

Approved - 1/27/21



**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
Robert Azeke
Hugh L. Carey II
Fred Dixon
Christine Ferer
Ronald Goldstock
Edward Kane
Steven C. Kopppe
Gary Lavine
Andrew Murstein
Brian O'Dwyer
Lee H. Perlman
Mark Scheinberg

OTHERS PRESENT:

STAFF:

Alan E. Steel, President & CEO
Bradley A. Siciliano, Chief Operating Officer
Doreen Guerin, SVP Sales & Marketing
Melanie McManus, SVP & CFO
Christine McMahan, 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
Kareem Salvant, Event Logistics & Facilities Support Manager
Shirley Coley, Legal Assistant

DATE: November 18, 2020
Time: 1:00 p.m.
Location: Audio/Video Webex

ABSENT:

Joseph Spinnato
George Tsunis

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 September 30, 2020 (Attachment 20-77)</u></p> <p>A motion was made and seconded to approve the minutes of the Board of Directors meeting held on <u>September 30, 2020</u>. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1470</u> NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on <u>September 30, 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 20-78)</u></p> <p>Mr. Stout presented to the Board a current overview of the expansion project and showed slides of the views from the east and the northwest. Mr. Stout noted that more than 86% of the project was completed as of the end of October. From the east view, one can see the Transformer Building which is fully functional with powered generators ready to go. From the northwest view, the steel work, excavations and foundations for the project are 99% complete, and the interior and exterior will be finished in the next few months. The view of the Atrium from 11th Avenue shows the near completion of the curtain wall installation at the south façade which began in</p>	



<p>Corporate Matters (Continued)</p>	<p>early August. Mr. Stout also gave an update on the exposition space and meeting rooms construction which continues to progress well. The special events space, interior fit-out, including HVAC, electrical and plumbing work, and the pre-function roof are coming together nicely. The work on the 40th Street enclosure is almost completed with the Truck Marshalling Building being one of the first components to be finished; installation of the curtain wall of the enclosure is 82% complete. The pavilion steel installation and the greenhouse assembly also continue to progress well. Mr. Stout confirmed that the expansion project is expected to be on budget.</p> <p>Mr. Steel reported that the executive team toured the expansion site yesterday and saw much progress with the building construction. He invited board members to come on a tour before the next board meeting in January. Mr. Steel then presented on the current status at the Javits Center. The event calendar continues to move towards late second quarter and third quarter of 2021 for events to take place, and some recent cancellations for 2021 include the NY International Boat Show and the International Conference of Shopping Centers. Event organizers are beginning to see more customer confidence later in 2021 as competition for dates in the third and fourth quarters is significant. Negotiations with organizers have become more frequent due to concerns about future infectious disease outbreaks but the sales team has been working with customers to book events for 2022 and beyond, particularly in the expansion facilities and rooftop. Some larger events will take time to return because they are looking for outdoor venues. Mr. Steel also reported on the first hybrid event held in early November at Javits Center with a virtual broadcast and physical attendees. There were also poll worker training and dispatch events with the Board of Elections, all of which were successfully held at the Javits Center in November.</p> <p>Mr. Steel informed the Board that the Javits Center is working closely with NYCCDC on construction related issues and purchases involving furniture, fixtures and equipment for the expansion. He also reported that a short term lease of the Marshalling Yard has been entered into with Related for employee parking, and Macy’s worked with the Javits Center to provide COVID testing at the Center prior to the Thanksgiving Day Parade. The status of the medical station and storage facility remains unchanged. The Javits Center has also received requests from DOH for building improvements to meet potential medical station needs but are unfunded. The Javits Center does not anticipate moving forward with those requests until funding sources are established. In addition, a further 30 employees were furloughed on October 15th.</p> <p>Mr. Steel provided a status update on the reopening plan. Current guidance for meetings, events and other gatherings remains as reported in September. Attendance is limited to no more than 50 participants per event. There are ongoing discussions with the Governor’s Office regarding reopening with greater capacity and Javits Center is seeking approval for events with current occupancy of 10% to 20%. The State continues to focus on safety and encourages limiting the amount of time spent at indoor gatherings of any size.</p>	
---	---	--

<p>Corporate Matters (Continued)</p>	<p>Mr. Steel also discussed the 2020 strategic plan that management had put together earlier in the year which has been impacted by the COVID-19 crisis. As a result, the executive team met on October 22nd to work on an interim strategic plan regarding reopening and expansion related requirements. Each department identified a list of interim strategic initiatives with action plans to be finalized by late December for internal review. Completed strategic road maps will be presented at the January 2021 Board Meeting.</p> <p>Mr. Steel next reported on the progress of 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 labor for MER 3 is not yet funded. On the Fire Alarm & Life Safety Systems project, the work continues on upgrading the fire alarm and life safety systems in the existing building to satisfy current applicable building codes and to ensure compatibility with the new life safety systems in the expansion project. Installation of the fire alarm system is 85% completed, and there is an agreement with the Governor’s office representatives to continue the fire alarm installation in Level 3 halls while Javits Center is still occupied as a medical station in order to meet the project deadline. On the perimeter security project, bollards are going to be installed today, and the project is expected to be completed by end of first quarter 2021.</p> <p>Mr. Steel informed the Board that the annual report will be released this month and highlights include participation in the construction of a COVID-19 hospital and operation, construction of a broadcast studio to generate awareness and new revenue and the installation of a rooftop solar array. The final version of the annual report will be sent to the Board shortly.</p> <p><u>Procurement Summaries for Approval (Attachments 20-79 through 20-80)</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><u>Approval of Contract – MTS Integratrak, Inc. (Attachment 20-79)</u></p> <p>Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to MTS Integratrak, Inc. (MTS) to provide hosted call accounting services at the Jacob K. Javits Convention Center (Javits Center). The contract is for a period of three years at a cost of \$29,700 (\$9,900 per year). The term of the contract is October 1, 2020 – September 30, 2023.</p>	
---	---	--

<p>III. Committee Reports</p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1471</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to MTS to provide hosted call accounting services at the Javits Center for a contract period of three years at a cost of \$29,700 (\$9,900 per year) for the contract term of October 1, 2020 – September 30, 2023 is hereby approved.</p> <p><u>Approval of Contract – Applications Software Technology, LLC (Attachment 20-80)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to Application Software Technology, LLC (AST) for the Oracle Configure, Price, Quote (CPQ) enhancement to include ordering capabilities for the expansion space (order entry, billing, tracking, and fulfillment) at the Jacob K. Javits Convention Center (Javits Center). The term of the contract is December 15, 2020 - April 14, 2021. The contract cost is \$214,020.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1472</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to AST for Oracle Configure, Price, Quote (CPQ) enhancement to include ordering capabilities for the expansion space (order entry, billing, tracking, and fulfillment) at the Javits Center at the contract term of December 15, 2020 - April 14, 2021 at the contract cost of \$214,020 is hereby approved.</p> <p><u>Review of Procurement Summaries – (Attachments 20-81 through 20-90)</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> Application Software Technology, LLC, Scientific Fire Prevention, R&R Scaffolding, Ltd., Recycle Track Systems, Inc., New York Green Roofs, LLC, Delta Dental of New York, Inc., Panel of 12 Law Firms, Ecolab, Inc., SunLife Financial Group, Aetna (Attachments 20-81 through 20-90)</p>	
--	---	--

Committee Reports (Continued)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Vendor</th> <th style="width: 17%;"># of Years</th> <th style="width: 50%;">Review Period Amount/Year</th> </tr> </thead> <tbody> <tr> <td>Application Software Technology, LLC</td> <td style="text-align: center;">5</td> <td style="text-align: right;">\$25,400/3</td> </tr> <tr> <td>Scientific Fire Prevention</td> <td style="text-align: center;">3</td> <td style="text-align: right;">\$50,624/3</td> </tr> <tr> <td>R&R Scaffolding, Ltd</td> <td style="text-align: center;">3</td> <td style="text-align: right;">\$19,760/3</td> </tr> <tr> <td>Recycle Track Systems, Inc.</td> <td style="text-align: center;">3</td> <td style="text-align: right;">\$700,000/2</td> </tr> <tr> <td>New York Green Roofs, LLC</td> <td style="text-align: center;">3</td> <td style="text-align: right;">\$90,000/2</td> </tr> <tr> <td>Delta Dental of New York, Inc.</td> <td style="text-align: center;">2</td> <td style="text-align: right;">\$145,464/2</td> </tr> <tr> <td>Panel of 12 Law Firms</td> <td style="text-align: center;">3</td> <td style="text-align: right;">\$400,000/2</td> </tr> <tr> <td>Ecolab, Inc.</td> <td style="text-align: center;">3</td> <td style="text-align: right;">\$82,819/2</td> </tr> <tr> <td>SunLife Financial Group</td> <td style="text-align: center;">2</td> <td style="text-align: right;">\$147,531/2</td> </tr> <tr> <td>Aetna</td> <td style="text-align: center;">3</td> <td style="text-align: right;">\$4,058/2</td> </tr> </tbody> </table>			Vendor	# of Years	Review Period Amount/Year	Application Software Technology, LLC	5	\$25,400/3	Scientific Fire Prevention	3	\$50,624/3	R&R Scaffolding, Ltd	3	\$19,760/3	Recycle Track Systems, Inc.	3	\$700,000/2	New York Green Roofs, LLC	3	\$90,000/2	Delta Dental of New York, Inc.	2	\$145,464/2	Panel of 12 Law Firms	3	\$400,000/2	Ecolab, Inc.	3	\$82,819/2	SunLife Financial Group	2	\$147,531/2	Aetna	3	\$4,058/2
	Vendor	# of Years	Review Period Amount/Year																																	
	Application Software Technology, LLC	5	\$25,400/3																																	
	Scientific Fire Prevention	3	\$50,624/3																																	
	R&R Scaffolding, Ltd	3	\$19,760/3																																	
	Recycle Track Systems, Inc.	3	\$700,000/2																																	
	New York Green Roofs, LLC	3	\$90,000/2																																	
	Delta Dental of New York, Inc.	2	\$145,464/2																																	
	Panel of 12 Law Firms	3	\$400,000/2																																	
	Ecolab, Inc.	3	\$82,819/2																																	
	SunLife Financial Group	2	\$147,531/2																																	
	Aetna	3	\$4,058/2																																	
	<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 \$45.6 million, of which approximately \$39.6 million has been paid or approved to be paid.</p> <p><u>Financial Update (Attachment 20-91)</u></p> <p>Ms. McManus presented the Board with the Financial Report for the period ending September 30, 2020. Year to date, there is a total gross revenue of \$46,219,165. Total operating expenses YTD are \$(32,714,149). Operating surplus before depreciation was \$13,505,017. Net Surplus after depreciation and interest was \$10,638,604.</p>																																			

<p>Committee Reports (Continued)</p>	<p>Current best case forecast for FY21 is an operating loss before depreciation of \$(11,470,949) and net loss of \$(18,009,645).</p> <p>Worst case forecast for FY21 is an operating loss before depreciation of \$(20,551,502) and a net loss of \$(27,090,199). The difference represents the current and projected temporary hospital maintenance billing to the State which collectability remains uncertain.</p> <p>The current cash forecast is updated as of November 2020 and anticipates positive cash through April 2021 based on the recent funds received from the State although we will see an increase in expenses.</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> 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. 1473</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. 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>Committee Reports (Continued)</p>	<p><u>C. Facilities – Mark Schienberg, Committee Chairman</u> No report.</p> <p><u>D. Sales & Marketing – Edward P. Kane, Committee Chairman (Attachment 20-92)</u> Ms. Guerin reported on behalf of the Sales & Marketing Committee. She discussed hosting Javits Center’s first live hybrid event for Grants Financial in the broadcast studio. This event was an all-day program that included a continental breakfast, lunch and a networking cocktail featuring a combination of 50 in-person attendees and 600 virtual participants worldwide. Ms. Guerin stated that in-person and virtual attendees provided rave reviews and Grants Financial rebooked already for next year’s conference which is usually held at the Plaza Hotel. Ms. Guerin also presented the event cancellation calendar and the event calendar forecast for 2021. She informed the Board that the first quarter is quiet while the second quarter appears to pick up momentum. She also stated that the sales team continues to work on negotiating agreements, but the challenge is receiving commitment from customers on dates for events. The Lightfair event which was originally scheduled in May is now moved to October 2021. Interpex has moved from May to October as well. There has been an increase in requests for dates in the third and fourth quarters. Javits Center has picked up 5 new events, including the Home Design Show and The Armory Show.</p> <p><u>E. Governance - Ronald Goldstock, Committee Chairman</u> No report.</p>	
<p>IV. Other Business</p>	<p>None</p>	
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 1:48 p.m. with the next meeting to be held on January 27, 2021.</p>	