

Approved - 11/18/20



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

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

MINUTES

MEMBERS PRESENT:

Henry Silverman, Chairman
Hugh L. Carey II
Fred W. Dixon
Christine Ferer
Ronald Goldstock
Edward P. Kane
Steven C. Koppel
Gary Lavine
Andrew Murstein
Brian O'Dwyer
Lee H. Perlman
Mark Schienberg

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
Kareem Salvant, Event Logistics & Facilities Support Manager
Shirley Coley, Legal Assistant

DATE:

September 30, 2020

Time:

1:00 p.m.

Location:

Audio/Video Webex

ABSENT:

Robert Azeke
George Tsunis
Joseph Spinnato

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 1:00 p.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman. In light of safety concerns related to the COVID-19 outbreak, the meeting was conducted via WebEx rather than in person as authorized by Executive Order 202.1 and any extension thereof, suspending the Open Meetings Law requirements.</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 June 22, 2020 (Attachment 20-59)</u></p> <p>A motion was made and seconded to approve the minutes of the Board of Directors meeting held on <u>June 22, 2020</u>. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1464</u> NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on <u>June 22, 2020</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 at this time, the meeting proceeded.</p> <p><u>President’s Report - Alan Steel (Attachment 20-60)</u></p> <p>Mr. Stout provided a status update to the Board regarding the expansion project. Mr. Stout noted that more than 81% of the project was completed as of the end of August. From the northwest view, the cladding, steelwork and excavations are nearly finished. The view north of the atrium from 11th Avenue shows the completion of steel installation for the skylight and metal wall panels being installed in the atrium. Mr. Stout also reported on the ongoing progress of the exposition space and meeting rooms construction. The pre-function space and spine as well as the special events space, including interior plumbing and electrical areas, are progressing as well. Mr. Stout reported that more than 700 workers are socially distanced and working in the interior fit-out area and that the roofing membrane is more than 75% complete with installation of the metal panels for the enclosure close to</p>	

<p>Corporate Matters (Continued)</p>	<p>completion. Mr. Stout also provided an update on the pavilion which is 90% complete after steel installation began in July, and on the greenhouse structure, which was delivered to the site in September and has begun assembly which can be seen on the east side of the roof. Mr. Stout confirmed that construction is still on target for completion by next spring.</p> <p>Mr. Steel reported on the current status at the Javits Center. While there have been no traditional events since March 10th, there have been limited events such as the NEST Summit and Climate Week Conference, which broadcast from the new studio space on Level 1. The Javits Center also hosted the Board of Elections for a month for poll training, and HBO recently completed a film shoot of “The Flight Attendant”.</p> <p>Mr. Steel informed the Board that the Javits New York Medical Station was still intact with 1000 patient units mothballed in place. Hall 1A is operative as a warehouse for emergency supplies and there is no timetable to remove the patient care units. Mr. Steel also informed the Board that the Javits Center received \$26 million in reimbursement from OSC for buildout of the temporary medical station and related costs. Mr. Steel next discussed reopening with the exhibit hall occupancy at 10% and in hopes of progressing towards the use of the halls at 50% capacity. In connection with business operations, Mr. Steel reported that compensation remains at 80% of salary with approximately 50% of the staff currently furloughed. There is optional on-site work for the administrative staff and there are ongoing discussions with the unions regarding contract modifications related to the COVID-19 crisis. Mr. Steel stated that management participates in daily executive staff meetings as well as on site meetings from time to time. He also stated that management had held a town hall meeting with staff which was broadcast from the broadcast studio, and is sending daily status updates to the staff to keep them informed. Mr. Steel advised the board of a potential cyber attack at the Javits Center and reported that an assessment of the cause and impact of the attack was underway. Management has also engaged the internal auditing firm, the Bonadio Group, to review and recommend next steps. Mr. Steel also noted that the COVID-19 impact on the Food & Beverage P&L vendor is significant and management was reviewing the contract with the vendor to see if there are ways to mitigate the COVID-19 impact on the F&B operations going forward.</p> <p>Mr. Steel next presented on the sanitization progress which includes completion of Levels 1, 2 and 4 as well as the Crystal Palace. He also informed the Board that the Javits Center has achieved Global Biorisk Advisory Council (GBAC) Star Facility Accreditation which is the gold standard of safe facilities and showcases the Javits Center as an example of its commitment to ensuring a clean, safe and healthy environment.</p> <p>Mr. Steel reported that the Javits Center continues to work on major capital projects, including the upgrade on Mechanical Equipment Rooms (MERs) where equipment and labor for MERs 1 and 2 are funded by CCDC but</p>	
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<p>Corporate Matters (Continued)</p>	<p>MER 3 will require additional funding. On the perimeter security project, the Javits Center is making significant progress working on completing the bollards installation. On the Fire Alarm & Life Safety Systems project, work continues on upgrading the system in the existing facility to match it to the expansion site and current applicable building codes. In connection with the solar project, certain management team members met with Lieutenant Governor Kathy Hochul and NYPA CEO Gil Quinones for a tour of the expansion project and rooftop solar project and received positive feedback. This project will provide for the largest rooftop solar array in Manhattan.</p> <p>Mr. Silverman raised the question of availability of hotel unit fees and there was a general discussion on hotel occupancy which is currently at 20% to 40% in New York City. The Board also held a general discussion on the changes in the industry upon reopening and the current business model as well as an overview of the next eighteen months at the Javits Center. Management reported that the sales team has been in daily contact with all show managers and event organizers to discuss upcoming shows. In New York, shows can cater to a more regional and local audience as opposed to shows in some other cities, for example, where attendees have to travel by plane. Moreover, the continuing low level of infection rate in New York is a positive factor for the Center’s customers while other states are experiencing a higher number of cases.</p> <p><u>Procurement Summaries for Approval (Attachments 20-61 through 20-64)</u></p> <p>Ms. McManus presented the Board with a packet of individual procurements for approval. Mr. Silverman 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>Ms. Low advised the Members that Mr. Koppel was recusing himself from voting on the procurement for Card Connect as the law firm where he works may potentially represent Card Connect’s parent company as a client.</p> <p><u>Approval of Contract – Card Connect, Inc. (Attachment 20-61)</u></p> <p>Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to Card Connect, Inc. (Card Connect) to provide Oracle CPQ and EBS to ipayments credit card integration at the Jacob K. Javits Convention Center (Javits Center). The contract is for a period of three years with an optional two-year renewal at the Javits Center discretion at a cost of \$109,851. The cost includes the following charges: hosting, services and maintenance - \$29,892 per year (3 Years), software license - \$5,600 per year (3 years), devices \$800 per year (3 years), and device setup - \$975 (one-time fee). The term of the contract is October 1, 2020 – September 30, 2023.</p>	
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<p>III. Committee Reports</p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1465</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Card Connect, Inc. to provide Oracle CPQ and EBS to ipayments credit card integration at the Javits Center for a period of three years with an optional two-year renewal at a cost of \$109,851 for the contract term of October 1, 2020 – September 30, 2023 is hereby approved.</p> <p><u>Approval of Contract – Application Software Technology Corporation (AST). (Attachment 20-62)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to Application Software Technology Corporation (AST) to provide Oracle EBS hosting and support services at the Jacob K. Javits Convention Center (Javits Center). The contract is for a period of three years at a cost of \$847,224 (\$231,648 Year 1, \$303,240 Year 2, \$312,336 Year 3). The term of the contract is October 1, 2020 – September 30, 2023. The cost is for functional and technical support of work associated with infrastructure hosting and application support and maintenance for the following environments: Oracle EBS, Oracle CPQ, Oracle Smart View, Oracle OBIE & Salesforce.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1466</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to AST to provide Oracle EBS hosting and support services at the Javits Center for a period of three years at a cost of \$847,224 for the contract term of October 1, 2020 – September 30, 2023 is hereby approved.</p> <p><u>Approval of Contract – Siemens Building Technologies, Inc. (Attachment 20-63)</u> Ms. McManus presented a procurement summary seeking Board approval for an extension on a sole source contract that had been awarded to Siemens Building Technologies, Inc. (Siemens) to provide technical support for the Fire Safety Systems at the Jacob Javits Convention Center (Javits Center) for a period of nine months at a cost of \$139,236 beginning September 1, 2020 – May 31, 2021. An extension is necessary while a new life safety system is being designed to bring the existing building up to current code and align with the requirements of the expansion.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p>	
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<p>Committee Reports (Continued)</p>	<p><u>Resolution No. 1467</u> NOW THEREFORE BE IT RESOLVED that the Board approval for an extension on a sole source contract to Siemens to provide technical support for the Fire Safety Systems at the Javits Center for a period of nine months at a cost of \$139,236, beginning September 1, 2020 – May 31, 2021 is hereby approved.</p> <p><u>Approval of Contract – Arch Indemnity Insurance Company (Attachment 20-64)</u> Ms. McManus presented a procurement summary to obtain Board approval to award a worker’s compensation insurance contract to Arch Indemnity Insurance Company (Arch) at the Jacob K. Javits Convention Center (Javits Center) beginning October 1, 2020 through September 30, 2021. The contract is for a period of one year with a cost of \$534,286.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1468</u> NOW THEREFORE BE IT RESOLVED that the Board approval to award a worker’s compensation insurance contract to Arch at the Javits Center for a term of one year at the cost of \$534,286 beginning October 1, 2020 through September 30, 2021 is hereby approved.</p> <p><u>Review of Procurement Summaries – (Attachments 20-65 through 20-74)</u></p> <p>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 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:</u> Convergent Technologies, DiDomenico & Partners, LLP, United Rentals, Inc., Delta Dental of NY Inc., New York Power Authority, A&L Cesspool & Recycling, The Bonadio Group, USI Landscape and Design, Inc., DiDomenico & Partners, LLP, NetX Information Systems, Inc. & Veritas (Attachments 20-65 through 20-74)</p> <table border="1" data-bbox="373 1247 1705 1354"> <thead> <tr> <th>Vendor</th> <th># of Years</th> <th>Review Period Amount/Year</th> </tr> </thead> <tbody> <tr> <td>Convergent Technologies</td> <td>3</td> <td>\$33,000/2</td> </tr> <tr> <td>DiDomenico & Partner, LLP</td> <td>1 1/2</td> <td>\$133,000/1</td> </tr> </tbody> </table>	Vendor	# of Years	Review Period Amount/Year	Convergent Technologies	3	\$33,000/2	DiDomenico & Partner, LLP	1 1/2	\$133,000/1	
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Convergent Technologies	3	\$33,000/2									
DiDomenico & Partner, LLP	1 1/2	\$133,000/1									

Committee Reports (Continued)	United Rentals (North America), Inc.	3	\$185,000/2
	Delta Dental of New York, Inc.	2	\$145,464/2
	New York Power Authority	5	\$6,000,000/4
	A & L Cesspool & Recycling	4	\$34,560/4
	The Bonadio Group	3	\$120,000/2
	Doshi Group (formerly USI Landscape and Design, Inc.)	4	\$210,000/4
	DiDomenico & Partners, LLP	1 1/2	\$188,285/1
	NetX Information Systems, Inc. & Veritas	5	\$51,837
<p>Ms. McManus presented the Members with an updated chart showing the COVID-19 impact on revenues for both FY20 and FY21 events. The revenue impact for cancellations for FY20 and FY21 is a loss of approximately \$198M in revenue, of which, \$188M is 100% of the FY21 budgeted event revenue.</p> <p>She also provided a brief status update on the Javits New York Medical Station billing. Total billings related to the Medical Station currently amount to \$44.8 million, of which approximately \$38.2 million has been paid by the Army Core of Engineers (Phase 2 & 3 Build Out \$11.8 million) and OGS (Warehouse and Logistics \$432,000, Phase I Build Out, Command Center and Patient Meals and Maintenance \$26.4 million).</p> <p><u>Financial Update (Attachment 20-75)</u></p> <p>Ms. McManus presented the Board with the Financial Report for the period ending August 31, 2020. Year to date, there is a total gross revenue of \$44,959,126. Total operating expenses YTD are \$(29,076,798). Operating surplus before depreciation was \$15,882,328. Net Surplus after depreciation and interest was \$13,494,398. Current best case forecast for FY21 is an operating loss before depreciation of \$(29,285,388) and net loss of \$(33,555,110). Worst case forecast for FY21 is an operating loss before depreciation of \$(22,171,398) and a net loss of \$(28,829,050). The difference represents the current and projected temporary hospital maintenance billing to the State which collectability remains uncertain.</p>			

<p>Committee Reports (Continued)</p>	<p>The current cash forecast anticipates positive cash through April 2021 based on the recent funds received from the State.</p> <p><u>A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u></p> <p>No report.</p> <p><u>B. Human Resources/EEO – Hugh L. Carey, II, Committee Chairman</u></p> <p><u>Executive Session</u> Ms. Low 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. 1469</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 and Mr. Siciliano left the room during the discussion of a personnel matter.</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>C. Facilities – Mark Schienberg, Committee Chairman</u></p> <p>No report.</p> <p><u>D. Sales & Marketing – Edward P. Kane, Committee Chairman (Attachment 20-76)</u> Ms. Guerin reported on behalf of the Sales & Marketing Committee. She discussed the development of the Javits Broadcast Studio and a turnkey package of required services that could work with any platform. She also reported that the sales team and management have hosted a number of site tours with various groups from corporate sponsors to meeting planners to not-for-profit organizations, and all provided positive feedback. There were weeklong presentations during the NEST Summit and Climate Week Conference broadcast from the new studio space.</p>	
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Committee Reports (Continued)	<p>Ms. Guerin also informed us that they are working on additional events in October. Mr. Sclafani was instructed to circulate a link to the Members showcasing the Broadcast Studio. Ms. Guerin also presented a forecast of 2021 events based upon conversations with Javits Center’s customers and potential decreases in the number of exhibits and square footage in licensing of space. Based upon these conversations, the sales team is continuing to work on getting license agreements executed as customers and Javits Center feel confident and prepared to reopen and host shows.</p> <p><u>E. Governance - Ronald Goldstock, Committee Chairman</u> No report.</p>	
IV. Other Business	None	
V. Adjournment	By motion and agreement, the meeting was adjourned at 2:03 PM with the next meeting to be held on November 18, 2020.	