

## Buffalo Niagara Convention Center

Board of Directors Meeting  
Wednesday, May 5, 2021  
Zoom Video Conference

PRESENT: C. Abbott-Letro, T. Beauford, M. Chiazza, J. Dandes, N. Fletchall, T. Hersey, P. Kaler, T. Long, K. Minkel, M. Roberts, D. Spasiano

ABSENT: M. Alnutt, S. Bieler, D. Gallagher, M. Murphy, H. Taran, G. Wells

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

GUEST: M. Glasgow, C. Karpik, J. Fink

CALL TO ORDER: Board Chair, Mary Roberts, convened the meeting of the Buffalo Niagara Convention Center Board of Directors at 3:48 p.m.

APPROVAL OF MINUTES: A motion was made by Mr. Spasiano and seconded by Ms. Abbott-Letro to approve the February minutes. Motion carried.

AUDIT REVIEW: Mr. Marzo reported that during the first quarter of 2021, the Center's annual audit was conducted by Lumsden & McCormick. The audit reports, management letter and required communications were reviewed in detail and approved by the Finance Committee at a meeting in March. Mr. Marzo introduced Cathy Karpik to present the reports.

Ms. Karpik reported the financial statements are fairly stated which means it is a clean, unmodified opinion. The Center is considered a public authority by New York State, so the audit had to be performed in accordance with Government Auditing Standards which looks at compliance with tax filing requirements, etc. She noted there were no findings and that was a clean report as well. She also reported there was a reclass of administrative fees from the contracts that took place in 2020.

Ms. Karpik reviewed the Statement of Activities and noted that in mid-March when everything shut down, the Center was unable to have any events. As a result, many employees were laid off and furloughed and the impact of that can be seen on the financial statements.

The Center had an increase in net assets of \$191,000. The full amount of the County grant was received, as well as the Paycheck Protection Program funding, which was able to be recognized as revenue on the financial statements, based on management's assumptions and assertions that all the criteria necessary to record that as unconditional revenue were met before December 31, 2020.

Ms. Karpik reviewed the Balance Sheet, and noted that not having any events impacted receivables, inventory and payables.

A motion was made by Mr. Spasiano and seconded by Ms. Abbott-Letro to approve the audited financial statements as presented. Motion carried.

FINANCE REPORT: Mr. Marzo reviewed the financial statements for the first quarter ending March 31, 2021. On the balance sheet, the Center finished the first quarter with \$3.3 million in total assets, which is comprised mostly of cash and the County grant receivable. The Center received their first payment from the County in April, so that receivable has been cut in half. During the month of March, the Center received a second PPP loan of \$375,000 and that is reflected in the liability section of the balance sheet, and it will remain there until forgiveness is granted.

On the statement of activities, the Center finished with a decrease in net assets of \$7,000, which is about \$24,000 behind where we expected to be, due mainly to higher expenses. The majority of the variance is payroll related due to PTO accruals and as we work through the year, that will get more in line with budget. Occupancy costs are running slightly higher due to an increase in our liability and umbrella insurance policies. First quarter tradeshow attendance has remained virtual and, therefore, the travel and tradeshow expense lines are down significantly. Repairs and Maintenance is higher than budget due to an increase in contracts as they came up for renewal.

Mr. Marzo reported we are projecting to end 2021 as budgeted. Once we've met all the forgiveness requirements of the PPP loan, some additional budget dollars will become available.

A motion was made by Mr. Spasiano and seconded by Ms. Minkel to approve the financial statements as presented. Motion carried.

Q1/PRESIDENT'S REPORT: Mr. Kaler reported that we will be developing new reports for the Center, similar the VBN reports, once we get into Q3. We are also looking at new KPI's for the Center. As noted in the existing reports, there is no activity at this point.

Mr. Kaler reported the Center will be reopening at the end of September/early October and at this point we have 33 pieces of business on the books. Next year is looking very strong for the Center, with overall economic impact of \$30 million. Typically, we run an average economic impact of \$42 million.

The team is doing a fantastic job in preparation of the opening and staying in constant contact with clients. The main reason we are not opening until September is due to renovations that are taking place. The County has allocated funds to renovate the lobby and building entrance. Also, the City has started a streetscape project in the entertainment district and they're working on the area in front of the Center, knowing that we are planning to reopen late September. The County is also planning to do work to the façade of the building to modernize the look.

Mike Even is working as the interim director at the Center and we will begin the search process mid to late summer.

Mr. Kaler reported Paul Murphy received the Leadership Award from the Upstate NY Chapter of MPI. Paul's wife, Kim, accepted the award virtually. This was a great tribute to Paul and all he contributed to the hospitality industry in Buffalo.

Other upcoming activities at the Center include return to work for some employees, creating new menu opportunities with health and safety guidelines, creation of a new KPI's, overall Q3 and Q4 goal setting.

Ms. Roberts thanked Mike Even for taking on the interim role during these challenging times.

Mr. Hersey announced this will be his last Board meeting as he will be retiring within the next month and it was his pleasure to represent the County Executive and to work with the Board and staff.

ADJOURNMENT: A motion was made by Mr. Hersey and seconded by Ms. Abbott-Letro to adjourn the meeting. Motion carried and meeting adjourned at 4:08 p.m.

Minutes prepared by J. Smith.

Approved \_\_\_\_\_ /s/ Mary F. Roberts  
Mary F. Roberts, Chair