

APPROVED 6-17-15



**BOARD OF DIRECTORS MEETING
NEW YORK CONVENTION CENTER OPERATING CORP.**
655 West 34th Street
New York, NY 10001-1188

MINUTES

MEMBERS PRESENT:

Henry R. Silverman, Chairman of the Board
Mary DøElia
J. Lee Compton
Daniel De Vita
David Emil
Christine Ferer
Gary Lavine
Hugh L. Carey II
Mark Schienberg
Andrew Murstein
Ronald Goldstock
Sherida E. Paulsen

OTHERS PRESENT:

STAFF:

Alan E. Steel, President & CEO
Edward B. MacDonald, Senior VP, CFO
Elizabeth Bradford, Senior VP, General Counsel
Doreen Guerin, Senior VP, Sales & Marketing
Tony Sclafani, Senior VP, CCO
Mark Sims, VP, CIO
Christine McMahan, VP, HR & Labor Solutions
Kenneth Sanchez, VP, Facilities Management
Jeffery Caldwell, Associate General Counsel
Bradley A. Siciliano, Associate General Counsel
Aleksandra Davydova, Legal Assistant
Shirley Coley, Legal Assistant

DATE:

April 8, 2015

Time:

3:00 p.m.

Location:

Large Conference Room

ABSENT:

Robert Azeke
Marc Ricks
Edward Kane
Eric Komitee
Karen He
Joseph E. Spinnato

Call to Order	The meeting of the Board of Directors for the New York Convention Center Operating Corporation was called to order at 3:00 p.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman.	
Agenda	Discussion	Recommendation/Action-Follow-up
I. Approval of the Minutes	<p><u>Approval of the Minutes of January 14, 2015 (Attachment 15-10)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on January 14, 2015. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1182</p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on January 14, 2015, are hereby approved.</p>	
II. Corporate Matters	<p><u>President’s Report - Alan Steel (Attachment 15-11)</u> Mr. Steel presented the President’s Report, which reviewed the growth in the Center’s business from 2012 to 2014 as measured by several different indicators, and benchmarked the Center’s performance as measured by attendance, number of events and occupancy levels against the performance of other convention centers with over 500,000 gross square feet of exposition space. Mr. Steel also identified capital projects to be undertaken by the Corporation.</p> <p><u>Executive Session</u> A motion was made and seconded and the following resolution passed by unanimous vote:</p> <p>Resolution No. 1183</p> <p>NOW THEREFORE BE IT RESOLVED that the Board will go into Executive Session pursuant to § 105 of the Public Officers Law to discuss matters concerning the proposed sale or lease of real property.</p>	
III. Committee Reports	<p><u>A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u></p> <p><u>Audit:</u> Mr. Lavine reported that the Committees met on March 23, 2015. The Committees agreed with</p>	

<p>III. Committee Reports (continued)</p>	<p>management's recommendation that UHY should be re-engaged to perform the annual audit. There was a discussion of the need for appropriate internal controls with respect to the various build-out projects undertaken directly by the corporation. Internal controls officer Ken Foley is in the process of drafting an RFP for a construction audit.</p> <p>The Committee has also recommended that as part of the internal controls process more show floor audits of contractor labor practices be conducted.</p> <p><u>ERP Project</u> Mr. Lavine commended Hugh Carey for his review of the Corporation's ERP Project.</p> <p><u>Finance:</u></p> <p><u>February 2015 & YTD Financials (Attachment – 15-12)</u> Mr. MacDonald presented the financial report for February 2015, showing total gross revenue of \$20,990,000, which is \$1,908,000 better than Plan. Total operating expenses for February 2015 were \$19,409,000, which is \$1,710,000 worse than Plan. Net surplus from operations was \$1,581,000, which is \$198,000 better than Plan. Net surplus after depreciation was \$1,236,000 or \$404,000 better than Plan.</p> <p>Year to date the Center generated \$157,751,000 in gross revenues, which is \$10,576,000 better than Plan. Total operating expenses before depreciation were \$153,233,000, which was \$6,160,000 worse than Plan. Net surplus Year to Date was \$4,158,000 which is \$4,416,000 better than Plan before depreciation. After depreciation, net surplus Year to date is \$1,554,000 which is \$5,498,000 better than Plan.</p> <p><u>New York Convention Center Operating Plan FY 2015-2016 (Attachment 15-13)</u> Mr. MacDonald presented Operating Plan for FY 2015-2016 for approval.</p> <p>There was a discussion of the possible use of CCDC bond proceeds to fund further capital investments and reduce depreciation expense in future years. Board members questioned the use of depreciation as an accounting protocol for a non-taxable entity.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p>	<p><i>There will be a report on the status of the ERP project to the Committee at every meeting, an annual report to the Board.</i></p>
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<p>III. Committee Reports (continued)</p>	<p>Resolution No. 1184</p> <p>NOW THEREFORE BE IT RESOLVED that the New York Convention Center Operating Plan FY 2015-2016 is hereby approved.</p> <p><u>Procurement Summaries</u></p> <p><u>Approval of Contracts (Summary- Attachment 15-14)</u> The following procurement summaries were included in the Board packet for approval (<u>Attachments 15-15 through 15-26</u>).</p> <table border="1" data-bbox="415 609 1514 1144"> <thead> <tr> <th>Vendor</th> <th># of Years</th> <th>Amount / Year</th> </tr> </thead> <tbody> <tr> <td>ADCO Electrical Corporation</td> <td></td> <td>\$827,000</td> </tr> <tr> <td>The Brickman Group</td> <td>2</td> <td>\$675,433</td> </tr> <tr> <td>Sloan & Company</td> <td></td> <td>\$135,507</td> </tr> <tr> <td>Executory Renovation Contracts</td> <td></td> <td>1,110,571</td> </tr> <tr> <td>Platinum Maintenance</td> <td>2</td> <td>\$162,700</td> </tr> <tr> <td>Philip Kaplan Glass & Mirror</td> <td>2</td> <td>\$ 75,000</td> </tr> <tr> <td>Philip W. Burke</td> <td></td> <td>\$250,000</td> </tr> <tr> <td>Audubon Society</td> <td>2</td> <td>\$ 62,394</td> </tr> <tr> <td>di Domenico + Partners, LLP</td> <td></td> <td>\$295,880</td> </tr> <tr> <td>Siemens Industry, Inc.</td> <td></td> <td>\$735,318</td> </tr> <tr> <td>High Point Solutions, Inc.</td> <td></td> <td>\$110,000</td> </tr> <tr> <td>Maureen Data Systems</td> <td></td> <td>\$174,856</td> </tr> </tbody> </table> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1185</p> <p>NOW THEREFORE BE IT RESOLVED that the awards of contracts to vendors as per <u>attachments 15-15 through 15-26</u> are hereby approved.</p>	Vendor	# of Years	Amount / Year	ADCO Electrical Corporation		\$827,000	The Brickman Group	2	\$675,433	Sloan & Company		\$135,507	Executory Renovation Contracts		1,110,571	Platinum Maintenance	2	\$162,700	Philip Kaplan Glass & Mirror	2	\$ 75,000	Philip W. Burke		\$250,000	Audubon Society	2	\$ 62,394	di Domenico + Partners, LLP		\$295,880	Siemens Industry, Inc.		\$735,318	High Point Solutions, Inc.		\$110,000	Maureen Data Systems		\$174,856	
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**III.
Committee
Reports
(continued)**

Review of Contracts of UHY LLP, Siemens Building Technologies, Inc., Guardian Exterminating Services, Reitdesign, Inc., United Steel Products Inc., Bortek Industries, Inc. (Attachments 15-27 through 15-33)

Vendor	# of Years	Amount / Year
UHY LLP	2	\$94,000
Siemens Building Tech, Inc.	2	\$115,982
Siemens Building Tech, Inc.	2	\$153,700
Guardian Exterminating, Service	2	37,497
Reitdesign, Inc.	2	\$152,000
United Steel Products, Inc.	3	\$57,428
Bortek Industries	2	\$70,768

Mr. MacDonald stated that previously approved service procurement contracts that extended for more than one year was being submitted for 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.

B. Human Resources – Edward Kane, Committee Chairman

No report.

C. Facilities – Sherida Paulsen, Committee Chairwoman

No report

D. Sales & Marketing – Lee Compton, Committee Chairman (Attachment 15-34)

Ms. Guerin gave a Power Point presentation of the Center's sales activity and progress; noting the good publicity generated by completion of the green roof, which has become habitat for a diverse species of birds. The report included results of Customer Satisfaction Surveys for January to March, sales activity for January to March 2015. And a look ahead to the July, August and September show schedules.

Mr. Steel has requested that Mr. MacDonald discuss with the Audit and Finance Committees, an increase in the dollar threshold for procurements requiring Board approval.

<p>III. Committee Reports (continued)</p>	<p><u>F. Governance – Ronald Goldstock, Committee Chairman (Attachment 15-3512054)</u></p> <p>Mr. Siciliano presented the 2013 Performance Measurements Report, which the Governance Committee has recommended for approval. He noted that the 2014 Report cannot be completed until PWC completes its economic impact analysis which is not anticipated until December 2015.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1186</p> <p>NOW THEREFORE BE IT RESOLVED that the 2013 Performance Measurements Report is hereby approved.</p> <p><u>G. Ad Hoc for Javits Expansion/Renovation – Joseph E. Spinnato, Committee Chairman</u> No report.</p> <p><u>H. EEO/MWBE - Mary D’Elia, Committee Chairwoman</u> No report.</p>	
<p>IV. Other Business</p>	<p>Nothing to discuss.</p>	
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 3:45 PM with the next meeting to be held on June 17, 2015.</p>	