

Buffalo Niagara Convention Center Management Corp.
Board of Directors Meeting
April 29, 2013

PRESENT: C. Abbott-Letro, D. Boswell, J. Dandes, D. Gallagher-Cohen, D. Hartmayer, R. Kramer, S. LoTempio, L. Marinelli, J. Mills, K. Mitchell, D. Murphy, M. Patel, G. Praetzel, M. Roberts, J. Sandoro, T. Vazquez, M. Whyte, L. Zemsky

ABSENT: S. Boyd, A. Rudnick, P. Snyder

STAFF: M. Even, E. Healy, C. Kincaide, D. Marzo, P. Murphy, J. Smith

The meeting was called to order at 9:10 a.m.

Approval of Minutes: A motion was made by Ms. Gallagher-Cohen and seconded by Mr. Mills to approve the January minutes. Motion carried.

ABO Status Update: Ms. Gallagher-Cohen reported that awhile back we were notified by the State Authorities Budget Office that the Convention Center was a public authority. We responded with a letter outlining the reasons the Center was not a public authority. When we didn't receive any other notifications from them, we thought we had succeeded in making our case. However, two months ago we received a letter from the ABO stating the Convention Center is a public authority as of January 1, 2013. At that point, we began having internal meetings about what this means for the Convention Center and how to manage it. We met with the County Executive and Rich Tobe about it and with those who manage the public authority requirements at the ECIDA to get a better understanding of what's involved.

A concern that has been raised is because the BNCC is so closely affiliated with VBN through common management and governance, VBN could be attached to the Convention Center and also become a public authority. The Executive Committee has been looking at how to unwrap the organizations but at the same time maintain the benefits of the affiliation.

Mr. Loftis discussed the options for the Convention Center and VBN as it relates to the ABO and the relationship between the two organizations.

Option 1 – The Convention Center makes no structural or organizational changes and becomes fully compliant with the NYSABO.

Option 2 – The Convention Center separates its relationship with VBN, operates as a local authority with a newly appointed Board and revised By-Laws.

Option 3 - The Convention Center is dissolved as an entity and the County issues an RFP to manage and operate the facility and VBN is awarded the contract.

Option 4 – The Convention Center is dissolved as an entity and the County issues an RFP to manage and operate the facility; VBN's bid is unsuccessful and a private management company is awarded the bid.

Mr. Loftis discussed some of the pros and cons of the options and stated we have to consider what's in the best interest of the two organizations for the long term. He stated that he thinks keeping the Management Corp. in place, making it independent and changing the Board structure seems like the cleanest option.

Ms. Marinelli stated that it would be helpful to have a model prepared with the options, pros/cons, costs, structure/governance and a timeline for discussion at the next Board meeting. Mr. Murphy stated we will have this prepared for the August meeting.

Mr. Murphy stated that as part of the ABO compliance, we have prepared a Whistleblower Policy, Code of Ethics Policy and Procurement Policy which were forwarded to the Board for review. He asked for a motion to approve the policies. A motion was made by Mr. Dandes and seconded by Mr. Hartmayer to adopt the policies as presented. Motion carried.

Finance Report: Mr. Marzo reviewed the audited financial statements for the Convention Center and noted that the numbers are fairly consistent with what was presented at the January meeting. At year end, the Center had total revenues and expenses of \$4.5 million and an increase in net assets of \$62,000.

Mr. Marzo reported on the auditor's Observations and Recommendations on page 6. He noted that the past recommendation to enhance the Controller position has been completed and is in place. Regarding the recommendation regarding Segregation of Duties, we are taking a look at personnel in terms of cash receipts and disbursement processing and integrating other staff into this to broaden the segregation of duties. We have added some new administrative staff who we feel we could integrate into the process. Approval of journal entries will be implemented with oversight by the Director, CFO and CEO. We will remove the Controller from check signing ability which will take care of the recommendation of not returning approved checks to the preparer for mailing. Bonding for employees handling cash – because we have 40-50 people handling cash, we will implement more oversight from the management level and will enhance the Controller's responsibility in that area.

Regarding the recommendation about credit cards, Mr. Marzo stated that we currently have 11 credit cards issued to sales and operations staff. We will look to streamline and cut back on some of them.

Mr. Marzo reported we are working on formalizing the Policies and Procedures Manual and it will be enhanced through the Authorities process, with additional required policies.

Mr. Marzo reported staff is working on the property and equipment inventory and getting the items tagged and identified.

Mr. Boswell asked that the auditor from Lumsden & McCormick come to the next Board meeting to present the audited financials for both VBN and BNCC and staff should be prepared with a plan to address the recommendations. The vote to accept the audited financial statements will be deferred until the August meeting.

Adjournment: A motion was made by Ms. Gallagher-Cohen and seconded by Ms. Whyte to adjourn the meeting. Motion carried and meeting adjourned at 10:15 a.m.

Minutes prepared by J. Smith

Approved: _____

Dennis P. Murphy
Dennis P. Murphy, Chair

1/8/08