

Buffalo Niagara Convention Center Management Corp.  
Board of Directors Meeting  
November 1, 2017

**PRESENT:** C. Abbott-Letro, D. Boswell, S. Boyd, J. Dandes, L. Haynes, T. Hersey, P. Kaler, R. Kramer, D. Murphy, P. Snyder, D. Spasiano, H. Taran, L. Zemsky

**ABSENT:** D. Gallagher-Cohen, B. Niland, M. Patel, E. Rath, M. Roberts, B. Rossi, J. Sandoro, T. Vazquez,

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

**CALL TO ORDER:** The meeting was called to order at 3:00 p.m.

**APPROVAL OF MINUTES:** A motion was made by D. Murphy and seconded by D. Boswell to approve the May and August meeting minutes. Motion carried.

**FINANCE REPORT:** Mr. Marzo reviewed the Convention Center financial statements through September 30, 2017. Net revenues exceeded budget by \$107,428. On the expense side, Supplies are over budget due to a large purchase of china, glass, silver and linens to accommodate larger events. The Center spent \$15,000 on energy efficient lighting; 60% of this cost was received through a rebate. Occupancy costs for the year are running under budget due to a cooler summer and low contracted rates.

As of the end of the third quarter, the Center is projecting to finish the year with an increase in net assets of \$100,000. This will allow them to purchase the kitchen equipment which will be discussed later in the meeting.

**2018 BUSINESS PLAN:** Mr. Murphy reviewed the highlights of the Business Plan for 2018. He stated the Center will be celebrating 40 years of operations and we're forecasting a great year. We're projecting total revenues at \$4,396,000, an increase of 3.14% over 2017 year-end projections.

Mr. Murphy reported that activity at the Center will produce an estimated 34,000 hotel room nights, resulting in estimated economic impact of over \$34 million. He added that the facility is running into capacity issues and are working with VBN staff and hotel partners to maximize space and dates.

In 2018, over 50% of total earned revenues will come from the convention market segment, making it one of the best convention years ever. The Center will be hosting major convention groups such as Heartland Travel Showcase, NYS United Teachers, NYS Law Boards, North American Scrabble Players, Marine Corps League, Catholic Charities and the American Wine Society.

For the off-peak months, we will focus on direct sales, through attendance at trade shows, sales missions, site inspections, client receptions and the "Bring it Home" campaign. We will also work to secure local banquets and meetings to fill need periods within the twelve month booking window, rebook annual consumer and public events, as well as working to secure new events.

Administrative goals for 2018 include continuing to participate with the County on the Convention Center Study, identify a consultant and complete the five year Strategic Plan, work with County DPW to identify priority capital improvement projects and complete work on the facility restrooms. In the first six months of 2018, HVS will complete the Convention Center feasibility and market study.

A motion was made by Ms. Abbott-Letro and seconded by Mr. Boyd to approve the 2018 Business Plan as presented.

**2018 BUDGET:** Mr. Marzo reviewed the Center's 2018 budget, which has been reviewed and approved by the Finance Committee. Overall, the budget calls for \$6.2 million in total revenues and expenses, which includes a 2.5% increase in the County grant.

Mr. Marzo reported that Salary/Personnel costs have been budgeted with a 5.2% increase, to account for the increase in minimum wage, a 2.5% salary increase for administrative staff, and union contract negotiations, which will begin at the end of this year. Also a 5% increase in health insurance has been budgeted to account for 2018 union contract negotiations and premium increases.

The increase in professional fees includes the costs associated with development of the five year Strategic Plan.

A motion was made by Mr. Kramer and seconded by Ms. Haynes to approve the 2018 budget. Motion carried.

**EQUIPMENT PURCHASE APPROVAL:** Mr. Murphy reviewed the Center's request to purchase a new "Rational" Combi-Oven to replace current old/outdated equipment. Due to the age of the current equipment, it has become a challenge to find replacement parts and it is felt that it would not be the right decision to spend additional money to get them functional again. The Center sent out an RFP to four companies who carry this equipment and received three proposals. The lowest bid of \$41,130 was submitted by Main Ford General Supply in Rochester. The Finance Committee has reviewed the proposals and approved the purchase.

A motion was made by Mr. Spasiano and seconded by Mr. Boswell to approve the purchase of the Combi-Oven per the proposal from Main Ford General Supply. Motion carried.

**Q3 REPORT:** Mr. Murphy reviewed the third quarter report and noted that total Q3 revenues were down 2%, which will be made up in Q4. Total YTD Revenues were up 8%. Food and Beverage profit margins were up 15.9%.

Major events hosted in Q3 include NYS Law Boards, Gaufest, SUNY Physical Plant Association, Garden Writers and Alcoholism and Substance Abuse Providers. Major bookings for the quarter include Delaware North's Big Show, American Wine Society and the Home Show (3 year contract).

We also attended ASAE in Toronto with representatives from the County and toured the Toronto Convention Center.

**CONVENTION CENTER STUDY UPDATE:** Mr. Murphy reported the consultants came to Buffalo in October and met with the Steering Committee. They also toured the downtown area, downtown hotels, and received feedback from customers. They issued a survey to customers and are gathering the data from the survey, which will be presented to the Steering Committee in December.

The Board expressed interest in having a presentation from the consultants when they are in town on December 6. We will set up a time for the presentation and send the information out to the Board as soon as possible.

ADJOURNMENT: Meeting was adjourned at 3:38 p.m.

Minutes prepared by J. Smith

Approved: Jonathan A. Dandes  
Jonathan A. Dandes, Chair *ljas*