

**Buffalo Niagara Convention Center Management Corp.  
Board of Directors Meeting  
Wednesday, May 2, 2018**

**PRESENT:** C. Abbott-Letro, L. Haynes, T. Hersey, P. Kaler, R. Kramer, T. Long, M. Murphy, B. Niland, E. Rath, M. Roberts, J. Sandoro, D. Spasiano

**ABSENT:** D. Boswell, S. Boyd, J. Dandes, D. Gallagher-Cohen, B. Rossi, P. Snyder, H. Taran, T. Vazquez, L. Zemsky

**GUEST:** C. Karpik, Lumsden & McCormick

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

**CALL TO ORDER:** Chair, Mary Roberts, called the meeting to order at 3:47 p.m.

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

**AUDIT PRESENTATION:** Mr. Marzo introduced Ms. Karpik from Lumsden & McCormick to present the audited financial statements. Ms. Karpik reported the audit for the Center was completed in the first quarter and the statements have been reviewed in detail and approved by the Finance Committee. She reported that an unmodified, clean opinion was issued.

Ms. Karpik stated it is the auditors' responsibility to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement, and that they are fairly presented in all material respects in accordance with generally accepted accounting principles. They are independent with regard to the Convention Center, there were no audit difficulties or disagreements with management, and accounting policies were applied consistently. There was one audit adjustment which was a reclassification of administrative fees,

Ms. Karpik reviewed the Statements of Activities and Balance Sheets. The Center ended the year with a change in unrestricted net assets of \$197,717. The Balance Sheet is healthy with unrestricted net assets of \$1,113,424.

A motion was made by Mr. Hersey and seconded by Mr. Long to approve the audited financial statements as presented. Motion carried.

**FINANCE REPORT:** Mr. Marzo reviewed the financial statements for the three months ended March 31, 2018. During that period, the Center has realized an increase in net assets of \$179,864 - \$58,984 ahead of budget. The Center continued to maintain a healthy net profit on food and beverage through lower food costs and inventory control. Total expenses are running under budget by \$39,768. Payroll and related costs are down due to timing and the union contracts that are still being negotiated. Mr. Marzo added that the union contracts should be ratified with the next month or so.

As of March 31, the balance sheet is in a strong position; the first half of the County payment has been received and there are no collection issues at this time.

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

Q1 REPORT: Mr. Murphy reviewed the first quarter report. He noted that the negative revenue variance is due to aggressive budgeting and lack of available dates. The pace for the remainder of the year will allow us to meet or exceed budget. The Center has booked a series of large events for M&T Bank for the first half of the year and Ingram Micro rebooked its event for 2019.

General Manager's Report: Mr. Murphy updated the Board on the Mecca lawsuit. This matter has been finalized and the Executive Committee reviewed all the stipulations of the final settlement agreement. The final settlement amount was greatly reduced from the original amount and everything was covered by insurance.

Regarding capital projects at the Center, Mr. Murphy stated he had hoped to be able to move forward with renovating the remaining restrooms this summer as well as work on the ballroom ceiling, lighting and sound system. However, the delay in getting the funding approved has affected the schedule. He is working with DPW staff to get new dates on the books.

Mr. Murphy updated the Board on the Convention Center study. He reported that the consultants wanted to increase the scope of the study to include an additional site. However, the additional funding did not get approved by the County Legislature.

Mr. Hersey stated the Legislature would not approve the additional funding without knowing the sites, which would have hurt the integrity of the study. The Legislature would not agree to the additional funding, so they were directed to proceed with the original work plan. Because of the delay, the consultants started work on other projects, so our project is on hold until they complete these other projects, which will likely be the end of May.

Legislator Rath stated he was very supportive of the Convention Center study but felt they should have been made aware of the locations in Executive Session.

Regarding the walkway, Mr. Murphy reported that the Snyders approached the City about the condition of the walkways and it is our understanding that they are close to finalizing an agreement.

ADJOURNMENT: A motion was made by Leg. Rath and seconded by Ms. Niland to adjourn the meeting. Motion carried. Meeting adjourned at 4:17 p.m.

Minutes prepared by J. Smith

Approved

  
Mary Roberts, Chair

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