

APPROVED 1/17/2024

**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:**

Lee H. Perlman, Chairman  
Hugh L. Carey II  
Quenia Abreu  
Joseph F. Chan  
Fred Dixon  
Christine Ferer  
Ronald Goldstock  
Steven C. Koppel  
Gary Lavine  
Andrew Murstein – Webex  
Joseph Spinnato

**ABSENT:**

Richard N. Gottfried  
Brian O’Dwyer

**OTHERS PRESENT:**

**STAFF:**

Alan E. Steel, CEO  
Bradley A. Siciliano, President  
Doreen Guerin, SVP, Sales & Marketing  
Mark S. Sims, SVP & CFO  
Christine McMahon, SVP, Labor Relations and Show Operations  
Sonia Low, VP, General Counsel and Corporate Secretary  
Timothy Gaburungyi, SVP & CIO  
Kenneth Dixon, SVP, Security & Safety Solutions  
Kenneth Sanchez, SVP, Facilities & Operations Management  
Shane Beardsley, VP, Communications & Guest Experiences

**GUESTS/VISITORS:**

None

**DATE:**

**November 15, 2023**

**Time:**

**1:00 p.m.**

**Location:**

**Large Conference Room  
and Audio/Video Webex**

<p><b>Call to Order</b></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 Lee H. Perlman, Chairman.</p>
<p><b>Agenda</b></p>	<p><b>Discussion</b></p>
<p><b>I. Introduction by the Chairman</b></p>	<p><b><u>Approval of the Minutes of October 4, 2023 (Attachment 23-92)</u></b>                  A motion was made and seconded to approve the minutes of the Board of Directors meeting held on October 4, 2023. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1615</u></b>  <b>NOW THEREFORE BE IT RESOLVED</b> that the minutes of the Board of Directors meeting held on October 4, 2023, are hereby approved.</p> <p>Before proceeding further, Mr. Perlman 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 Member having indicated such a potential conflict, the meeting proceeded.</p>
<p><b>II. Corporate Matters</b></p>	<p><b><u>CEO's Report (Attachment 23-93)</u></b></p> <p>Mr. Steel presented the Members a list of events which were recently held at the Javits Center, noting which were new to the Center.</p> <p>As part of its standard practice of ensuring the Center is a safe location, Mr. Steel described some recent options which had been reviewed by management. They included enhanced magnetometer screening, explosive detection canine units and software and video analytic products. All security options are reviewed with an eye towards the practical value of the option, the cost and the basic function of events at the Center.</p> <p>Mr. Steel and Mr. Sims provided a brief status update on the current projects, Enterprise Resource Planning (ERP—financial and customer portal system) and Workforce Management (WFM—timekeeping, scheduling and payroll system), which were previously presented to the Audit and Finance Committees. Kickoff for ERP is planned for December 2023 and kickoff for WFM is planned for January 2024. The Finance team will provide a draft project timeline at the next Audit and Finance Committee meeting and ensure that the project is consistent with the goals that have been set so that the implementation is successful.</p>

<p><b>II. Corporate Matters (continued)</b></p>	<p>Mr. Steel next discussed the topic of a Tourism Investment District (TID). NYC Tourism and Conventions (NYCTC) is proposing to change its funding mechanism to a TID and create a fund which would help support operations and attract event business for NYC. The Javits Center is discussing this topic with NYCTC and how best to support both the Center and NYCTC. NYCTC has been funded by a city government contract for years and funding has remained flat for many years. Other cities have this kind of program, putting New York at a disadvantage when competing for business. Management believes it would benefit from some form of TID and is supportive of NYCTC efforts. There was a general discussion held about the room occupancy tax and hotel unit fees which are specifically designated to the Javits Center.</p> <p>The Javits Center has been meeting with management from a variety of other convention centers to discuss its sustainability program as well as other programs implemented at the Center. Mr. Steel stated that these are not exactly competitors of the Javits Center, and there is a benefit financially to the Javits Center. For example, the Center has a financial interest in the sale of the building intelligence system logistics system to other convention centers and these meetings are an opportunity to highlight its use at the Center. There are also presentations that were made involving the AIPC/CCC Academy and Economic Symposium on Sustainable Building.</p> <p>On the topic of congestion pricing, Mr. Steel reported that the Manhattan congestion pricing zone will apply to all vehicles on roads at and below 60<sup>th</sup> Street, except for major highways. Congestion pricing will aim to discourage nonessential vehicles from coming into Manhattan, and the Javits Center anticipates that this will result in significant charges to customers and employees which, in turn, will impact Javits Center’s business. The Javits Center is currently in discussions with contractors to consider the impact and to plan for implementation. Congestion pricing is planned to commence in May 2024. The Javits Center will present a more detailed report in January. Mr. Steel noted that a number of organizations have applied for a waiver or an exception although they have been told that there are none at this time. There was a general discussion by the Members on this topic.</p> <p>Mr. Steel next spoke about sustainability in action. He stated that the Waste Not 2.0 program categorizes waste, tracks composting volume (since June 2023, we have already composted 2.7 tons), and tracks food donations (2.5 tons since June 2023). Food donations were made to the House of Goods, a local food rescue vendor, and to Agape Food Rescue which has served over four thousand meals from food donated by the Javits Center. Mr. Steel also noted that there are three new species of birds spotted - the fox sparrow, winter wren and field sparrow.</p> <p>Mr. Steel updated the Members on recent media coverage which included the following:</p> <ul style="list-style-type: none"><li>• A New York Times article on NY Comic Con Lost &amp; Found and Javits Center Security</li><li>• Siemens campaign highlighting Javits Center</li><li>• RTS promotion for recycling at Javits Center during NY Comic Con</li><li>• Gothamist column on the Javits Center’s 8 acres of green roof</li></ul>
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<p><b>II. Corporate Matters (continued)</b></p>	<ul style="list-style-type: none"> <li>• Washington Post article on Toy Fair donations</li> </ul> <p>Mr. Steel also mentioned the Employee Service Awards ceremony that took place last week. This annual awards ceremony recognizes the service of longstanding employees of the Javits Center. 82 employees were honored at the luncheon--27 employees with 25 years of service, six employees with 30 years of service and two employees with 35 years of service. A video presentation of the awards ceremony followed.</p> <p><b><u>A. Audit &amp; Finance Committees – Ronald Goldstock and Gary Lavine, Committee Chairmen</u></b></p> <p>It was reported that the Audit and Finance Committees met immediately prior to the Board Meeting today in person, and on November 2, 2023 via telephone. Mr. Sims introduced a series of items for the Members’ consideration.</p> <p><b><u>Financial Report</u></b></p> <p><b><u>Procurement Summaries for Approval (Attachments 23-94 through 23-96)</u></b></p> <p>Mr. Sims presented the Board Members with procurements for approval. The Chairman advised the Members that by voting to approve the listed procurements, the Members 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><b><u>Approval of Contract – ASCO Power Services Inc. (Attachment 23-94)</u></b></p> <p>Mr. Sims presented a procurement summary seeking Board approval to award a sole source contract to ASCO Power Services Inc. (ASCO) to provide emergency power equipment annual maintenance at the Jacob K. Javits Convention Center (Javits Center) Transformer building. The contract is for 5 years at a total cost of \$123,350 (Year 1-3: \$23,940, Year 4: \$25,137, and Year 5: \$26,393). The term of the contract is December 1, 2023 – November 30, 2028. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1616</u></b></p> <p><b>NOW THEREFORE BE IT RESOLVED</b> that the award of a sole source procurement to ASCO Power Services Inc. to provide emergency power equipment annual maintenance at the Jacob K. Javits Convention Center (Javits Center) Transformer building for 5 years at a total cost of \$123,350 with the term of the contract from December 1, 2023 – November 30, 2028, is hereby approved.</p> <p><b><u>Approval of Contract – Business Compliance, Inc. (Attachment 23-95)</u></b></p> <p>Mr. Sims presented a procurement summary seeking Board approval to award a contract to Business Compliance, Inc. (BCI) to provide background checks at the Jacob K. Javits Convention Center (Javits Center). The term of the contract is for a period of 3 years at a total cost of \$682,500 (\$227,500 per year). The contract term is from December 1, 2023 – November</p>
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**III.  
Committee  
Reports**

31, 2026, with an optional 2-year renewal at the Javits Center’s discretion. A motion was made and seconded. The following resolution passed by unanimous vote:

**Resolution No. 1617 NOW THEREFORE BE IT RESOLVED** that the award to Business Compliance, Inc. to provide background checks at the Jacob K. Javits Convention Center at a total cost of \$682,500 (\$227,500 per year) for a period of 3 years from December 1, 2023 – November 31, 2026, with an optional 2-year renewal at the Javits Center’s discretion, is hereby approved.

**Approval of Contract – A & F Electrical Testing, Inc. (Attachment 23-96)**

Mr. Sims presented a procurement summary seeking Board approval to award a sole source contract to A&F Electrical Testing, Inc. (A&F) to provide electrical maintenance testing services at the North expansion building of the Jacob K. Javits Convention Center (Javits Center). The contract is for a period of 1 year at a cost of \$476,085. The contract period is from December 1, 2023 – November 30, 2024. A motion was made and seconded. The following resolution passed by unanimous vote:

**Resolution No. 1618**

**NOW THEREFORE BE IT RESOLVED** that the award of the contract to A&F Electrical Testing, Inc. to provide electrical maintenance testing services at the Jacob K. Javits Convention Center North building for 1 year at a cost of \$476,085 from December 1, 2023 – November 30, 2024, is hereby approved.

**Review of Procurements (Attachments 23-97 through 23-105)**

Mr. Sims stated that previously approved service procurement contracts that extend for more than one year were being submitted for an 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.

**Procurement Contracts for Review (Attachments 23-97 through 23-105)**

<b>Vendor</b>	<b>Procurement Review Period</b>	<b>Review Period Amount</b>
ADP, Inc.	3/3	\$132,000
Crothall Healthcare, Inc.	3/3	\$701,174
Brooklyn Grange, LLC	5/5	\$459,758
Building Intelligence, Inc.	5/5	\$544,803
New York City Audubon	3/3	\$93,846
Cummins Sales and Services	3/5	\$92,384

<b>III. Committee Reports (continued)</b>	Daikin Applied Americas, Inc.	3/3	\$93,600
	ASCO Power Services Inc.	3/5	\$69,690
	See Factor Industry, Inc.	4/4	\$300,000
	<p><b><u>Financial Update:</u></b></p> <p>Mr. Sims presented the Members with a statement of revenues and expenses as of September 30, 2023 MTD as compared to the budget for September 30, 2023 MTD. He reported that the Javits Center had a total of 16 events during September 2023, eight of which were recurring events and eight of which were new events. He stated that the revenue was approximately \$2.5 million higher than plan primarily due to the following: (1) \$2.7 million from six unplanned events; (2) \$415,000 lower than plan event performance; (3) \$94,000 lower than plan due to one cancelled event; (4) \$201,000 from food and beverage commission. Expenses were \$940,000 higher than plan, primarily due to \$1.2 million over plan drive by an increase in event labor and GASB 68 Pension, netted with lower cost in OPEB; \$144,000 over plan in Facility costs due to an increase in security related professional service, netted with lower cost in utilities; \$360,000 favorable to plan in selling, general and administrative (SG&amp;A) costs due to the timing of the ERP and WFM implementation and uniform purchase. Operating Surplus and Net Loss of \$1.5 million and \$1.6 million, respectively, were favorable to plan due to the net of revenue and expenses described previously.</p> <p>Mr. Sims also reported on the revenues and expenses as of September 30, 2023 YTD as compared to the budget for September 30, 2023 YTD. He stated that the Javits Center had a total of 63 events from April 2023 to September 2023, 35 of which were recurring events and 28 of which were new events. He reported that revenue was \$6.1 million better than plan due to: (1) \$5.9 million from 16 unplanned events and over plan performance of planned events; (2) \$780,000 reduction from three cancelled events; (3) \$783,000 from food and beverage commission and (4) \$66,000 from advertising revenue. Expenses were \$2.3 million more than plan, mainly due to \$3.2 million over plan driven by an increase in event labor mostly for unplanned events, \$132,000 favorable to plan in Facility costs mostly due to lower cost in utilities and facility maintenance, partially offset by event related professional service, \$674,000 favorable to plan in SG&amp;A costs due to the timing of ERP and WFM implementation and uniform purchase. Operating Loss and Net Loss of \$3.7 million and \$4.2 million, respectively, were favorable to plan due to the net of revenue and expenses described previously.</p> <p>There was a general discussion held by the Members about the budget. It was noted by the Chairman that senior management had presented a reasonable budget with a deficit, and then within six months, they were able to reduce the deficit in half with a positive performance from unplanned events. The Members feel very fortunate to see this type of performance and results.</p>		

<p><b>III. Committee Reports (continued)</b></p>	<p><b><u>B. Human Resources Committee</u></b></p> <p>No report.</p> <p><b><u>C. Facilities/Operations Committee</u></b></p> <p>No report.</p> <p><b><u>D. Sales &amp; Marketing Committee, Doreen Guerin, Committee Chairman (Attachment 23-106)</u></b></p> <p>Ms. Guerin presented on behalf of the Sales and Marketing Committee. Ms. Guerin discussed the event calendar for the fourth quarter of the fiscal year. The Javits Center is hosting over the next three months 24 events of which 2 are new events --Microsoft Build AI Day and IFRS Sustainability Symposium. The events in the next quarter represent a wide range of industries, from consumer goods to travel to automotive. The Young Professional Sleep Out is returning and is a great event. There will be three public events, 14 trade shows and seven special events.</p> <p>For the sales and marketing update, Ms. Guerin stated that business travel is taking longer to recover post pandemic than anticipated. Group bookings are down 9% vs. 2019 and transient business bookings are down 6% vs. 2019. However, compared to last year, transient business bookings are up 13% and group bookings are up 9%. Although slower growth is expected for 2024 and 2025, the Sales and Marketing Team is hopeful for new business. The overnight market, which is comprised mostly of group and transient business travel, is forecasted for full recovery in 2026. The trend of companies is to make commitments further out. Ms. Guerin reported that they received some good news during IMEX last month from Opus that manages events for Salesforce and Amazon. Opus has permission to book two years out for events. Before they were only committing to six months out. 2023 ends with 12 million visitors from this sector, a 32% year over year increase, made up of primarily transient business and smaller events. Earlier this month, NYC Tourism and Conventions issued its trade report (which will be shared with the Members) and overall, the news was good. Working from home and telecommuting have taken a bit of a toll on some companies but gatherings in-person have had a good effect on the technology sector and other industries where people are brought together for training and annual or biannual meetings. There was a general discussion held by the Members about sales and marketing.</p> <p>Ms. Guerin next welcomed Lauren Roth who is serving as the Senior Special Events Sales Manager. She has extensive industry experience with Lincoln Center and Madison Square Garden.</p> <p>Ms. Guerin also noted that at IMEX, she was able to meet with more than 40 meeting planners.</p>
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<p><b>III. Committee Reports (continued)</b></p>	<p>Lastly, she reminded the Members that the holiday party at the Javits Center will be held on November 28<sup>th</sup>.</p> <p><b><u>E. Governance Committee – Ronald Goldstock, Committee Chairman</u></b> No report.</p>
<p><b>IV. Other Business</b></p>	<p>Mr. Chan noted that yesterday, the Javits Center hosted the YMCA – YFest Event celebrating the staff of YMCA, and the user and visitor experience was tremendous. The YMCA’s head of Human Resources attributed the positive experience to Rachel Winfield (Event Solutions Manager) who helped organize the event with much customer friendliness and attentiveness.</p>
<p><b>V. Adjournment</b></p>	<p>By motion and agreement, the meeting was adjourned at 2:03 p.m. with the next meeting to be held on January 17, 2024.</p>