

Approved – 11/13/19



**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
J. Lee Compton
Fred W. Dixon
George Tsunis
Ronald Goldstock
Edward P. Kane
Steven C. Koppel
Gary Lavine – Via Web Ex
Lee H. Perlman
Mark Schienberg

ABSENT:

Robert Azeke
Hugh L. Carey II
Andrew Murstein
Brian O’Dwyer
Joseph Spinnato
Christine Ferer

OTHERS PRESENT:

STAFF:

Alan E. Steel, President & CEO
Bradley A. Siciliano, Chief Operating Officer
Doreen Guerin, SVP Sales & Marketing
Melanie McManus, SVP & CFO
Christine McMahon, SVP, HR & Labor Solutions
Sonia Low, VP, General Counsel & Corporate Secretary
Mark Sims, SVP & CIO
Tim Gaburungyi, VP, IT Solutions
Kenneth Sanchez, SVP Facilities Management
Kenneth Dixon, VP Security & Safety Solutions
Tony Sclafani, SVP & CCO
Mike Ruberry, VP Event Solutions & Set-Up
Mariam Karim, VP Guest Experiences
Markus Szejnberg, Associate General Counsel
Kareem Salvant, Event Logistics & Facilities Support Manager
Shirley Coley, Legal Assistant

Guests/Visitors:

Robin Stout, President NY Convention Center Development Corporation

DATE:

September 25, 2019

Time:

1:00 p.m.

Location:

Large Conference Room

<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 1:00 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 June 13, 2019 (Attachment 19-61)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on June 13, 2019. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1416</u> NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on June 13, 2019, are hereby approved.</p>	
<p>II. Corporate Matters</p>	<p>Before proceeding further, Mr. Silverman asked the Directors 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. Mr. Lavine raised a potential conflict in connection with litigation over a rate dispute a client of his firm was involved with against New York Power Authority. Mr. Siciliano noted that the issue had been reviewed last year and no conflict was found. Mr. Koppel also raised a potential conflict in connection with voting on the procurement for Convergent Technologies as the company is a client of his firm. Mr. Koppel indicated that he would recuse himself from voting.</p> <p><u>President’s Report - Alan Steel (Attachment 19-62)</u> Mr. Stout, President of the New York Convention Center Development Corporation (CCDC), updated the Directors on the expansion and informed them that construction is more than fifty percent (50%) complete. He explained that the truck marshalling facility superstructure concrete has been topped out, and metal panels have been installed on the west end of the spine at Level 4 & 5 back-of-house. He also reported that steel erection has progressed towards 11th Avenue, and concrete slabs on deck are being poured close behind the steel. Masonry, carpentry and drywall are being installed. All six new feeders were energized, and electricity for the existing facilities is flowing through the Transformer Building.</p>	

<p>Corporate Matters (continued)</p>	<p>Mr. Stout also provided that Phase 2 of the Transformer Building project has begun with demolition of the Transformer Yard equipment on Level 1. He indicated that the project is progressing on time and on budget.</p> <p>Mr. Steel reported on management’s strategic planning process. The strategic plan was first presented in May 2016, and the executive team will undergo a process of developing an updated strategic plan for 2020 through 2022. He explained that the strategic plan will be finalized by calendar year end, and the focus will be on the following:</p> <ul style="list-style-type: none"> • Impact of the expansion on business operations • Adjusting to a changing competitive market • Areas for improvement within the Javits Center • Potential solutions to those areas in need of improvement • Prioritization of the initiatives and changes <p>Mr. Steel also reported that CCDC has issued an RFP for a Comprehensive Facilities Conditions Assessment and Long-Term Capital Asset Plan of the Transformer Building, the Javits Center and the expansion. He noted that a site visit is scheduled for Thursday, September 26th. Bids are due on Friday, October 11th and a decision is expected in November 2019.</p> <p>Mr. Steel updated the Directors on the planned rooftop solar farm. He showed photos of the Rooftop Solar Farm which is key to our sustainability initiatives. This farm is also NYPA’s lead project. Mr. Steel reported that construction is expected to be completed by December 2020.</p> <p>Mr. Steel reported next on Climate Week in New York and the all-day conference held on Friday about climate action and sustainability in the tourism industry. He indicated that this was a good event for the Javits Center as it helps reinforce our position as a leader in sustainability and presents a good business opportunity.</p> <p>Mr. Steel indicated that the building was closed for maintenance for two weeks in August. Level 1 loading dock was painted, the elevator controller was upgraded and exterior lighting was replaced.</p> <p>Mr. Steel reported to the Directors that an Emergency Management Tabletop Exercise was conducted on July 18, 2019 which complied with the Homeland Security Exercise and Evaluation Program. The participants included NYPD, FDNY, PANYNJ, NY State Police, Department of Homeland Security and the FBI. The tabletop exercise included a multi-media simulation of a terror attack and focused on the response by internal, city, state and federal resources.</p>	
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<p>Corporate Matters (continued)</p>	<p>Mr. Steel also provided an update on the Port Authority Bus Terminal Proposal, and indicated that public hearings have taken place and written public comments are now submitted. He also indicated that using Javits Center as a bus terminal would be an obvious concern. He believed that such a use would prove to be unacceptable for a number of reasons, and committed to keeping the Board informed about future developments.</p> <p><u>Financial Report – Ms. McManus (Attachment - 19-63)</u></p> <p>Ron Goldstock reported that the Audit Committee reviewed and discussed all procurement summaries, including the one for internal auditing services. The Committee had concluded it was beneficial to outsource the internal audit function to firm with a team of experts, rather than rely on a sole internal auditor who could not be expert in all the substantive areas of review. He noted the particular need for expertise in the areas of technology and security. Mr. Goldstock informed the Directors that an RFP for outside internal auditing services was sent and four firms, including The Bonadio Group, were selected to make presentations. Mr. Lavine and Mr. Goldstock interviewed The Bonadio Group and were satisfied with the staff’s decision to award the contract to The Bonadio Group. Mr. Goldstock noted that the cost of hiring an outside internal auditor is comparable to the cost of employing an individual full time internal auditor at the Javits Center.</p>	
<p>III. Committee Reports</p>	<p><u>Procurement Summaries for Approval (Attachments 19-64 through 19-70)</u></p> <p>Ms. McManus presented the Board with a packet of individual procurements for approval. The Chairman advised the members that by voting to approve the listed procurements, the Board 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 – United Rentals (North America), Inc. (Attachment 19-64)</u></p> <p>Ms. McManus presented a procurement summary seeking Board approval to award United Rentals (North America), Inc. (United Rentals) a contract to provide rental of aerial equipment for the Jacob K. Javits Convention Center (Javits Center). The contract is for three years at an estimated cost of \$555,000 (\$185,000 per year). The contract term is from October 1, 2019 – September 30, 2022 which includes a renewal option for two additional years at the Javits Center’s discretion.</p>	

<p>Committee Reports (continued)</p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1417</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to United Rentals to provide the rental of aerial equipment at the Javits Center for a contract term of three years (October 1, 2019-September 30, 2022) at an estimated cost of \$555,000 which includes a two-year renewal option, is hereby approved.</p> <p><u>Approval of Contract – The Bonadio Group (Attachment 19-65)</u> Ms. McManus presented a procurement summary seeking Board approval to award The Bonadio Group 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 \$389,600 (Y1: \$147,300, Y2: \$129,000 and Y3: \$122,300). The contract term is from October 1, 2019 – September 30, 2022 which includes a two-year renewal option (Y4: \$124,600 and Y5: 127,000) at the Javits Center’s discretion.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1418</u> NOW THEREFORE BE IT RESOLVED that the award of contract to The Bonadio Group to provide Internal Audit Services for the Javits Center for three years (October 1, 2019-September 30, 2022) at an estimated cost of \$389,600 (Y1: \$147,300, Y2: \$129,000 and Y3: \$122,300) which includes a two-year renewal option (Y4: \$124,600 and Y5: 127,000), is hereby approved.</p> <p><u>Approval of Contract – DiDomenico & Partners, LLP (Attachment 19-66)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to DiDomenico & Partners, LLP to provide a Project Manager for the Perimeter Security project for the Jacob K. Javits Convention Center (Javits Center). The contract is for 18 months at an estimated cost of \$200,000. The term of the contact is November 1, 2019 – April 1, 2021.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1419</u> NOW THEREFORE BE IT RESOLVED that the award a single source contract to DiDomenico & Partners, LLP to provide a Project Manager for the Perimeter Security Project at the Javits Center for 18 months (November 1, 2019-April 1, 2021) at an estimated cost of 200,000, is hereby approved.</p>	
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<p>Committee Reports (continued)</p>	<p><u>Approval of Contract – Convergent Technologies (Attachment 19-67)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract to Convergent Technologies to provide a Security System Management Plan for the Jacob K. Javits Convention Center (Javits Center). The contract is for three years at an estimated cost of \$99,000 (\$33,000 per year). The contract term is from October 1, 2019 -September 30, 2022.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1420</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to Convergent Technologies to provide a Security System Management Plan for the Javits Center for three years (October 1, 2019-September 30, 2022) at an estimated cost of \$99,000 (\$33,000 per year) is hereby approved.</p> <p><u>Approval of Contract – Siemens Building Technologies, Inc. (Attachment 19-68)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to Siemens Building Technologies, Inc. (Siemens) to provide a solar panel canopy demonstration unit for the Solar Renewable Energy Project for the Jacob K. Javits Center (Javits Center). The contract is for three months at an estimated cost of \$122,000. The term of the contract is September 1, 2019- November 30, 2019.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1421</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Siemens to provide a solar panel canopy demonstration unit for the Solar Renewable Energy Project for the Javits Center for three months (September 1, 2019-November 30, 2019) at an estimated cost of \$122,000, is hereby approved.</p> <p><u>Approval of Contract – Siemens Building Technologies, Inc. (Attachment 19-69)</u> Ms. McManus presented a procurement summary seeking to obtain Board approval for an extension on a sole source contract that had been awarded to Siemens Building Technologies, Inc. (Siemens). Siemens will provide technical support to the Building Management System (BMS) and Fire Safety Systems at the Jacob K. Javits Convention Center (Javits Center); for a period of 18 months at a cost of \$473,328 beginning September 1, 2019- February 28, 2021. (An extension is necessary while a new life safety system is being designed to bring the existing building up to current code and align with the requirements of the expansion).</p>	
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<p>Committee Reports (continued)</p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1422</u> NOW THEREFORE BE IT RESOLVED that an extension on the sole source contract that had been awarded to Siemens to provide technical support to the Building Management System (BMS) and Fire Safety Systems at the Javits Center for a period of 18 months (September 1, 2019-February 28, 2021) at a cost of \$473,328, is hereby approved.</p> <p><u>Approval of Contract – DiDomenico & Partners, LLP (Attachment 19-70)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to DiDomenico & Partners, LLP (DDP) to provide interior design related services in connection with the furniture, fixtures and equipment for the Jacob K. Javits Convention Center (Javits Center) expansion. The contract is for 18 months at an estimated cost of \$564,855. The term of the contract is October 1, 2019-March 31, 2021.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1423</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to DDP to provide interior design related services relating to the furniture, fixtures and equipment for the Javits Center expansion; for 18 months (October 1, 2019-March 31,2021) at an estimated cost of \$564,855 is hereby approved.</p> <p><u>Review of Procurement Summaries – (Attachments 19-71 through 19-76)</u> Ms. McManus stated that previously approved service procurement contracts that extend for more than one year were 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. No Board Member had any comment or question with respect to these procurements.</p> <p><u>Procurement Contracts for Review:</u> Siemens Building Technologies, Inc., A & L Cesspool & Recycling, New York Power Authority, Delta Dental of New York, Inc., NetX Information Systems, Inc. & Veritas, Brosnan Risk Consultants (Attachments 19-71 through 19-76)</p>	
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Committee Reports (continued)

Vendor	# of Years	Amount/Year
Siemens Building Technologies, Inc.	2/3	\$ 3,285,752
A & L Cesspool & Recycling	3/3	\$ 34,560
New York Power Authority	3/10	\$ 6,000,000
Delta Dental of New York, Inc.	2/2	\$ 156,710
NetX Information Systems, Inc. & Veritas	4/5	\$ 51,837
Brosnan Risk Consultants	3/3	\$ 516,588

August 2019 YTD financials for review (Attachment 19-77)

Ms. McManus presented the Board with the Financial Report for the period ending August 2019. Year to date, there is a total gross revenue of \$83,000,000, against a plan of \$89,200,000. Total operating expenses YTD are \$81,900,000 against a plan of \$88,200,000. Operating surplus was \$1,100,000 against a plan of \$1,000,000. Net loss after depreciation and interest income was \$1,200,000 against a plan of \$1,800,000. Ms. McManus explained that the first quarter in FY19 included significant rotating events which did not recur in FY20.

A. Audit & Finance Committee – Gary Lavine and Ronald Goldstock, Committee Chairmen

It was reported that the Audit and Finance Committee met prior to the meeting, and the Committee reviewed and discussed the procurement summaries and did not express any concern on any of the procurement summaries.

B. Human Resources/EEO – Edward P. Kane, Committee Chairman

None.

C. Facilities/Operations – Mark Schienberg, Committee Chairman

None.

<p>Committee Reports (continued)</p>	<p><u>D. Sales & Marketing – Lee Compton, Committee Chairman (Attachment 19-78)</u> <u>Comments made by Doreen Guerin</u> Ms. Guerin presented a report of the Sales and Marketing Committee. There were 72 days of activity in the third quarter of 2019 with a total of 29 events. For the fourth quarter of 2018, it is expected there will be 79 days of activity, with a total of 47 events, 7 of which are new.</p> <p><u>E. Governance - Ronald Goldstock, Committee Chairman</u> None.</p>	
<p>IV. Other Business</p>	<p>No Report</p>	
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 1:45 PM with the next meeting to be held on November 13, 2019.</p>	