



Buffalo Niagara Convention Center

Board of Directors Meeting
Wednesday, May 18, 2022
Zoom Video Conference

PRESENT: D. Castle, M. Chiazza, J. Dandes, N. Fletchall, M. Glasgow, P. Kaler, T. Long, K. Minkel, M. Murphy, M. Roberts

ABSENT: C. Abbott-Letro, M. Alnutt, T. Beauford, S. Bieler, D. Gallagher, B. Paladino, D. Spasiano, H. Taran, G. Wells

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

GUEST: D. Gonser, J. Fink

CALL TO ORDER: Board Chair, Mary Roberts, convened the meeting of the Buffalo Niagara Convention Center Board of Directors at 3:47 p.m.

APPROVAL OF MINUTES: A motion was made by Ms. Minkel and seconded by Ms. Fletchall to approve the February minutes. Motion carried.

AUDIT REVIEW: Mr. Marzo reported that during the first quarter of 2022, the Buffalo Niagara Convention Center underwent its annual independent audit, conducted by Lumsden & McCormick. The audit reports, management letter and required communications were reviewed in detail and approved by the Audit & Finance Committee at a meeting in March. Mr. Marzo introduced Donna Gonser to present the reports.

Ms. Gonser reported the audit went well and management was well prepared. The auditors issued a clean, unmodified opinion. The Center is considered a local public authority by New York State, which requires the audit be performed in accordance with Government Auditing Standards which involves more compliance testing. She noted there were no findings in performing those tests.

Ms. Gonser reported accounting estimates were reasonable, there were no audit difficulties, and no journal entries. They performed limited fraud procedures and no unusual items were noted. There were no material weaknesses; and observations were discussed with management and audit committee.

Ms. Gonser reviewed the Financial Statement Reporting and Disclosures:

Footnote 1 addresses the service concession arrangement. Operation of the Center which is owned by a municipality (Erie County) falls under a service concession arrangement. Under this arrangement, fixed assets or capital improvements are expensed as purchased.

Footnote 7 (Risks and Uncertainties) discusses the impact of Covid on Center operations and the significant decline in revenues from March 2020 through 2021. In 2020 and 2021 the full County grant was received, but other revenue sources declined significantly. In response, the Center laid off staff and reduced other expenses. The Center also received Paycheck Protection Program loans in 2020 and 2021. Both loans were forgiven, and the proceeds were recognized as revenue.

Ms. Gonser reported at the end of 2021, the change in net assets was a decrease of \$200,000, driven by camera and other capital purchases. The balance sheet assets remained consistent at \$1.5 million and net assets were \$1,147,929.

A motion was made by Mr. Murphy and seconded by Ms. Fletchall to approve the audited financial statements as presented. Motion carried.

FINANCE REPORT: Mr. Marzo reviewed the financial statements for the period ended March 31, 2022. There was a decrease in net assets of \$22,632, due to lower than expected revenues. Events did not materialize as expected – the Center budgeted for thirty events in the first quarter, but only hosted eleven. We will continue to monitor this closely and will update 2022 projections for the next meeting.

Mr. Marzo reported the Center was successful in collecting \$107,000 of the \$185,000 Hyatt receivable.

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

Q1/GENERAL MANAGER'S REPORT: Mr. Kaler expressed congratulations to Jeff Calkins, after his first full quarter as the BNCC General Manager, noting the hiring of a new sales manager, chef and controller, successful union negotiations and overseeing the maneuvering of events during the construction project.

Mr. Calkins reported that due to the events of the weekend, the decision was made to cancel the ECMC gala. The entire staff handled this with grace and professionalism and did everything necessary to work through the transition.

Mr. Calkins reported Q1 was challenging. Ingram Micro postponed their event to next year, which left a large gap in the Q1 numbers. There has still been a lag in meeting and banquet business, but we are slowly starting to get movement with both meetings and banquets in Q2 and Q3.

Mr. Calkins reported we are in Phase 2 of the construction project which includes installation of the doors and LED backlighting on the façade. We have been working to create alternative entrances for client events and to accommodate client needs during the construction.

Madden Media will be working on the redevelopment of the BNCC website to improve the look and functionality of the site.

The Center hired three new employees in Q1 – Tom Beiter retired, and Tom Christy was hired to replace him as the new Controller, Craig Landseadel was hired as the Executive Chef and Colleen Willis is the new Sales Manager.

ADJOURNMENT: There being no further business, a motion was made by Ms. Roberts and seconded by Mr. Castle to adjourn the meeting. Motion carried. Meeting adjourned at 4:15 p.m.

Minutes prepared by J. Smith

Approved: _____
 /s/ Mary F. Roberts
 Mary F. Roberts, Chair