

DRAFT

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
Ronald Goldstock
Richard N. Gottfried
Steven C. Koppel – Webex
Gary Lavine – Webex
Andrew Murstein – Webex

ABSENT:

Brian O’Dwyer
Christine Ferer
Joseph Spinnato

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:

Samantha Ragsdale, Communications Manager

DATE:

September 18, 2024

Time:

1:00 p.m.

Location:

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

<p>Call to Order</p>	<p>The meeting of the Board of Directors for the New York Convention Center Operating Corporation (NYCCOC) 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 June 26, 2024 (Attachment 24-66)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on June 26, 2024. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1652</u> NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on June 26, 2024, 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 24-67)</u></p> <p>Mr. Steel introduced Samantha (Sammi) Ragsdale, the Communications Manager, who previously worked at Madison Square Garden. She will be handling NYCCOC’s communications, and one of her first assignments was the production of the 2023 Annual Report. Mr. Steel noted that a press release regarding the Annual Report would follow.</p> <p>Mr. Steel reported that July and August are typically quiet months for the Javits Center but this year, August was very busy as a number of events, including three public events, were held. Mr. Steel congratulated Ms. Guerin and her team for being able to schedule so many events in the months of July and August this year, including the following:</p> <ul style="list-style-type: none"> • Amazon Web Services Summit • NY Now • The Carnegie Hall World Orchestra Week – the Javits Center hosted a final combined concert by orchestras from all over the world who had been playing throughout New York City for a week. • Fanatics Fest – a new public sports fan event which brought in more than 75,000 guests in attendance. Fanatics markets sports, produces clothing and has a gambling brand. The Fanatics Fest offerings included a mix of sports

<p>II. Corporate Matters (continued)</p>	<p>celebrities and hip hop musicians. It was a very successful event and Fanatics Fest plans to return next year if the calendar permits.</p> <ul style="list-style-type: none"> • Anime NYC – Japanese animation and pop culture convention with more than 100,000 guests in attendance. • The Armory Show – public art fair that is under new management (Frieze) for the first time and which brought in nearly 250 art exhibitors with 50,000 guests in attendance • North Javits Tours – there were 18 individual tour dates with both Ambassador-led and Lunch & Learn opportunities <p>Local Project Updates – Mr. Steel provided a brief update on the below local projects.</p> <ul style="list-style-type: none"> • Slaughterhouse Site between 39th and 40th street • Casino Bids • Site K • Street Art for Mankind Mural on the West Side of Javits on 12th Avenue • Port Authority Bus Terminal Redevelopment <p>Labor Relations Update – Mr. Siciliano provided an update on the collective bargaining agreements (CBAs) that are being negotiated. Since the board meeting in June, Mr. Siciliano, Ms. McMahon and Geordie du Pont, Associate General Counsel, have successfully negotiated two CBAs. They negotiated a four-year deal with the freight handlers and a five year-deal with the show carpenters. The next negotiation is with the electricians (IBEW) prior to November 2025 when their CBA is set to expire.</p> <p>Sustainability at Javits –</p> <ul style="list-style-type: none"> • Upcoming NEST event at Javits Center now encompasses all three floors of North Javits, and the sustainability team will have activations on levels three and four. • Crop Report <ul style="list-style-type: none"> ○ The culinary team is actively utilizing a majority of produce coming from the rooftop farm ○ ReThink activation created 2,500 meals to be donated to Covenant House • Catering Menu <ul style="list-style-type: none"> ○ Cultivated continues to align catering menus and retail options to the Javits Center farm produce yields ○ Javits Center’s honey is a staple of many culinary offerings through the Center <p>Internal Safety & Security Updates</p>
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<p>II. Corporate Matters (continued)</p>	<ul style="list-style-type: none"> • Department of Defense Training – Mr. Dixon provided updates on the topic of internal safety and security. <ul style="list-style-type: none"> • NYS Department of Homeland Security Emergency Services conducted the first ever agency training for suspicious behavior and hostile surveillance for the Javits Center Public Safety staff <ul style="list-style-type: none"> • The training focused on terrorism awareness and pre-operational surveillance of critical infrastructure and provided an introduction to the NYS Terrorism Tips hotline. State resources are assigned to investigate suspicious activity. • Safety and Security Committee – reconvened this meeting over the summer <ul style="list-style-type: none"> • Action items under consideration are: <ul style="list-style-type: none"> • Reducing the speed of the forklifts from 8 MPH to 5 MPH for greater show floor safety • Reducing the allowable ladder height from 15 ft. to 12 ft. to reduce the number of serious incidents
<p>III. Committee Reports</p>	<p><u>A. Audit & Finance Committees – Ronald Goldstock and Gary Lavine, Committee Chairmen</u> It was reported that the Audit and Finance Committees met immediately prior to the Board Meeting via telephone and in person. Mr. Sims introduced a series of items for the Members’ consideration.</p> <p><u>Procurement Summaries for Approval (Attachments 24-68 through 24-72)</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 Contract – BDO USA, P.C. (Attachment 24-68)</u> Mr. Sims presented a procurement summary seeking Board approval to award BDO USA, P.C. (BDO) a contract to provide Internal Audit Services to the Jacob K. Javits Convention Center (Javits Center). The contract is for three years at an estimated cost of \$413,220 (Y1: \$155,380 Y2: \$128,920 and Y3: \$128,920). The contract includes a renewal option at the Javits Center's discretion for two additional years (Y4: \$134,430 and Y5: \$134,430). The contract term is from October 1, 2024 - September 30, 2027. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1653</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to BDO USA, PC to provide internal audit services at the Jacob K. Javits Convention Center for a term of 3 years at an estimated cost of \$413,220 from October 1, 2024 - September 30, 2027 with an option to renew for two additional years, is hereby approved.</p> <p><u>Approval of Contract – Arch Indemnity Insurance Company(Attachment 24-69)</u></p>

<p>III. Committee Reports (continued)</p>	<p>Mr. Sims presented a procurement summary seeking Board approval to award a workers' compensation insurance contract to Arch Indemnity Insurance Company (Arch) at the Jacob K. Javits Convention Center (Javits Center) beginning October 1, 2024, through September 30, 2025. The contract is for a period of one year with a cost of \$1,192,827. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1654</u> NOW THEREFORE BE IT RESOLVED that the award of the workers' compensation insurance contract to Arch Indemnity Insurance Company for a period of one year at a cost of \$1,192,827, with no change in collateral posted, beginning October 1, 2024 through September 30, 2025, is hereby approved.</p> <p><u>Approval of Contract – LKeels Consulting, LLC (Attachment 24-70)</u> Mr. Sims presented a procurement summary seeking Board approval to award a critical contract to LKeels Consulting LLC (LKeels) to provide supplemental human resources and payroll staff to support UKG and Passport systems implementation. The term of the contract is 4 months at a total cost of \$250,000. The contract term is October 1, 2024 - January 31, 2025. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1655</u> NOW THEREFORE BE IT RESOLVED that the award of a critical contract to LKeels to provide supplemental human resources and payroll staff to support UKG and Passport systems implementation for a term of 4 months at a total cost of \$250,000 from October 1, 2024-January 31, 2025, is hereby approved.</p> <p><u>Approval of Contract – MIH Systems Group LLC (Attachment 24-71)</u> Mr. Sims presented a procurement summary seeking Board approval to award a sole source contract to MIH Systems Group LLC (MIH) to provide Heating Ventilation and Air Conditioning (HVAC) Preventive Maintenance services at the Jacob K. Javits Convention Center (Javits Center) North Building. The contract is for 3 years at an estimated cost of \$612,616 (Year 1 \$198,200, Year 2 \$204,146, and Year 3 \$210,270). The term of the contract is from October 1, 2024 - September 30, 2027. A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1656</u> NOW THEREFORE BE IT RESOLVED that the award of a sole source contract to MIH Systems Group LLC to provide Heating Ventilation and Air Conditioning Preventive Maintenance services at the Jacob K. Javits Convention Center North Building for 3 years at an estimated cost of \$612,616 from October 1, 2024 - September 30, 2027 is hereby approved.</p> <p><u>Approval of Contract – Crothall Healthcare Inc. (Attachment 24-72)</u></p>
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**III.
Committee
Reports (continued)**

Mr. Sims presented a procurement summary seeking Board approval award a single source contract to Crothall Healthcare Inc. (Crothall) to provide supplemental labor staff to work during large events setup. The term of the contract is for 6 months at a cost of \$250,000. The contract term is October 1, 2024- March 31, 2025. A motion was made and seconded. The following resolution passed by unanimous vote:

Resolution No. 1657

NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Crothall to provide supplemental labor staff to work during large events setup for a term of 6 months at a cost of \$250,000 from October 1, 2024 - March 31, 2025 is hereby approved.

Review of Procurements (Attachments 24-73 through 24-92)

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 24-73 through 24-92)

Vendor	Procurement Review Period	Review Period Amount
Oracle Netsuite/Meyers Holum	2/5	\$2,353,900
Ultimate Kronos Group	2/5	\$2,249,500
Passport LLC	2/5	\$2,280,000
Rosenwach Tank Co. LLC	2/3	\$49,680
R&R Scaffolding	2/3	\$32,834
Schindler Elevator	2/3	\$1,297,383
Ron Antonelli	2/3	\$30,000
EFPR Group LLP	2/3	\$89,000
Resolver Inc.	2/3	\$39,409
New York Green Roofs, LLC	3/3	\$84,980
Platinum, Inc.	3/3	\$226,241
Nalco Water	3/3	\$48,316
Anexinet Corp./Artic Wolf Solutions	3/3	\$142,422
New Tradition	3/15	n/a

III. Committee Reports (continued)	AT&T, Astound Business Solutions and Crown Castle	3/3	\$118,354
	Canon Solutions of America	3/3	\$48,684
	Federal Express	3/5	n/a
	Brightview Landscaping Services	3/3	\$365,181
	Marsh USA, Inc.	4/5	\$290,000
	Crothall Healthcare, Inc.	4/5	\$1,374,659

Financial Update

Mr. Sims reported on the statement of revenues and expenses for July 31, 2024 MTD as compared to the budget. He reported that the Javits Center had a total of 9 events during July, six of which were recurring events and three new events. He stated that the revenue was \$51,000 higher than plan primarily due to the following: (1) event-related services were in line with plan; (2) \$87,000 lower than plan space rental; (3) \$144,000 higher than plan event advertising and concession revenues. Expenses were \$139,000 lower than plan, primarily due to (1) \$189,000 lower than plan event labor and benefits; (2) \$28,000 higher than plan facility maintenance; (3) \$22,000 higher than plan selling, general and administrative costs due to invoice timing and an increase in temporary services. Operating Surplus and Net Surplus variances of \$190,000 and \$278,000, respectively.

Mr. Sims also reported the revenues and expenses as of July 31, 2024 YTD as compared to the budget for July 31, 2024 YTD. He stated that the Javits Center had a total of 48 events from April to July 2024, 32 of which were recurring events and 16 of which were new events. He reported that revenue was \$4.1 million higher than plan primarily due to \$4.0 million from 7 unplanned events and over plan performance of planned events, and \$93,000 higher than plan food and beverage commission. Expenses were \$2.7 million higher than plan driven by an increase in event labor and netted with lower cost of in-house labor, and \$266,000 lower than plan in facility costs, netted against higher cost in facility maintenance, and \$283,000 higher than plan in selling, general and administrative (SG&A) costs due to an increase in consultant and temporary services and credit card fees. The Operating Surplus and Net Surplus variances of \$1.4 million and \$1.5 million, respectively.

Mr. Sims next presented a graphical representation of the actual month and year to date as compared to the budget month and year to date. The Board Chair noted that it was a positive and strong financial report.

B. Human Resources Committee

<p>III. Committee Reports (continued)</p>	<p>Mr. Carey provided a brief update on the Executive Search Committee looking to find a successor for Mr. Steel. They have had a number of meetings with internal staff prior to selecting a search firm. That search firm has begun conducting a national search which launched this week. Mr. Carey will have further updates at the next board meeting.</p> <p><u>C. Facilities/Operations Committee</u> No report.</p> <p><u>D. Sales & Marketing Committee, Doreen Guerin, Committee Chairman (Attachment 24-93)</u> Ms. Guerin presented on behalf of the Sales and Marketing Committee. She reported that the next three months would be busy with the Javits Center hosting 32 events. Among the 32 events, the event index slide presented reflected the following industries and types of events represented for the third fiscal quarter: technology, financial and legal, education, consumer goods and more. There are two public events, 17 tradeshow and 13 special events currently scheduled.</p> <p>Ms. Guerin also provided an update on Sales and Marketing. She stated that many corporations are divesting from third party shows. Many of the technology exhibitors are now hosting their own events and not participating in the larger shows. Also, the timelines to plan events remain short, and there is no appetite to return to longer planning cycles due to corporate performance and the unpredictability of the upcoming elections. The holiday events are also impacted by the elections. The future of corporate events, particularly in technology, are to create a festival-like environment that moves away from booth builds and leans into activations which are designed to sell brand and not product. The event pipeline concept is: Know It, Like It, Love It. Many large-scale events are being redesigned to target the Know It phase with the goal of creating brand awareness and engagement rather than direct selling. The Sales team is following and learning about these new trends by attending corporate event planning meetings. Ms. Guerin informed the Members that she and Ms. Lopez will be attending IMEX in October. The Members held a general discussion on event planning and future events at the Javits Center.</p> <p><u>E. Governance Committee – Ronald Goldstock, Committee Chairman</u> No report.</p>
<p>IV. Other Business</p>	<p>The Chairman announced that, on December 9, the NYC Tourism and Conventions Foundation will be honoring Mr. Alan Steel with a lifetime achievement award. Mr. Fred Dixon will also be honored. The event will take place at the Plaza Hotel.</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 November 20, 2024.</p>