

APPROVED 9-16-15



**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
Hugh L. Carey II
J. Lee Compton
Mary D'Elia
David Emil
Ronald Goldstock
Karen He
Edward P. Kane
Eric Komitee
Gary Lavine
Andrew Murstein
Marc Ricks
Mark Schienberg

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 McMahon, VP, HR & Labor Solutions
Kenneth Sanchez, VP, Facilities Management
Ken Dixon, Director of Security & Safety Solutions
Jeffery Caldwell, Associate General Counsel
Bradley A. Siciliano, Associate General Counsel
Shirley Coley, Legal Assistant

DATE:

June 17, 2015

Time:

3:00 p.m.

Location:

Large Conference Room

ABSENT:

Robert Azeke
Joseph E. Spinnato
Sherida E. Paulsen
Christine Ferer

Visitors:

Michael Burke, CPA, Partner ó UHY LLP
GianCarlo Garipoli, CPA, Audit Manager ó UHY LLP
Sarah Saint-Amand, Empire State Development Corp.

<p>Call to Order</p>	<p>The meeting of the Board of Directors for the New York Convention Center Operating Corporation was called to order at 3:15 p.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman.</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 April 8, 2015 (Attachment 15-36)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on April 8, 2015. The following resolution passed by unanimous vote: Resolution No. 1187 NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on April 8, 2015, are hereby approved.</p>	
<p>II. Corporate Matters</p>	<p><u>President’s Report - Alan Steel (Attachment 15-37)</u> Mr. Steel presented his report describing the administrative office renovation; IT investments; security personnel, equipment and procedures; and the refinancing of CCDC’s 2005 Series Bonds. There was a discussion of the steps being taken to improve security on the show floor, which under current practice is primarily under the control of show management and their private security companies. <u>Approval of the Audited Financial Statements FY 2014-2015 (Attachment 15-38)</u> Mr. Lavine advised the Board that the Audit Committee met on May 21, 2015, and again immediately before the Board meeting, and that he had met separately with UHY on June 16, 2015. He reported that UHY rendered an unqualified opinion and found no significant internal controls deficiencies. The auditors also praised management for its very high level of cooperation with the audit. Mr. Silverman noted the extraordinary service Mr. Lavine has rendered to the Board throughout his tenure, well above and beyond what would normally be expected of a Board member.</p>	

<p>II. Corporate Matters (continued)</p>	<p>Resolution No. 1188</p> <p>NOW THEREFORE BE IT RESOLVED that the New York Convention Center Operating Corporation's Audited Financial Statements for the fiscal year ended March 31, 2015 are hereby approved.</p> <p><u>Appointment of New Members to the Governance and EEO/MWBE Committees</u> Ms. Bradford advised the Board that due to Daniel DeVita's resignation there is one vacancy on the Governance Committee and one on the EEO/MWBE Committee.</p> <p><u>Other Matters:</u></p> <ul style="list-style-type: none"> • The Audit Committee continues to get updates from Mr. Sims on the progress of the Center's upgrade and integration of its IT systems. Proposals in response to the RFP for a new workforce management solution are due today. The Committee will review management's recommended award and hopes to present its own recommendation to the full Board at the September meeting. Mr. Lavine praised Mr. Carey's contribution to this project. • The construction audit of the Corporation's renovation of its administrative and operations areas will be complete in approximately two weeks. • UHY will conduct an audit of Centerplate finances. 	<p><i>New Committee members will be appointed at the September Board meeting.</i></p> <p><i>The Audit and Finance committees have asked management to review and report to them concerning inventory control procedures. The Committees may report to the full Board concerning their findings and any recommendations for improvement.</i></p>
<p>III. Committee Reports</p>	<p><u>A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u></p> <p><u>Restriction of additional OPEB funds (Attachment 15-39)</u> Mr. MacDonald requested a resolution restricting the use of additional funds for OPEB liability. A motion was made and seconded. The following resolution passed by unanimous vote:</p>	

**III.
Committee
Reports
(continued)**

Resolution No. 1189

NOW THEREFORE BE IT RESOLVED that the Board authorizes the Corporation/Management to set aside sufficient assets to cover the fiscal 2015 OPEB liability of \$33,796,506. This represents an increase of \$2,270,325 from the fiscal 2014 liability. The Board of Directors is classifying those assets as Board designated for other postretirement employee benefit obligation within the Statement of Net Position.

Annual Procurement Report (FY 2014-2015) (Attachment 15-40)

Mr. MacDonald presented the Corporation's Annual Procurement Report for approval. A motion was made and seconded. The following resolution passed by unanimous vote:

Resolution No. 1190

NOW THEREFORE BE IT RESOLVED that the Annual Procurement Report for FY 2014-2015 is hereby approved.

Approval of Policies (Attachments 15-41 through 15-43)

Mr. MacDonald presented the Corporation's Procurement Guidelines, Investment Guidelines, and Disposition of Property Process for the required annual review and approval. No changes had been made in any of these policies. A motion was made and seconded. The following resolution passed by unanimous vote:

Resolution No. 1191

NOW THEREFORE BE IT RESOLVED that the Procurement Guidelines, Investment Guidelines and Disposition of Property Process are hereby reapproved without changes.

Approval of Procurement Summaries (Attachments 15-44 through 15-46)

<u>Vendor</u>	<u># of Years</u>	<u>Amount/Year</u>
SSP Group Inc. dba Big Apple Window	2 years	\$543,420 (Glass)
Cleaning & Platinum Maintenance & Palladium Window	w/option for a 3rd	\$260,600 (Steel)

Mr. Steel advised that management would present the Board with recommended changes to the Procurement Guidelines to reduce the number of less significant contract awards that are required to be presented to the Board for approval.

<p>III. Committee Reports (continued)</p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1192</p> <p>NOW THEREFORE BE IT RESOLVED that the award of contract to the SSP Group, Inc. per <u>attachment 15-44</u> is hereby approved.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Vendor</u></th> <th style="text-align: center;"><u># of Years</u></th> <th style="text-align: right;"><u>Amount/Year</u></th> </tr> </thead> <tbody> <tr> <td>Cintas Corporation</td> <td style="text-align: center;">3</td> <td style="text-align: right;">\$13,375</td> </tr> </tbody> </table> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1193</p> <p>NOW THEREFORE BE IT RESOLVED that the award of contract to the Cintas Corporation per <u>attachment 15-45</u> is hereby approved.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Vendor</u></th> <th style="text-align: center;"><u># of Years</u></th> <th style="text-align: right;"><u>Amount/Year</u></th> </tr> </thead> <tbody> <tr> <td>IHAVC Corporation</td> <td style="text-align: center;">1</td> <td style="text-align: right;">\$111,772</td> </tr> </tbody> </table> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1194</p> <p>NOW THEREFORE BE IT RESOLVED that the award of contract to the IHAVC Corporation per <u>attachment 15-46</u> is hereby approved.</p> <p><u>Review of Contract – Wells Fargo Insurance Services USA, Inc. (Attachment 15-47)</u> Procurement contracts that are extended for more than one year are submitted for annual Board review as required by the Corporation's procurement guidelines. The procurement summary was included with the packet sent to the Board in advance of the meeting. No Board member had any comment or question with respect to this procurement.</p>	<u>Vendor</u>	<u># of Years</u>	<u>Amount/Year</u>	Cintas Corporation	3	\$13,375	<u>Vendor</u>	<u># of Years</u>	<u>Amount/Year</u>	IHAVC Corporation	1	\$111,772	
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<p>III. Committee Reports (continued)</p>	<p><u>Approval of Award of Contract - Architectural Services to Javits II Architecture:</u> Mr. MacDonald presented for the Board's approval the award of a single source contract for architectural services to Javits II Architecture.</p> <p>Mr. Goldstock asked that the record reflect that the award was approved on the understanding that the firm was being retained to perform consulting services directly related to their prior services, primarily in connection with ongoing discussions with the NYC Planning Department that are expected to extend beyond the June 30, 2015 termination of Javits II Architecture's contract with CCDC.</p> <p>Mr. MacDonald confirmed that the Corporation expects to be reimbursed by the CCDC for its expenditures under this contract.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p>Resolution No. 1195</p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract for Architectural Services to Javits II Architecture in the amount of \$500,000 is hereby approved.</p> <p><u>Finance:</u></p> <p><u>April 2015 & YTD Financials (Attachment – 15-48)</u> Mr. MacDonald presented the financial report for April 2015 (month & YTD), showing total gross revenue of \$36,321,000, which is \$1,731,000 better than Plan. Total operating expenses for April 2015 were \$29,902,000, which is \$635,000 over Plan. Net surplus from operations was \$6,420,000, which is \$1,096,000 better than Plan. Net surplus after depreciation was \$6,070,000 or \$1,096,000 better than Plan.</p> <p><u>B. Human Resources – Edward Kane, Committee Chairman</u> No report.</p> <p><u>C. Facilities – Sherida Paulsen, Committee Chairwoman</u> No report</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>D. Sales & Marketing – Lee Compton, Committee Chairman (Attachment 15-49)</u> Ms. Guerin gave a Power Point presentation of the Center’s sales activity and progress. The report included results of sales activity for April ó June 2015, and a look ahead to the July, August and September show schedules.</p> <p><u>F. Governance – Ronald Goldstock, Committee Chairman</u> No report.</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 4:00 PM with the next meeting to be held on September 16, 2015.</p>	