

Buffalo Niagara Convention Center Management Corp.
Board of Directors Meeting
September 30, 2013

PRESENT: C. Abbott-Letro, S. Boyd, D. Hartmayer, R. Kramer, S. LoTempio, L. Marinelli, J. Mills, K. Mitchell, D. Murphy, G. Praetzel, M. Roberts; P. Snyder, T. Vazquez, L. Zemsky

ABSENT: D. Boswell, J. Dandes, D. Gallagher-Cohen, M. Patel, J. Sandoro, M. Whyte

GUEST: K. Walder, representing County Attorney's Office

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

The meeting was called to order at 8:10 a.m.

Approval of Minutes: A motion was made by G. Praetzel and seconded by D. Hartmayer to approve the August minutes. Motion carried.

2014 Marketing Plan: Paul Murphy gave a presentation on the Convention Center's Marketing Plan for 2014. He reviewed the key objectives below and the strategies and action steps related to each.

- Continue the shift in the mix of business in an effort to increase the overall percentage of convention business to a minimum of 40%.
- Increase sales in Banquets and Meetings while filling need periods within the 12 month booking window.
- Expand the number of consumer and public events.
- Enhance the customer service experience.
- Capitalize on the technology enhancements to attract new business and increase total revenue per booking.

2014 Budget: Mr. Marzo reviewed the Center's 2014 budget and stated that it was reviewed and approved at a joint Executive and Finance Committee meeting in August. The budget for 2014 is breakeven. Revenues include the County Grant at \$1,674,750 and earned revenues totaling \$3,182,320. The new technology in the building has provided a new revenue stream and increased food and beverage revenues are due in large part to price increases.

On the expense side, Mr. Marzo noted that expense items related to the ABO implementation have been footnoted. They include the addition of a Compliance Officer position, additional legal fees for the organizational transition, increased annual audit fees, website assistance to add the governance section and documents to the website and the creation of a work area for the Compliance Officer.

Other notable expenses include a 3% increase in healthcare premiums to account for union contracts in 2014, a decrease in Shared Services due to anticipated reduction in assistance from VBN staff and the Controller being moved to the BNCC payroll, an increase in Internet and Web due to additional monthly costs for the new technology, an increase in utility costs accounting for more normal temperatures in 2014 and an increase in tradeshow to restore the levels from the original 2013 budget.

A motion was made by G. Praetzel and seconded by M. Roberts to approve the 2014 Marketing Plan and Budget as presented. Motion carried.

ABO Discussion: Dennis Murphy reported that the options related to the ABO were reviewed at the last meeting. He noted that once the Convention Center was classified as a public authority, we looked at all of the options. Through our attorney's guidance and discussion with the County, we believe that option B, separating the relationship between BNCC and VBN and BNCC operating as a local authority with new By-laws and a new Board of Directors, is the best option for the two organizations.

Mr. Snyder asked if separating the two entities would jeopardize future negotiations with the County. Mr. Murphy stated that the two organizations already have separate funding contracts with the County. Mr. Snyder stated the Partnership and BNE have gone through a similar separation, but they still have some of the same Board members. Mr. Murphy responded that we will go through a similar process to determine the new Board members for the Convention Center.

Mr. Murphy asked Ms. Roberts to read into record the resolution which was provided to the Board with the meeting materials for action at today's meeting. Ms. Roberts read the following resolution:

**Resolutions to be Adopted by the Board of Directors of Buffalo Niagara
Convention Center Management Corp. (the "Corporation")**

WHEREAS, the New York State Authorities Budget Office (the "ABO") previously delivered a notice to the Corporation (the "Notice") informing the Corporation that the ABO has determined that the Corporation is a "Local Authority," as such term is defined in Section 2 of the New York Public Authorities Law; and

WHEREAS, the Board of Directors of the Corporation has investigated this issue and has obtained advice from legal counsel regarding the ABO's determination; and

WHEREAS, the Board of Directors of the Corporation, acting upon advice of its legal counsel, has determined that it is in the Corporation's best interests to comply with the ABO's determination that it is a "Local Authority," as such term is defined in Section 2 of the New York Public Authorities Law.

NOW, THEREFORE, IT IS:

RESOLVED, that the Corporation comply with the Notice, using commercially reasonable efforts to comply with all legal and regulatory requirements applicable to Local Authorities under the New York Public Authorities Law; and it is further

RESOLVED, that the officers of the Corporation and any one or more of them hereby are authorized and directed to execute, file and deliver on behalf of the Corporation, any and all documents, certificates and agreements (all in such form and content as the officer or officers executing the same shall approve, with execution to be deemed conclusive evidence of such approval) and perform such other acts, as such officer or officers shall consider necessary, appropriate, or desirable to accomplish the intent of the foregoing resolution; and it is further

RESOLVED, that in connection with the above referenced activities, the officers of the Corporation shall investigate and prepare a proposal for consideration by the Board of Directors concerning By-Law amendments providing for a restructuring of the Corporation's Board of Directors that complies with the requirements of the New York Public Authorities Law.

A motion was made by S. LoTempio and seconded by G. Praetzel to adopt the resolution as presented. Motion carried with one abstention.

Finance Report: Mr. Marzo reviewed the financial statements for the eight month period ending August 31, 2013 and reported that the Center had a decrease in net assets of \$119,232. Total revenues were at \$2,097,223 and expenses totaled \$2,216,455. Also provided in the packet are projections through the end of the year. A motion to accept the financial statements as presented was made by J. Mills and seconded by M. Roberts. Motion carried.

Adjournment: Ms. Roberts made a motion to adjourn the meeting which was seconded by Ms. Marinelli. Motion carried. Meeting adjourned at 9:05 a.m.

Minutes prepared by J. Smith

Approved

Dennis P. Murphy
Dennis P. Murphy, Chair

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