

Approved 6/23/21



**BOARD OF DIRECTORS MEETING  
NEW YORK CONVENTION CENTER OPERATING CORP.**

655 West 34<sup>th</sup> Street  
New York, NY 10001-1188

**MINUTES**

**MEMBERS PRESENT:**

Henry Silverman, Chairman  
Robert Azeke  
Hugh L. Carey II  
Ronald Goldstock  
Edward P. Kane  
Steven C. Koppel  
Gary Lavine  
Andrew Murstein  
Brian O'Dwyer  
Lee H. Perlman  
Mark Schienberg  
Joseph Spinnato

**OTHERS PRESENT:**

**STAFF:**

Alan E. Steel, President & CEO  
Bradley A. Siciliano, Chief Operating Officer  
Doreen Guerin, SVP Sales & Marketing  
Melanie McManus, SVP & CFO  
Christine McMahan, 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  
Tony Sclafani, SVP & CCO  
Mike Ruberry, VP Event Solutions & Set-Up  
Mariam Karim, VP Guest Experiences  
Kareem Salvant, Event Logistics & Facilities Support Manager  
Shirley Coley, Legal Assistant

**DATE:**

**March 10, 2021**

**Time:**

**1:00 p.m.**

**Location:**

**Audio/Video Webex**

**ABSENT:**

Fred Dixon  
Christine Ferer  
George Tsunis

**Guests/Visitors:**

Robin Stout, President, NY Convention Center Development Corporation (CCDC)



<p><b>Call to Order</b></p>	<p>The meeting of the Board of Directors for the New York Convention Center Operating Corporation (CCOC) was called to order at <b>1:00</b> p.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman. In light of safety concerns related to the COVID-19 outbreak, the meeting was conducted via Webex rather than in person as authorized by Executive Order 202.1 and any extension thereof, suspending the Open Meetings Law requirements.</p>	
<p><b>Agenda</b></p>	<p><b>Discussion</b></p>	<p><b>Recommendation Action/Follow-up</b></p>
<p><b>I. Approval of the Minutes</b></p>	<p><b><u>Approval of the Minutes of January 27, 2021 (Attachment 21-15)</u></b></p> <p>A motion was made and seconded to approve the minutes of the Board of Directors meeting held on <u>January 27, 2021</u>. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1475</u></b>  <b>NOW THEREFORE BE IT RESOLVED</b> that the minutes of the Board of Directors meeting held on <u>January 27, 2021</u>, are hereby approved.</p>	
<p><b>II. Corporate Matters</b></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. No one identifying any conflict, the meeting proceeded.</p> <p><b><u>President’s Report - Alan Steel (Attachment 21-16)</u></b></p> <p>Mr. Stout presented an update on the expansion project which is over 95% complete as of February 26, 2021. It is expected to be completed in May of this year, inclusive of construction permitting. Mr. Stout explained that from the Atrium view east towards 39<sup>th</sup> Street and 11<sup>th</sup> Avenue, one can get a sense of the volume of the space with the completion of the skylight and Atrium vestibule installation. The exposition space on level 3 is nearly complete. The wall panels and carpeting for the meeting rooms on level 4 are being installed, and the grids on the ceiling</p>	

<p><b>Corporate Matters (Continued)</b></p>	<p>which allow the space to be subdivided for various meeting room configurations are visible. The carpet and ceiling panels in the pre-function space on level 5 are mostly installed, and there are beautiful views towards the Hudson from the large windows facing south. The floor of the interior fit-out space is completed as of date. The fabrication of the curtain wall, metal panels and precast panels of the enclosure are completed, and the roofing and waterproofing is over 79% complete. From the view west within the pavilion, the interior work is rapidly progressing. The metal wall panels of the pavilion north wall are 100% fabricated and 90% installed as of the end of February. The interior work of the pavilion is rapidly progressing.</p> <p>Mr. Stout reported that the greenhouse structure is now 95% fabricated and 85% installed on site. The pavilion will be completed in later May or June and the greenhouse will be completed after the pavilion. The work on the orchard is coming together and the soil will be delivered soon to be placed in the orchard in preparation for the fruit trees.</p> <p>There was a general discussion about the construction timeline during the pandemic and the slight delay and cost. Mr. Stout mentioned that there was no substantive impact on the budget.</p> <p>Mr. Steel provided a status update on the expansion site. He reported that CCOC formally accepted handover of the Transformer Building and that the base completion of the expansion project is expected to be at the end of May, at which time CCOC will occupy the space. The completion of the expansion exterior and the farm is expected during the summer of 2021. There is a formal plan to remove the temporary wall in Hall 3A. Mr. Steel also informed the Board that there will be an expansion-focused Board meeting to be scheduled in early May, and a meeting for the expansion opening ceremony to take place tomorrow with the Governor’s staff.</p> <p>In connection with the current use of the Javits Center for the vaccination center operation, hall 3E is now converted into a vaccination center and hall 3D is being used for registration. The Javits New York Medical Station in Hall 3A is being dismantled. In the past week, the Javits Center was temporarily moved to a 24-hour operation as part of a new pilot program to administer the Johnson &amp; Johnson single-dose vaccine eligible to New Yorkers during overnight hours. Since opening the Javits Center as a vaccination site, there have been approximately 180,000 vaccines administered. The distribution has increased to more than 10,000 vaccines a day. The vaccination center is expected to be operational for an extended period until possibly June. A string quartet from Sing for Hope is playing for a few hours each day to create a more inviting experience for the healthcare workers and patients on site. In addition, two pianos have been installed on level 3. The Javits Center received good reviews from various people, including the Governor, when he attended a press conference at the Center.</p>	
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<p><b>Committee Reports (Continued)</b></p>	<p>Ms. McManus provided the Board Members with the five-year actuals on total revenue and expense for the fiscal years 2016 through 2021 as well as the plan of events from April 1, 2021 through March 31, 2022. Ms. McManus noted that the event calendar is the basis for the Center’s operating plan each year. This year management is estimating that the vaccination center will be operational through June 2021 and events will resume beginning in September at approximately 50% from the prior operating plan. This provides an estimated plan revenue of \$80.7 million, of which over 90 percent is event-related. Ms. McManus next provided an estimated plan of expenses of approximately \$109.5 million for the Fiscal Year 2022. She explained that this includes additional operating costs for the expansion facility, holding most wages throughout the year steady and a 20% increase in employee levels to accommodate events beginning in September. Other increases over FY21 include insurance expenses and the OPEB reserve. The Javits Center has paused all nonessential services in order to save costs but will need to resume some maintenance contracts to prepare for reopening the building for events.</p> <p><b><u>Approval of the Fiscal Year 2022 Operating Plan – (Attachment 21-17)</u></b></p> <p>Ms. McManus then provided a high-level overview financial projects for the fiscal period ending March 31, 2021, anticipating approximately \$53,252,000 in total operating revenue, the majority relating to the medical station, and \$55,884,000 in total operating expenses resulting in an operating loss of \$8,465,000. After depreciation of \$5,832,000 and interest expense of \$80,000, the planned net loss for the fiscal period is \$8,385,000.</p> <p>Ms. McManus then discussed the Fiscal Year 2022 Operating Plan and presented it to the Board Members for their review and approval. McManus noted that the total operating revenue is projected at \$80,602,000 and the total operating expenses is \$103,078,000. The operating loss before depreciation is projected to be approximately \$22,500,000 which CCOC has reviewed in detail and reflects the significant increased investment and expenses CCOC will need to incur to reopen the Javits Center and the expansion space for business. Management is in ongoing discussions with the Department of Budget to find resources in connection with the Center’s COVID response to close the budget gap. The Net Loss after depreciation is projected to be \$28,866,000. The current cash forecast anticipates positive cash through July 2021. CCOC is diligently working with the Division of Budget to ensure that CCOC is reimbursed for expenditures related to the medical station and vaccination site.</p> <p>Ms. McManus then reviewed the funds CCOC has committed to its capital investment since Fiscal Year 2017. CCOC has minimal capital expenditure planned for FY22 and it mostly relates to lease payments on IT infrastructure. Ms. McManus noted that CCOC will only spend funds on capital projects so long as a funding source has been identified. CCDC has been able to approve approximately \$40 million since 2016 for capital projects. Ms. McManus then reviewed a summary of the five-year capital plan.</p>	
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<p><b>Committee Reports (Continued)</b></p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1476</u></b> <b>NOW THEREFORE BE IT RESOLVED</b> that the Fiscal Year 2022 Operating Plan is hereby approved.</p> <p><b><u>Procurement Summaries for Approval (Attachments 21-18)</u></b> 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><b><u>Approval of Contract – Siemens Industries, Inc. (Attachment 21-18)</u></b> Ms. McManus presented a procurement summary seeking Board approval to award a single source procurement to Siemens Industries, Inc. (Siemens) to provide the materials for Auxiliary Radio Communication System (ARC) for the Javits Center. The contract term is for two months (from March 11, 2021 – April 30, 2021) at a cost of \$311,137.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1477</u></b> <b>NOW THEREFORE BE IT RESOLVED</b> that the award of a single source contract to Siemens to provide materials for ARC for the Javits Center for a contract term of two months (from March 11, 2021-April 30, 2021) at the cost \$311,137 is hereby approved.</p> <p><b><u>Authorization to the Finance Committee</u></b> Ms. McManus advised the members that two procurements were not ready for the current board meeting, but would need board approval prior to the next time the Board would meet. One was an anticipated single source procurement to Stage Right Corporation (Stage Right) to supply the performance stage equipment as part of the Furniture, Fixtures, and Equipment (FFE) needed for the Jacob K. Javits Convention Center (Javits Center) expansion at a cost of \$541,873. The second was the annual insurance program (Property, GL, Umbrella, Auto, Terrorism, Active Assailant, D&amp;O, Network, Crime &amp; Fine Art) for the year ending March 31, 2022 being completed by CCOC’s insurance broker USI Insurance Services LLC (USI). Ms. McManus requested a</p>	
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<p><b>Committee Reports (Continued)</b></p>	<p>resolution authorizing the Finance Committee to review and approve those expected procurements prior to the next Board Meeting.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><b><u>Resolution No. 1478</u></b>  <b>NOW THEREFORE BE IT RESOLVED</b> that the Board of Directors grants to the Finance Committee the authority to review and approve, on behalf of the Board, (1) the procurement contract issued by CCOC in connection with Stage Right and (2) the insurance program (Property, GL, Umbrella, Auto, Terrorism, Active Assailant, D&amp;O, Network, Crime &amp; Fine Art) for the year ending March 31,2022 as recommended by CCOC’s broker USI Insurance Services LLC.</p> <p><b><u>Review of Procurement Summaries – (Attachments 21-19 through 21-26)</u></b>  Ms. McManus stated that previously approved service procurement contracts that extended for more than one year were being submitted for annual Board review as required by CCOC’s procurement guidelines. The procurement summaries were included with the packet sent to the Board in advance of the meeting.</p> <p><b><u>Procurement Contracts for Review:</u></b>  USI Insurance Services, LLC, Garratt-Callahan Company, EFPR Group, LLP, Paul J. Scariano, Inc., BGS Controls, See Factor Industry, Inc., Daikin Applied Americas, Inc. and Business Compliance &amp; Investigations (Attachments 21-19 through 21-26)</p> <table border="1" data-bbox="373 977 1705 1360"> <thead> <tr> <th>Vendor</th> <th># of Years</th> <th>Review Period Amount/Year</th> </tr> </thead> <tbody> <tr> <td>USI Insurance Services, LLC</td> <td>3</td> <td>\$165,000/3</td> </tr> <tr> <td>Garratt-Callahan Company</td> <td>4</td> <td>\$23,940/4</td> </tr> <tr> <td>EFPR Group, LLP</td> <td>3</td> <td>\$84,600/3</td> </tr> <tr> <td>Paul J. Scariano, Inc.</td> <td>2</td> <td>\$2,965,818/2</td> </tr> <tr> <td>BGS Controls</td> <td>3</td> <td>\$1,250/3</td> </tr> </tbody> </table>	Vendor	# of Years	Review Period Amount/Year	USI Insurance Services, LLC	3	\$165,000/3	Garratt-Callahan Company	4	\$23,940/4	EFPR Group, LLP	3	\$84,600/3	Paul J. Scariano, Inc.	2	\$2,965,818/2	BGS Controls	3	\$1,250/3	
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<b>Committee Reports (Continued)</b>	See Factor Industry, Inc.	3	\$300,000/2
	Daikin Applied Americas, Inc.	3	\$90,000/3
	Business Compliance & Investigations	3	\$383,947/2
<p><b><u>A. Audit &amp; Finance Committees</u></b> – Gary Lavine and Ronald Goldstock, Committee Chairmen</p> <p>The Audit &amp; Finance Committee met on February 24, 2021 and reviewed the status of operations and the financial report as of February 24, 2021.</p> <p><b><u>B. Human Resources/EEO</u></b> – Hugh L. Carey, II, Committee Chairman No report</p> <p><b><u>C. Facilities</u></b> – Mark Schienberg, Committee Chairman No report.</p> <p><b><u>D. Sales &amp; Marketing</u></b> – Edward P. Kane, Committee Chairman (<b>Attachment 21-27</b>) Ms. Guerin reported on behalf of the Sales &amp; Marketing Committee and presented the 2021 event cancellation calendar and the 2021 event calendar forecast. She explained that there are fifty-eight cancellations to date. For the event calendar forecast in 2021, there are events listed which are signed or are using the broadcast studio as a virtual or hybrid event. There are also eight new events scheduled this year. CCOC continues to work with NYC &amp; Co. and airlines to discuss use of the expansion space for meetings and new business. Mr. Steel informed the Board that, from the event organizer perspective, the current issues are (1) can they hold the events, and (2) how many attendees can come to the event? CCOC is working closely with ESD and the Governor’s office to receive guidance so that CCOC can assist event organizers plan events and move forward with the event calendar.</p> <p>The Board held a general discussion on the rollout of the vaccination process, the impact of vaccines on decreasing the number of COVID-19 cases in New York and the need to create surety for the events industry. Mr. Steel added that CCOC would like to hold a board meeting in person in early May to discuss the handover of the expansion facilities. A tour of the expansion facilities will also be conducted.</p>			



Approved 6/23/21



<b>Committee Reports (Continued)</b>	<u><b>E. Governance</b></u> - Ronald Goldstock, Committee Chairman No report.	
<b>IV. Other Business</b>	None	
<b>V. Adjournment</b>	By motion and agreement, the meeting was adjourned at 1:55 p.m. with the next meeting to be held on June 23, 2021.	