garratt-Callahan Company	2	\$23,940
Ron Antonelli Photography, LLC	2	\$30,000
Joa-Lyn Enterprise, Inc.	2	\$50,000
First Response Ambulance	5	\$343,725
Arch Insurance Group, Inc.	3	\$2,326,838
Noor Associates and Distinctive Personnel	2	\$250,000
Drexel University	2	\$250,000
Card Connect, Inc.	3	\$36,200

<p>III. Committee Reports (continued)</p>	<p>Highpoint Solutions of NY, Inc.</p>	<p>2</p>	<p>\$20,648</p>
<p>IV. Executive Session</p>	<p><u>April YTD Financials for Review (Attachment 19-58)</u> Ms. McManus presented the Board with the Financial Report for the period ending April 30, 2019. Year to date, there is a total gross revenue of \$6,022,000, against a plan of \$6,558,000. Total operating expenses YTD are \$9,759,000 against a plan of \$10,190,000. Operating surplus before depreciation was \$3,737,000 against a plan of \$3,632,000. Net surplus after depreciation and interest income was \$4,254,000 against a plan of \$4,200,000.</p> <p><u>Executive Session</u> Mr. Siciliano advised the Members and attendees that the Board would go into executive session relating to a personnel matter as proscribed by the Open Meetings Law. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1414</u> NOW THEREFORE BE IT RESOLVED that the Board will conduct an executive session pursuant to Public Officers Law §105 to discuss a personnel matter.</p> <p>All non-Members other than Mr. Siciliano and Ms. McManus left the room.</p> <p>The meeting returned to open session. Mr. Siciliano noted for the record that there was no vote taken during the executive session.</p>		
<p>V. Committee Reports (continued)</p>	<p><u>B. Human Resources Committee– Edward Kane, Committee Chairman</u> No report.</p> <p><u>C. Facilities/Operations Committee – Mark Schienberg, Committee Chairman</u> No report</p>		

<p>V. Committee Reports (continued)</p>	<p><u>D. Sales & Marketing Committee– Lee Compton, Committee Chairman – (Attachment 19-59)</u> Ms. Guerin presented a report of the Sales and Marketing Committee. There were 90 days of activity out of 91 days in the 2nd quarter of 2019 with a total of 39 events, 8 of which were new to the Center. For the 3rd Quarter, it is expected there would be 66 days of activity out of 92 days, with a total of 31 events, 3 of which are new. 4 special events, 3 public events and 24 trade events are scheduled.</p> <p><u>E. Governance Committee – Ronald Goldstock, Committee Chairman</u> Ms. Low advised the Board that the Committee had, pursuant to the Public Authorities Reform Act, completed its annual obligation to review the Corporation’s By Laws, its Mission Statement and Performance Measurements, and requested the following actions:</p> <p><u>Approval of the Corporation’s Performance Measurements for 2017 (Attachment 19-60)</u> Ms. Low presented the 2017 Performance Measurements to the Board for its approval. She explained that the Performance Measurements were approximately 14 months behind because certain key benchmarks were taken from an industry report which takes more than a full year for the vendor to generate.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1415</u> NOW THEREFORE BE IT RESOLVED that the 2017 Performance Measurements are hereby approved.</p> <p>Ms. Low also reported that the Committee determined there was no change necessary on the Corporation’s Bby Laws and Mission Statement this year.</p>	
<p>VI. Other Business</p>	<p>None</p>	
<p>VII. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 1:51 PM with the next meeting to be held on September 25, 2019.</p>	