

**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, Chairman
Hugh L. Carey II
Quenia Abreu
Joseph F. Chan
Fred Dixon
Richard N. Gottfried - Webex
Steven C. Koppel
Gary Lavine – Webex
Andrew Murstein – Webex
Brian O’Dwyer

OTHERS PRESENT:

STAFF:

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

DATE:

January 17, 2024

Time:

1:00 p.m.

Location:

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

ABSENT:

Christine Ferer
Ronald Goldstock
Joseph Spinnato
Alan E. Steel, CEO

GUESTS/VISITORS:

None

<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, Chairman.</p>
<p>Agenda</p>	<p>Discussion</p>
<p>I. Introduction by the Chairman</p>	<p><u>Approval of the Minutes of November 15, 2023 (Attachment 24-01)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on November 15, 2023. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1619</u> NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on November 15, 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>II. Corporate Matters</p>	<p><u>CEO's Report (Attachment 24-02)</u></p> <p>Mr. Siciliano presented the report on behalf of Mr. Steel. During the winter holiday, the Javits Center Facilities and Operations team performed maintenance work as there were no shows and the building was dark. The Javits Center is one of the busiest convention centers and therefore, there are very few dark days to be able to perform necessary maintenance repairs. The following list includes some of the maintenance work that was performed:</p> <ul style="list-style-type: none"> • Warranty Work on Bollards and Raptors • Department of Buildings Elevator and Escalator Inspections • Primary Electrical System Testing • Carpet Extraction and Cleaning • Terrazzo, Glass and Steel Cleaning and Polishing • Fire Alarm System Testing • American Tower Infrastructure Upgrades • Maintenance and Repairs on Jennings Dock Levers • Covered Roadway Freight Door Rebuild

<p>II. Corporate Matters (continued)</p>	<ul style="list-style-type: none"> • Maintenance and Repair on all Roll up Doors by Loading Docks <p>Mr. Siciliano presented an update on the proposed amendments to the Hotel Unit Fees (“HUF”), often referred to as the Javits Tax. Currently the \$1.50 per hotel room fee supports the debt service on the bonds issued to support the Javits Center expansion. Legislation has been proposed to convert the HUF to a percentage of the hotel rooms cost rather than a flat fee, thus generating revenue beyond what is necessary to support the debt service on the bonds. The additional revenue would be allocated for Javits Center capital projects and a fund, managed by NYC Tourism & Conventions, to be used to attract events to be held in NYC. Other state and city governments are developing similar funding programs to attract business in their cities placing New York at a competitive disadvantage. The proposed legislation is being considered by the Governor’s office. There was a general discussion held by the Members on this topic.</p> <p>Mr. Siciliano provided an update on the Javits Center’s efforts to control rising insurance premiums through the creation of a “captive” insurance company. The Javits Center is working with five other public authorities that are experiencing a similar increase in insurance premiums. Legislation has been drafted authorizing select public authorities to create captives and is under consideration by the Governor’s office. The Javits Center’s broker Marsh McLennan has been conducting training for key staff of the participating public authorities on how captives are created and operated. No decision has been made by any of the participating public authorities as a “feasibility study” is necessary to determine whether any of the authorities would realize benefits from a captive structure. In the event the legislation is approved, the feasibility study would begin. There was a general discussion held among the Members on this topic.</p> <p>The next topic discussed included the following recent events that were held at the Javits Center:</p> <ul style="list-style-type: none"> • Salesforce World Tour • Greater New York Dental Meeting United Justice Coalition (UJC) * • ICSC New York • L’Oreal’s 70th Anniversary* • National Retail Federation <p>*This denotes a new event.</p> <p>Mr. Siciliano mentioned the Javits Center Holiday Party which was combined with that of Cultivated. More than 500 guests attended, including some of the Members and clients. It was a successful event which brought together the staff and labor employees in the expansion space.</p> <p>Mr. Siciliano also reported on the success of the holiday event package and pricing created by Ms. Guerin and her team. Template setups were established to add efficiencies and cost savings to the events. There were five holiday events which brought in \$2 million in catering revenue.</p>
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<p>II. Corporate Matters (continued)</p>	<p>Mr. Siciliano then updated the Members on sustainability at the Center. The Center is working towards a goal of bringing carbon emissions to zero by 2050 and submitted its plan regarding the Net Zero Pledge in 2023. With respect to the Demand Response program, Javits Center was able to switch over to the Transformer Building for energy use during the three hottest days of the summer when the demand was very high for energy. As a result, the Center received a rebate of about \$907,000, its largest single year rebate since it began participating in the program. On the topic of waste diversion from landfill, the Center increased its diversion from 26% in 2022 to 45% in 2023.</p> <p>Mr. Siciliano next discussed the UN Sustainable Development Goals (“UN SDGs”) which are being addressed by the Javits Center. The Net Zero Pledge is centered around the 17 UN Sustainable Development Goals, nine of which the Javits Center is addressing individually or with its partners (Brooklyn Grange, Levy, Drexel University, NYC Audubon). The Sustainability team has developed a business plan for each of the selected SDGs.</p> <p>The National Retail Federation (“NRF”) made sustainability a priority during its most recent event. NRF is currently the largest show of the year at the Javits Center. NRF set a goal of 60% waste diversion which is the highest percentage any client has ever aimed for. The Javits Sustainability team created a detailed Waste Management Plan which included the purchase of 1000 customized and color-coded bin wraps for bottles, cans and trash. The event turned out to be quite successful with little contamination and individual containers being recycled. All of the cleaning staff underwent extensive waste training involving different types of cleaning programs for the show.</p> <p>Mr. Siciliano reported on the following recent media coverage of the Center:</p> <ul style="list-style-type: none"> • NRF “What’s in Store” Programming provided many promotions around the event and the story was picked up by Forbes. • Winter Fancy Food Show Post Event provided television coverage. • NY Now Event coverage included trade show and gift industry coverage. • Travel and Tour World Event resulted in a published article on the Javits Center expansion. • Siemens – Javits Partnership Project on Fire Alarm and Solar Panels – Siemens is leveraging its public relations team to promote the partnership and sustainability initiatives by creating videos of the work performed at the Javits Center and of key staff member interviews.
<p>III. Committee Reports</p>	<p>A. Audit & Finance Committees – Ronald Goldstock and Gary Lavine, Committee Chairmen It was reported that the Audit and Finance Committees met immediately prior to the Board Meeting to discuss the procurement summaries and general items introduced by Mr. Sims for the Members’ consideration.</p>

<p>III. Committee Reports (Continued)</p>	<p><u>Financial Report</u></p> <p><u>Procurement Summaries for Approval (Attachments 24-03 through 24-07)</u> 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><u>Approval of Contracts – Panel of 23 Law Firms (Attachment 24-03)</u> Mr. Sims presented a procurement summary seeking Board approval to award contracts to the panel of 23 law firms to provide legal services in different areas of law for the Jacob K. Javits Convention Center (Javits Center). The terms of the contracts are for 3 years each at an estimated cost of \$690,000 (\$230,000 per year) for the period February 1, 2024 - January 31, 2027. At the Javits Center's discretion, there is an option to renew for two additional years with a 10% increase in billing rates. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1620</u> NOW THEREFORE BE IT RESOLVED that the award of contracts for legal services to the panel of 23 law firms outlined above for a period of 3 years at an estimated cost of \$690,000 for the period February 1, 2024 - January 31, 2027, is hereby approved.</p> <p><u>Approval of Contract – Lexion (Attachment 24-04)</u> Mr. Sims presented a procurement summary seeking Board approval to award a contract to implement a contract management solution and document repository at the Jacob K. Javits Convention Center (Javits Center) to Lexion for a total cost of \$134,700 (\$44,900/yr.) for three years for the period February 1, 2024 -January 31, 2027, with an option to renew for two additional years at the discretion of the Javits Center. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1621</u> NOW THEREFORE BE IT RESOLVED that the award to implement a contract management solution and document repository at the Jacob K. Javits Convention Center to Lexion for a total cost of \$134,700 for three years with an option to renew for an additional two years at the Javits Center's discretion for the period February 1, 2024-January 31, 2027, is hereby approved.</p> <p><u>Approval of Contract – PTS Data Center Solutions (Attachment 24-05)</u> Mr. Sims presented a procurement summary seeking Board approval to award a contract for design, acquisition and implementation of uninterruptible power supply (UPS) units for the Jacob K. Javits Convention Center (Javits Center) to</p>
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<p>III. Committee Reports (continued)</p>	<p>PTS Data Center Solutions (PTS). The term of the contract is for 5 years at an estimated cost of \$461,723 for the period February 1, 2024 - January 31, 2029. At the Javits Center's discretion, there is an option to renew for two additional years. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1622</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to PTS for design and implementation of uninterruptible power supply units for the Jacob K. Javits Convention Center for a term of 5 years at an estimated cost of \$461,723 for the period February 1, 2024-January 31, 2029, is hereby approved.</p> <p><u>Approval of Contract – First Data Merchant Services, LLC (Attachment 24-06)</u> Mr. Sims presented a procurement summary seeking Board approval to award a single source contract to First Data Merchant Services, LLC to provide a credit card integrator solution to the Jacob K. Javits Convention Center (Javits Center). The contract is for a period of 3 years at a total cost of \$250,000 (\$75,000 per year with a \$25,000 one-time implementation fee). The contract period is from February 1, 2024-January 31, 2027. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1623</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to First Data Merchant Services, LLC to provide the credit card integrator solution at a total cost of \$250,000 over three years from February 1, 2024 to January 31, 2027, is hereby approved.</p> <p><u>Approval of Contract – Door Automation (Attachment 24-07)</u> Mr. Sims presented a procurement summary seeking Board approval to award a sole source contract to Door Automation to provide Blasi door replacement parts at the Jacob K. Javits Convention Center (Javits Center). The contract price is \$209,744. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1624</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Door Automation to provide the Blasi door replacement parts at the Jacob K. Javits Convention Center at a cost of \$209,744, is hereby approved.</p> <p><u>Review of Procurements (Attachments 24-08 through 24-21)</u> 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.</p>
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**III.
Committee
Reports (continued)**

Procurement Contracts for Review (Attachments 24-08 through 24-21)

Vendor	Procurement Review Period	Review Period Amount
Drexel University	2/2	\$183,230
CrowdRx	2/3	\$396,212
Beau Dietl & Associates and Stapleton Security Inc.	2/3	\$5,487,708
Door Automation Corporation	2/3	\$90,150
ADP, Inc.	3/3	\$132,000
Crothall Healthcare, Inc.	3/3	\$701,174
Brooklyn Grange, LLC	4/5	\$459,758
Building Intelligence Inc.	4/5	\$544,803
New York City Audubon	3/3	\$93,846
Cummins Sales and Services	3/5	\$92,384
Daikin Applied Americas, Inc.	3/3	\$93,600
ASCO Power Services Inc.	3/5	\$69,690
Cintas Corporation	2/3	\$72,192
See Factor Industry, Inc.	5/5	\$300,000

Financial Update:

Mr. Sims presented the Members with a statement of revenues and expenses as of November 30, 2023 MTD as compared to the budget for November 30, 2023 MTD. He reported that the Javits Center had a total of 13 events during November 2023, ten of which were recurring events and three of which were new events. He stated that the revenue was approximately \$297,000 lower than plan primarily due to the following: (1) \$353,000 lower than plan in event performance, (2) \$262,000 lower than plan due to two cancelled events; (3) \$275,000 higher than plan from six unplanned events; and (4) \$43,000 higher than plan from advertising revenue. Expenses were \$979,000 favorable to plan, primarily due to \$484,000 under plan driven by a decrease in event labor costs and OPEB, netted with a higher cost in GASB 68 Pension; \$336,000 favorable to plan in Facility costs due to lower cost in utilities and professional services; \$159,000 favorable to plan in selling, general and administrative (SG&A) costs due to the timing of the ERP and WFM implementation and higher cost in equipment rental. Operating Surplus and Net Loss of \$682,000 and \$768,000, respectively, were favorable to plan due to the net of revenue and expenses described previously.

<p>III. Committee Reports (continued)</p>	<p>Mr. Sims also reported on the revenues and expenses as of November 30, 2023 YTD as compared to the budget for November 30, 2023 YTD. He stated that the Javits Center had a total of 93 events from April 2023 to November 2023, 56 of which were recurring events and 37 of which were new events. He reported that revenue was \$4.2 million better than plan due to: (1) \$4.6 million from 27 unplanned events and over plan performance of planned events; (2) \$1.4 million reduction from six cancelled events; (3) \$783,000 from food and beverage commission and (4) \$103,000 from advertising revenue. Expenses were \$365,000 higher than plan, mainly due to \$1.7 million over plan driven by an increase in event labor mostly for unplanned events, \$225,000 favorable to plan in Facility costs mostly due to lower cost in utilities and facility maintenance, partially offset by event related professional service, \$1.1 million favorable to plan in SG&A costs due to the timing of ERP and WFM implementation and uniform purchase. Operating Loss and Net Loss of \$3.9 million and \$4.6 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 stated that they were impressed and fortunate to see this type of performance and results.</p> <p>B. Human Resources Committee</p> <p>No report.</p> <p>C. Facilities/Operations Committee</p> <p>No report.</p> <p>D. Sales & Marketing Committee (Attachment 24-22)</p> <p>Ms. Guerin presented on behalf of the Sales and Marketing Committee. She reported that the L’Oreal event, a new event, was such a successful one that L’Oreal has already agreed to return in March. It was reported that they completely transformed the exhibit hall, and had Earth, Wind and Fire perform at the event. Ms. Guerin next discussed the event calendar for the first quarter of fiscal year 2025. The Javits Center is hosting over the next three months (April through June) 33 events of which 10 are new events, including Green Media Summit, Open House New York Gala, Hot Bread Kitchen Gala and New York Valves: The Structural Heart Summit. Ms. Guerin stated that the events continue to represent a wide range of industries, from medical to entertainment to technology, and the mix of events that is trending gives the Javits Center a unique opportunity for the branding side. Also, the staff is learning what these types of customers need and want. There will be 20 trade shows, one public show and 12 galas. Technology is still trending to be the top industry and event type at the Javits Center.</p>
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	<p>For the sales and marketing update, Ms. Guerin reported that 2023 ended with a robust season of special events ranging from holiday parties to corporate celebrations. The success of the holiday packages for these events is translating into rebookings for 2024, which provides a greater base from which to build. For example, companies such as KPMG and L’Oreal are all looking to return to the Javits Center for events. Ms. Guerin also stated that Ms. Lopez attended the Professional Convention Managers Association (PCMA) Convening Leaders Annual Meeting which brings together the industry’s top association professionals. In addition to participating in the Conference’s education and networking opportunities sessions, Ms. Lopez scheduled several one-on-one appointments to discuss prospective new business.</p> <p>E. Governance Committee – Ronald Goldstock, Committee Chairman No report.</p>
<p>IV. Other Business</p>	
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 2:00 p.m. with the next meeting to be held on March 27, 2024.</p>