

**Buffalo Niagara Convention Center Management Corp.
Board of Directors Meeting
October 26, 2016**

PRESENT: C. Abbott-Letro, J. Dandes, D. Gallagher-Cohen, D. Hartmayer, L. Haynes, T. Hersey, P. Kaler, R. Kramer, D. Murphy, B. Niland, M. Patel, J. Sandoro, H. Taran, L. Zemsky

ABSENT: D. Boswell, S. Boyd, E. Rath, M. Roberts, B. Rossi, P. Snyder, T. Vazquez

GUEST: T. Loftis

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

CALL TO ORDER: The meeting was called to order at 3:38 p.m.

INVESTMENT POLICY: Mr. Loftis reviewed the proposed Investment Policy for the Buffalo Niagara Convention Center Management Corporation. He noted this is a requirement of the Public Authorities Law and the auditors have recommended implementation of an Investment Policy in the audit. The policy has been approved by the Finance Committee and approval is recommended to the full Board.

A motion was made by Ms. Gallagher-Cohen and seconded by Ms. Abbott-Letro to approve the Investment Policy as presented. Motion carried.

APPROVAL OF MINUTES: A motion was made by Mr. Hartmayer and seconded by Mr. Kramer to approve the July minutes. Motion carried.

FINANCE REPORT: Mr. Marzo reviewed the projections as of September 30 and reported that we are projecting to finish the year with a deficit of \$62,000. The deficit is a result of using the remainder of the 2015 surplus for capital equipment purchases.

A motion was made by Ms. Gallagher-Cohen and seconded by Ms. Niland to approve the Finance Report. Motion carried.

2017 SALES AND MARKETING PLAN: Mr. Murphy reviewed the 2017 plan and noted that total revenues have been budgeted at \$4.2 million, an increase of 3.16% over 2016. Food and beverage net profit is budgeted at 28% and total estimated room nights at 31,000.

Mr. Murphy stated the Center will continue with programs that have been successful in the past – collaboration with VBN and hotel partners and the Bring it Home Campaign. We've seen a trend of more locals bringing their groups to meet in Buffalo.

Mr. Murphy also noted that included in the 2017 plan is the engagement of a consultant to complete a five year strategic facility plan.

A motion was made by Mr. Hartmayer and seconded by Mr. Sandoro to accept the 2017 Plan as presented. Motion carried.

2017 BUDGET: Mr. Marzo reviewed the budgets which were previously emailed to the Board. They have been reviewed and approved by the Finance Committee. The Center will receive a 1.5% increase in the County grant, which amounts to \$25,881. Increases in Food and Beverage Sales of \$156,000 and equipment rentals of \$35,000 due to the addition of a part-time rigging position have also been budgeted.

On the expense side, we have budgeted a large increase in payroll costs due to a combination of increased business levels, wage increases for union employees and administration and sales staff and the changes in the Fair Labor Standards Act, changing the status of employees from exempt to non-exempt and the requirement for overtime pay to certain employees who are currently exempt. We have also budgeted \$30,000 under Professional Fees to engage a consultant to facilitate the strategic plan.

A motion was made by Ms. Abbott-Letro and seconded by Ms. Gallagher-Cohen to accept the 2017 Budget as presented. Motion carried.

OTHER BUSINESS: Mr. Dandes updated the Board on various issues that have come up over the past few weeks:

1. Paul Snyder had a meeting with the County Executive to discuss the matter of the walkways and during that meeting he expressed concerns about the Convention Center's pricing and suggested that he is losing banquet business because of the Center's low pricing. Paul Murphy stated that he is working on a banquet business analysis, comparing their pricing to other banquet facilities in the area to see where the Center's pricing falls.
2. As discussed at past meetings, the Hyatt filed a lawsuit against the City relative to the maintenance of the walkway between the Hyatt and Convention Center. Paul Snyder has been insistent that this organization either join the lawsuit or sue the City in a separate lawsuit. Mr. Dandes stated that unless the Board directs him differently, we are not going to do either.

Mr. Dandes added that he, Patrick and Paul Murphy walked the two walkways and the Hyatt/Convention Center walkway is in good condition. The walkway between the Hyatt and the Bank is the one that's in very bad condition.

3. Three years ago a Convention Center server tripped with a full tray of meals and dropped two of the meals on a guest who was attending the event. The guest filed a law suit and the original amount of damages they were looking for was \$30 million. The trial began at the end of September and the jury returned its verdict on October 12th. They awarded the plaintiff and her husband a total of \$3.3 million. We were represented by the attorney for the insurance company and our own attorneys. The attorneys are now reviewing the documentation to see if they are going to appeal. We have informed the County Executive and Mayor and have a statement drafted in the event this becomes public.
4. Mr. Dandes reported that the County Executive included an additional \$1.25 million in the capital budget for the Convention Center. The RFP for the new convention center study has been moved to January.

ADJOURNMENT: A motion was made by Ms. Haynes and seconded by Mr. Murphy to adjourn the meeting. Motion carried and meeting adjourned at 4:15 p.m.

Minutes prepared by J. Smith



Approved: _____
Jonathan A. Dandes, Chair