

**Buffalo Niagara Convention Center Management Company
Board of Directors Meeting
May 3, 2017**

PRESENT: D. Boswell, S. Boyd, J. Dandes, L. Haynes, P. Kaler, R. Kramer, M. Patel, E. Rath, M. Roberts, B. Rossi, J. Sandoro, D. Spasiano, H. Taran, T. Vazquez, L. Zemsky

ABSENT: C. Abbott-Letro, D. Gallagher-Cohen, T. Hersey, D. Murphy, B. Niland, P. Snyder

GUEST: C. Karpik

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

CALL TO ORDER: Mr. Dandes called the meeting to order at 3:34 p.m.

APPROVAL OF MINUTES: A motion was made by Mr. Spasiano and seconded by Ms. Vazquez to approve the February minutes as published. Motion carried.

AUDIT REVIEW: Mr. Marzo introduced Cathleen Karpik to present the December 31, 2016 audited financial statements. Ms. Karpik reviewed the following:

- An unmodified “clean” opinion was issued.
- The audit provides reasonable, but not absolute assurance that the financial statements are free from material misstatements, and that they are fairly presented in accordance with generally accepted accounting principles.
- The auditors are independent with respect to the Convention Center.
- There were no audit difficulties or disagreements with management.
- There was one audit adjustment of \$4,800 to reduce an accrued expense.
- Limited fraud procedures were performed, no unusual items were noted.
- There were no material weaknesses and auditor’s observations were discussed with management.
- The Statement of Activities shows a loss of \$32,000; increased equipment purchases including the new POS system. Payroll and related expenses were up due to hiring the new sous chef and a full year of employing the new F&B manager.
- The Balance Sheet is very healthy. Receivables and prepaid expense are down considerably and liabilities remain very consistent.

A motion was made by Ms. Roberts and seconded by Ms. Vazquez to approve the audited financial statements as presented. Motion carried.

FINANCE REPORT: Mr. Marzo reviewed the financial statements for the period ending March 31, 2017. Revenues are running slightly behind budget due to lower than expected earned revenues as some tentative business did not materialize. Expenses are also under budget as they have been closely monitored due to earned revenues falling below budget.

Some costs are over budget with respect to workmen's comp. insurance issues that were unknown at the time the budget was prepared. Mr. Marzo also reported we received the first half of the County grant in April.

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

Q1 REPORT: Mr. Murphy reviewed the Q1 report and noted the negative variances on some of the revenue lines; he stated this is mainly due to tentative business that did not turn definite. We expect to make up the shortfall as the year progresses.

Major events in Q1 include the Auto Show, Home Show, Moog event, the Bar Exam and the Ingram Micro Sales Kickoff. Major events booked include the Kaleida Festival of trees and the Marine Corps National Convention for 2018, 2,500 room nights.

Convention Center RFP Update – Mr. Murphy reported there have been at least 20 downloads of the Convention Center RFP since it went online. Proposals are due back on May 26. They will be looking at expanding on the current site, options to build new, what the market looks like, locations for a new building, assessment of our competitive set, what those communities are doing, etc. We will be meeting with Tom Hersey to go over the timeline and will update the Board as this project moves forward.

Mr. Murphy updated the Board on the Mecca lawsuit. The two sides are trying to determine if a settlement can be reached. In the meantime, new counsel has been retained by the insurance company to handle the appeal.

Pedestrian Bridge – Mr. Dandes reported that Snyder Corp. and the City have agreed to go to the State to repair the bridges and the lawsuit filed by Snyder Corp. is on hold pending this agreement.

Capital Improvements – Mr. Murphy reported the renovations of two restrooms on the first floor have been completed. Two restrooms on the exhibit floor will be done next. The 2017 County Budget has \$1.250 million allocated for the Convention Center. When those funds become available, renovations of the remaining restrooms will be done.

ADJOURNMENT: A motion was made by Leg. Rath and seconded by Ms. Vazquez to adjourn the meeting. Motion carried. Meeting adjourned at 4:15 p.m.

Minutes prepared by J. Smith

Approved: 
Jonathan A. Dandes, Chair /jad