

APPROVED 6/6/22/16



**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
Andrew Stone
Christine Ferer
David Emil
Eric R. Komitee
Gary Lavine
Hugh L. Carey II
John Lee Compton
Joseph Spinnato
Karen He
Marc Ricks
Mark Schienberg
Mary D'Elia
Robert Azeke
Ronald Goldstock
Sherida Paulsen

OTHERS PRESENT:

STAFF:

Alan E. Steel, President & CEO
John C. Menapace, Senior VP, CFO
Bradley A. Siciliano, General Counsel & Corporate Secretary
Doreen Guerin, Senior VP, Sales & Marketing
Kenneth Sanchez, Senior VP, Facilities Solutions
Christine McMahon, Senior VP, Human Resources and Labor Solutions
Mark Sims, Senior VP, IT Solutions
Tim Gaburungyi, VP, IT Solutions
Melanie McManus VP & Controller
Tony Sclafani, Senior VP, & Chief Communications Officer
Mike Ruberry, VP Event Solutions & Set-Up
Ken Foley, Director of Internal Controls & Compliance
Kris Woo, Director of Finance & Planning
Gretchen Moe, Manager, Purchasing Solutions
Shirley Coley, Legal Assistant

DATE:

May 11, 2016

Time:

3:00 p.m.

Location:

Large Conference Room

ABSENT:

Andrew M. Murstein
Edward P. Kane

Visitors:

<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 3:00 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 March 16, 2016 (Attachment 16-29)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on <u>March 16, 2016</u>. The following resolution passed by unanimous vote: <u>Resolution No. 1239</u> NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on <u>March 16, 2016</u>, are hereby approved.</p>	
<p>II. Corporate Matters</p>	<p><u>President’s Report - Alan Steel (Attachment 16-30)</u> Mr. Steel presented his report. Mr. Steel advised the Board of the status of the proposed expansion project, noting extensive amounts of time were being spent by senior management on the project, particularly on his part and that of Ms. Guerin and Mr. Sanchez. He identified key events in the project time line including the RFQ being issued on April 12, 2016 and responses being due May 10, 2016. Responses are to be reviewed by a Selection Committee which will include Mr. Steel. The top three responses would be given the opportunity to respond to the RFP for the project, which is scheduled to be released at the beginning of June. It is expected that a winner of the design build competition will be selected by the end of the year. Some initial work, outside the RFQ’s scope, is scheduled to start shortly related to relocating the transformer yard to a higher elevation as well as relocating sewer lines and water mains that run through 39th Street. Work on the expansion is anticipated to begin in May 2017. The last event in Javits North will likely take place in April of 2017. Plans call for the project to take 36 months to complete with an opening of the expanded portions of the Center by January 2021, but given the scale of the project and numerous variables, that time table is subject to change. The legislature provided \$1 billion for the project in the recent budget. An additional \$140 million is available from the Hotel Unit Fee tax. Additional sources of funds are being considered including additional bonds. Members raised the question of their role in approving the plans at various stages. Mr. Steel agreed to request a report from CCDC on the status of the plans to be presented to the Board.</p>	

<p>II. Corporate Matters (continued)</p>	<p>Mr. Steel next presented the Board with the Corporation's new Strategic Plan. He explained the plan grew out of the Senior Executive off site meeting in January and began with a review of the Corporation's Mission Statement. That review was used to identify strategic objectives which management would be using to guide future business decisions and the creation of the Strategic Plan.</p> <p><u>Executive Session</u></p> <p>A motion was made and seconded for the Board to go into executive session. The following resolution was passed by unanimous vote.</p> <p><u>Resolution No. 1240</u></p> <p>NOW THEREFORE BE IT RESOLVED that the Board will conduct an executive session pursuant to Public Officers Law § 105 to consider matters of public safety.</p> <p>No votes were taken; no resolutions were passed in Executive Session</p>	
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<p>III. Committee Reports</p>	<p><u>A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u> Mr. Levine reported the Committees had met prior to the Board Meeting with Mr. Phil Burke regarding the Oracle Implementation and the Workforce Management project. He reported that they would continue to have an ongoing dialogue with Mr. Burke regarding these projects. Mr. Levine took particular note of the value Mr. Carey brought to these discussions for the Board. Mr. Levine further reported that UHY, the external auditors, would have the Corporation’s audit completed by the June meeting and that the committee had signed off on the internal audit program from Ken Foley. He noted the emphasis on the review of floor operations for the internal audit going forward. Finally, he advised the Board that the decision had been made to reserve \$2.6 million in connection with the Oracle Implementation related to modules which had not been utilized to date.</p> <p><u>Preliminary March 2016 YTD financials for review (Attachment 16-31)</u> Mr. Menapace presented the preliminary report for the fiscal year ending March 31, 2016, showing total gross revenue of \$191 million, which is \$11.5 million over Plan. Total operating expenses for the year were \$184.1 million, which is \$6.9 million over Plan. Net operating surplus was \$6.8 million, which is \$4.6 million better than Plan. Net surplus after depreciation was \$2.4 million, which is \$6 million over Plan.</p> <p>Year over year, rental revenue increased 9%, event related revenue increased by 15%, exhibit labor revenue increased by 12% and total operating revenue increased by 12% while total operating expenses increased by only 11%.</p> <p><u>MWBA Report</u> Mr. Menapace reported on the Corporation’s MWBE performance over the past 2 years, noting that for Fiscal year 2016 the Corporation was at 37%, which is 7% over target, improving on Fiscal 2015’s performance which was 1% over target.</p> <p><u>Procurement Summaries for Approval (Attachment 16-32)</u> Mr. Menapace presented Board with a packet of individual procurements for approval. Due to ongoing negotiations with vendors, the Kronos procurement and the Edgerock Technologies procurement were dropped from the agenda. After discussion, the Board voted to approve the following procurement:</p> <p><u>Approval of Contract 6 Nouveau Elevators (Attachment 16-32)</u> Mr. Menapace presented a procurement summary seeking Board approval to award a contract to Nouveau Elevator for the repair and renovation of the escalators for a total cost of \$211,731.60.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Resolution No. 1241</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Nouveau Elevator for the repair and renovation of the escalators for a total cost of \$211,731.60.</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> <p><u>D. Sales & Marketing – Lee Compton, Committee Chairman (Attachment 16-33)</u> Ms. Guerin gave a Power Point presentation of the Center’s sales activity and progress. There are 7 new events added to the April through June 2016 show calendar. The Center would be occupied for 89 days during the quarter. A total of 26 trade shows, 26 special events and 2 public events were scheduled. The July through September 2016 quarter currently has scheduled 39 total events, 4 of which are new, for a total of 79 days of activity.</p> <p><u>E. Governance – Ronald Goldstock, Committee Chairman</u> Mr. Siciliano reported that the Committee had met on April 19, 2016 to review a number of action items required by the Public Authorities Reform Act and other related laws.</p> <p><u>2014 Performance Measurements (Attachment 16-34)</u> Mr. Siciliano presented the Corporation’s 2014 Performance Measurement for the Board’s approval.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1242</u> NOW THEREFORE BE IT RESOLVED that the Corporation’s 2014 Performance Measurements are hereby approved.</p> <p><u>Updated Mission Statement (Attachment 16-35)</u> Mr. Siciliano advised the Board that senior management had performed the annual assessment of the Corporation’s Mission Statement. Based upon that assessment, changes were made to the Mission Statement and were being submitted to the Board for its approval.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Resolution No. 1243</u> NOW THEREFORE BE IT RESOLVED that the Corporation's new Mission Statement is hereby approved.</p> <p><u>By-Laws Review</u> Mr. Siciliano advised the Board that pursuant to the Public Authorities Reform Act, the Board was required to review the Corporation's By-Laws on an annual basis. The Governance Committee had reviewed the Corporation's By-Laws and determined that no changes were recommended at this time.</p> <p><u>Corporate Seal (Attachment 16-36)</u> Mr. Siciliano advised the Board at some point in the past several years the Corporation's Corporate Seal had been misplaced. Efforts to find a document with the Corporate Seal applied had been unsuccessful. Consequently, a new Corporate Seal had been designed and was being submitted for the Board's approval.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1244</u> NOW THEREFORE BE IT RESOLVED that the Corporate Seal is hereby approved.</p> <p><u>Board Code of Ethics (Attachment 16-37)</u> Mr. Siciliano advised the Board that in reviewing the Corporation's By-Laws the committee had decided it would be advisable to present the Board Member's with a copy of the Code of Ethics contained within the By-Laws and encouraged the members to review the Code of Ethics as a refresher.</p> <p><u>Financial Disclosure Statements</u> Mr. Siciliano reminded all Board members of the deadline of May 16th to file their Financial Disclosure Statements with JCOPE.</p> <p><u>F. Ad Hoc for Javits Expansion/Renovation – Joseph Spinnato., Committee Chairman</u> No report.</p> <p><u>G. EEO/MWBE - Mary D'Elia, Committee Chairwoman</u> No report.</p>	
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<p>IV. Other Business</p>	<p><u>Appointment of Mike Ruberry</u></p> <p>A motion was made and seconded,. The following resolution was passed by unanimous vote:</p> <p><u>Resolution No. 1245</u> NOW THEREFORE BE IT RESOLVED that Mike Ruberry is hereby appointed as the Corporation's Vice President of Events Solutions & Set-Up.</p>	
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 4:18 PM with the next meeting to be held on June 22, 2016.</p>	