

Approved - 6/22/20



**BOARD OF DIRECTORS MEETING
NEW YORK CONVENTION CENTER OPERATING CORP.**

655 West 34th Street
New York, NY 10001-1188

MINUTES

MEMBERS PRESENT:

Lee H. Perlman, Acting Chairman
Hugh L. Carey II
Fred W. Dixon
George Tsunis
Steven C. Koppel (Phone)
Gary Lavine (Web Ex)
Brian O'Dwyer
Mark Schienberg
Christy Ferer

ABSENT:

Henry R. Silverman, Chairman of the Board
Robert Azeke
J. Lee Compton
Ronald Goldstock
Edward P. Kane
Andrew Murstein
Joseph Spinnato

OTHERS PRESENT:

STAFF:

Alan E. Steel, President & CEO
Bradley A. Siciliano, Chief Operating Officer
Doreen Guerin, SVP Sales & Marketing
Melanie McManus, SVP & CFO
Christine McMahon, SVP, HR & Labor Solutions
Sonia Low, VP, General Counsel & Corporate Secretary
Mark Sims, SVP & CIO
Tim Gaburungyi, VP, IT Solutions
Kenneth Sanchez, SVP Facilities Management
Kenneth Dixon, VP Security & Safety Solutions
Tony Sclafani, SVP & CCO
Mike Ruberry, VP Event Solutions & Set-Up
Mariam Karim, VP Guest Experiences
Markus Szejnberg, Associate General Counsel
Shirley Coley, Legal Assistant

DATE:

March 11, 2020

Time:

1:00 p.m.

Location:

Large Conference Room

Guests/Visitors:

Robin Stout, President, NY Convention Center Development Corporation (CCDC)

<p>Call to Order</p>	<p>The meeting of the Board of Directors for the New York Convention Center Operating Corporation (CCOC) was called to order at 1:05 p.m. A quorum was present. The meeting was presided over by Lee H. Perlman as Acting Chairman.</p>	
<p>Agenda</p>	<p>Discussion</p>	
<p>I. Approval of the Minutes</p>	<p><u>Approval of the Minutes of January 29, 2020 (Attachment 20-20)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on <u>January 29, 2020</u>. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1445</u></p> <p><u>NOW THEREFORE BE IT RESOLVED</u> that the minutes of the Board of Directors meeting held on <u>January 29, 2020</u> are hereby approved.</p>	
<p>II. Corporate Matters</p>	<p>It was noted that due safety concerns arising out of the COVID-19 pandemic, board members were permitted to participate by telephone. Before proceeding further, Mr. Perlman 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. Gary Lavine noted that he is friends with a consultant for Starr, an incumbent carrier that provided a quote in the procurement summary for CCOC’s insurance policy renewal for 2020; however, Mr. Lavine indicated that he has no financial or any other interest. It was noted that Mr. Lavine had previously made that disclosure and it had been determined there was no conflict. There being no conflict identified, the meeting then proceeded.</p> <p>Mr. Perlman noted that the meeting was taking place in the context of the COVID-19 crisis and expressed his confidence that while the crisis would impact the Javits Center’s business, management was managing the</p>	

<p>Corporate Matters (continued)</p>	<p>situation well and business would recover. A general discussion ensued with the Directors regarding the impact of the crisis on the Javits Center as well as broader medical issues facing New Yorkers, such as testing and severity of the virus.</p> <p><u>President’s Report - Alan Steel (Attachment 20-21)</u> Mr. Steel presented Mr. Stout to provide an update on the expansion project. Mr. Stout reported that, from the east view, one could see that the Transformer Building was coming along and the panels are nearly complete. Also, the meeting rooms and special events level are coming along. From the northwest view, overall project completion is over 73% and overall steel progress is almost complete. Mr. Stout reported that the Atrium is completely framed out; the concrete is substantially complete, and escalators are in place. On the exposition space level 3, the super structure is up and the space is nearly complete with ceilings coming together. Meeting rooms on level 4 are also coming together with sheetrock almost done. Mr. Stout discussed progress on the pre-function space at levels 4 and 5 and the special events on level 5 which will be the ballroom space. The interior is in progress and the structure of the room is complete. Regarding the exposition space the superstructure already has the façade and current fabrication of curtain wall and metal wall panels are almost complete. Next, the interior fit-out provides that the electrical work is over 49% complete, and plumbing work is over 79% complete. Last, regarding the truck marshalling building roof, there will be a working farm and standard fruit trees. Mr. Stout reiterated that the project is on time and on budget.</p> <p><u>Executive Session</u> Ms. Low advised the Members and attendees that the Board would go into executive session relating to a public safety matter and 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. 1446</u> NOW THEREFORE BE IT RESOLVED that the Board will conduct an executive session pursuant to Public Officers Law §105 to discuss a public safety matter and a personnel matter.</p> <p>All non-Members other than Mr. Steel, Mr. Siciliano, Ms. Guerin and Ms. Low left the room during the discussion of a public safety matter.</p> <p>All non-Members other than Mr. Steel and Mr. Siciliano left the room during the discussion of a personnel matter.</p>	
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<p>III. Committee Reports</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><u>Procurement Summaries for Approval (Attachments 20-22 through 20-26)</u></p> <p>Ms. McManus presented the Board with a packet of individual procurements for approval. Mr. Perlman 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 – Business Compliance & Investigations (Attachment 20-22)</u></p> <p>Ms. McManus presented a procurement summary seeking Board approval to award a contract for security guard services at the Jacob K. Javits Convention Center (Javits Center) to Business Compliance & Investigation (BCI). The contract term is for three years (from April 1, 2020-March 31, 2023) at an estimated total cost of \$1,151,841 (\$383,947 per year) with an option to renew for two additional years at the Javits Center’s discretion.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1447</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to BCI to provide security guard services at the Javits Center for a term of three years (with a two-year renewal option) at an estimated total cost of \$1,151,841 is hereby approved.</p> <p><u>Approval of Contract – See Factor Industry, Inc. (Attachment 20-23)</u></p> <p>Ms. McManus presented a procurement summary seeking Board approval to award a contract to See Factory Industry, Inc. for the rental of rigging equipment with technical support services for the Jacob K. Javits Convention Center (Javits Center) at a total cost of \$900,000 (\$300,000/year) from April 1, 2020 – March 31, 2023.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1448</u></p>	
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<p>Committee Reports (continued)</p>	<p>NOW THEREFORE BE IT RESOLVED that the award of a contract to See Factor Industry, Inc. for the rental of rigging equipment with technical support services for the Javits Center at a total cost of \$900,000 is hereby approved.</p> <p><u>Approval of Contract – ASC Networks (Attachment 20-24)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract to ASC Networks to implement a contract management and e-procurement software solution at the Jacob K. Javits Convention Center (Javits Center) at a total cost of \$132,561 for three years with an option to renew for two additional years at the Javits Center’s discretion.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1449</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to ASC Networks to implement a contract management and e-procurement software solution at the Javits Center at a total cost of \$132,561 for three years (with a two-year renewal option) is hereby approved.</p> <p><u>Approval of Contract – USI Insurance Services LLC (Attachment 20-25)</u> Ms. McManus presented a procurement summary seeking Board approval to award general liability, terrorism and other insurance contracts through USI Insurance Services LLC for the Jacob K. Javits Convention Center (Javits Center). The contracts are for one year at an aggregate cost of \$1,489,324 for the fiscal period April 1, 2020-March 31, 2021.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1450</u> NOW THEREFORE BE IT RESOLVED that the award of general liability, terrorism and other insurance contracts through USI Insurance Services LLC for the Javits Center for one year at an aggregate cost of \$1,489,324 is hereby approved.</p> <p><u>Approval of Contract – USI Insurance Services LLC (Attachment 20-26)</u> Ms. McManus presented a procurement summary seeking Board approval to award a property insurance contract through USI Insurance Services LLC for the Jacob K. Javits Convention Center (Javits Center), including the</p>	
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<p>Committee Reports (continued)</p>	<p>transformer building and the expansion. The contract is for one year for the fiscal period April 1, 2020 to March 31, 2021.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1451</u> NOW THEREFORE BE IT RESOLVED that the award of a property insurance contract through USI Insurance Services LLC for the Javits Center for one year at a cost that will not exceed the \$0.1577 average premium rate per \$100 total insurable value that will be paid through USI Insurance Services LLC is hereby approved.</p> <p><u>Review of Procurement Summaries – (Attachments 20-27 through 20-34)</u> Ms. McManus stated that previously approved service procurement contracts that extended for more than one year were being submitted for annual Board review as required by CCOC’s procurement guidelines. The procurement summaries were included with the packet sent to the Board in advance of the meeting.</p> <p><u>Procurement Contracts for Review (Attachments 20-27 through 20-34):</u> United Steel Products, Inc., BGS Controls, Brightview Landscaping, LLC, Paul J. Scariano, Inc., EFPR Group, LLP, USI Insurance Services LLC, Daikin Applied Americas, Inc., Garratt-Callahan Company</p> <table border="1" data-bbox="373 911 1703 1328"> <thead> <tr> <th>Vendor</th> <th># of Year</th> <th>Amount/Year</th> </tr> </thead> <tbody> <tr> <td>United Steel Products, Inc.</td> <td>4/4</td> <td>\$49,976</td> </tr> <tr> <td>BGS Controls</td> <td>3/3</td> <td>\$1,250</td> </tr> <tr> <td>Brightview Landscaping, LLC</td> <td>4/4</td> <td>\$140,654</td> </tr> <tr> <td>Paul J. Scariano, Inc.</td> <td>2/2</td> <td>\$4,606,099</td> </tr> <tr> <td>EFPR Group, LLP</td> <td>2/3</td> <td>\$83,200</td> </tr> <tr> <td>USI Insurance Services, LLC</td> <td>2/3</td> <td>\$165,000</td> </tr> </tbody> </table>	Vendor	# of Year	Amount/Year	United Steel Products, Inc.	4/4	\$49,976	BGS Controls	3/3	\$1,250	Brightview Landscaping, LLC	4/4	\$140,654	Paul J. Scariano, Inc.	2/2	\$4,606,099	EFPR Group, LLP	2/3	\$83,200	USI Insurance Services, LLC	2/3	\$165,000
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Committee Reports (continued)	Daikin Applied Americas, Inc.	2/3	\$90,000
	Garratt-Callahan Company	3/3	\$23,940
<p><u>March YTD 2020 Projection financials for review (Attachment 20-35)</u> Ms. McManus presented the Board with the projected Financial Report for the period ending March 31, 2020. Anticipated total gross revenue is \$186,815,000, against a plan of \$190,217,000. Anticipated total operating expenses are \$186,120,000 against a plan of \$192,055,000. Anticipated operating surplus before depreciation is \$695,000 against a plan of \$1,838,000. Net surplus (loss) after depreciation is anticipated to be (\$4,494,000) against a plan of (\$7,489,000). Ms. McManus noted that the 2020 projection included certain event cancellations related to COVID 19, however, it would need to be revised as there were additional cancellations that came in subsequently.</p> <p><u>A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u> It was reported that the Audit and Finance Committees met jointly on February 24th regarding the internal audit program and reviewed the updated risk assessment report. No other material items were reported.</p> <p><u>Approval of the Fiscal Year 2021 Budget and Operating Plan – (Attachment 20-36)</u> Ms. McManus presented the Board Members with the Fiscal Year 2021 budget and operating plan for their review and approval. A high-level overview of the budget projects approximately \$190,217,000 in operating revenue, and \$192,055,000 in operating expenses resulting in an operating net loss of (\$1,838,000). After depreciation of \$6,790,000 and interest expense of \$272,000, the planned net loss is (\$2,995,000). Ms. McManus noted that there are certain operating costs associated with the Expansion that are included in the budget prior to the availability of the new event space and associated revenue. Ms. McManus noted that the 2021 operating plan was prepared prior to the issue of COVID 19 and therefore would have to be revised as we learn the extent of the impact on the event cancellations and postponements.</p> <p><u>Resolution No. 1452</u> NOW THEREFORE BE IT RESOLVED that the Fiscal Year 2021 Budget and Operating Plan are hereby approved.</p> <p><u>B. Human Resources/EEO – Edward Kane, Committee Chairman</u> No Report.</p>			

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Committee Reports (continued)	<u>C. Facilities –Mark Schienberg, Committee Chairwoman</u> No Report. <u>D. Sales & Marketing – Lee Compton, Committee Chairman</u> No Report due to adjournment of meeting. <u>E. Governance - Ronald Goldstock, Committee Chairman</u> No Report.	
IV. Other Business	None	
V. Adjournment	Mr. Perlman suspended the remaining items and adjourned the Board meeting. By motion and agreement, the meeting was adjourned at 2:10p.m. with the next meeting to be held on June 22, 2020.	