



## Visit Buffalo Niagara

Board of Directors Meeting  
Wednesday, November 16, 2022  
The Westin Buffalo – Louis Ballroom

**PRESENT:** C. Abbott-Letro, M. Alnutt, S. Bieler, D. Castle, M. Chiazza, M. Glasgow, P. Kaler, T. Long, M. Roberts, D. Spasiano, G. Wells

**ABSENT:** T. Beauford, J. Dandes, D. Gallagher, K. Minkel, W. Paladino, H. Taran

**STAFF:** J. Calkins, M. Even, E. Healy, D. Marzo, J. Smith, R. Toney

**GUEST:** J. Fink

**CALL TO ORDER:** Board Chair, Mary Roberts, convened the meeting of the Visit Buffalo Niagara Board of Directors at 3:00 p.m.

**APPROVAL OF MINUTES:** A motion was made by Ms. Abbott-Letro and seconded by Mr. Long to approve the May minutes. Motion carried.

**FINANCE AND BUDGET REPORT:** Mr. Marzo reviewed the financial statements for the quarter ending September 30, 2022.

**Balance Sheet:** Mr. Marzo reported we finished September with approximately \$3.5 million in total assets. Cash and receivables make up the majority of that.

Liabilities totaled \$1.6 million, the majority of which is made up of deferred revenue from the County grant which is recognized monthly as we work through the year.

As of September 30<sup>th</sup>, VBN had approximately \$1.9 million in net assets.

**Statement of Activities:** Through September 2022, VBN realized a decrease in net assets of \$475,000 about \$76,000 ahead of the budget, mostly resulting from lower-than-expected costs realized during the first three quarters of 2022.

**Revenues:** Through September total revenues were \$3.1 million consistent with budget, with the exception of joint marketing revenues which were up as VBN was asked to manage two events not budgeted. Since it was a pass through, there are commensurate increases in expenses as well.

**Expenses:** Overall, through September, expenses are running under budget by \$13,000.

Personnel costs are down and make up most of the overall expense variance. This is mainly due to several staff positions that remained open for part of 2022.

Programming costs are running ahead of budget through September by \$53,000 due to additional advertising and research-related expenditures but were offset by lower-than-expected commitments and print projects. Technology costs are up as two new servers were installed to replace old equipment.

Projections: As of the end of the third quarter we are projecting to finish 2022 with a deficit of approximately \$460,000.

BNCVB Foundation and Buffalo Niagara Sports Commission - Mr. Marzo reported the Foundation activity mostly related to the mobile Visitor Center and the Paul Murphy Scholarship Fund.

For the Sports Commission the activity centered around the Speaker Series that VBN hosted during the 2022 NCAA Basketball Tournament.

2023 BUDGET: Mr. Marzo reviewed the VBN 2023 Budget. He reported that the budget was reviewed in detail with the Finance Committee and approved at the Committee's November 3<sup>rd</sup> meeting.

Overall, for 2023 we are budgeting \$4.2 million in revenues and \$4.6 million in expenses resulting in a proposed operating budget deficit of \$400,000. Mr. Marzo stated that we carried approximately \$1.6 million over from the 2020 and 2021 budget years as was contractually allowed. As a reminder, our plan was to supplement the next three or four budget cycles with approximately \$300,000-400,000 per year until expended, allowing us to expand our sales and marketing capabilities which are extremely critical now that the industry is beginning to show signs of recovering from the effects of the pandemic.

We chose this plan of action because contractually there is a finite period of time to use these funds and the plan as laid out will allow us to accomplish this in the required time frame.

That is how we approached the 2022 budget, and the plan calls for us to do the same for 2023.

Revenues: Overall total revenues in the 2023 budget will remain flat compared to 2022. The increase in the county grant for 2023 is offset by additional one-time revenues that were received in prior years from items such as the PPP grant.

Following are budget highlights:

Erie County Grant – for 2023 the County has proposed a 3% increase to our grant bringing the total grant to \$3,852,000 an additional \$112,000 over 2022. The funding is in the 2023 proposed Erie County Budget which is scheduled for approval in early December.

Earned Revenues – earned revenues from the sale of Touring Guide ads and joint sales and marketing efforts with local partners is expected to increase by about \$50,000 totaling approximately \$200,000.

Grant Revenues – for 2023 we are budgeting to receive NYS grants including a NYS matching fund grant totaling approximately \$120,000.

For 2023, we are budgeting for \$4.6 million in total expenditures. Mr. Marzo reviewed the highlights:

Personnel Costs – the budget reflects a 4% increase in staff salaries. The additional increase is due to the several staff positions that were filled during the second half of 2022, including the Communications Manager, Social Media Manager, Mobile Visitor Center staff and the Director of Sports Development.

Advertising - Overall advertising budget will be slightly reduced from 2022 levels. Convention and sports related advertising dollars will be directed toward more in-person customer interactions as is reflected in the increased budgets for tradeshow, FAM tours and travel.

Convention Commitments – Based on anticipated increased business levels, we are expecting a higher number of commitment requirements for groups coming to the area. These are monies spent to incentivize groups to select Buffalo and Erie County for their meeting destination.

Touring Guide – Layout and design of the guide will be 100% outsourced to Madden media, and increased paper costs accounts for the increased budget for the 2023 guide.

Sales Promotion – we will continue the engagements with the Customer Advisory Council and Talley Group for 2023. Increased sponsorship opportunities in the DC marketplace and the CAC and Talley Group engagements make up the majority of this line.

Research - continues to be an area of increased emphasis for VBN. Dedication of a staff position to this area allows us to better analyze data, forecast trends and quantify the impact on performance and ROI.

Website Development - The website redesign project is beginning to wind down and is thus reflected in the 2023 budget.

Video Productions – We will again be producing various videos and short commercials. Although many of the larger video projects have been or will be completed in 2022.

Technology and Equipment – we will be investing approximately \$30,000 in new convention software to streamline the convention bidding and proposal process.

A motion was made by Ms. Roberts and seconded by Mr. Alnutt to approve the budget as presented. Motion carried.

2023 BUSINESS PLAN: Mr. Kaler reviewed highlights of the 2023 Business Plan

#### Marketing:

- Reintroduce Buffalo to cultural tourists, with the reopening of the expanded and renamed Buffalo AKG Art Museum.
- Promote shoulder seasons for spring and fall getaways to feeder markets in New York and Ontario.
- Create an integrated marketing campaign around outdoor recreation.
- Develop and promote a music tourism campaign.
- Launch the Freedom Footsteps Heritage Tourism Initiative
- Leverage regional partnerships and continue promotion of the Upstate Eats Trail and the Great Wright Road Trip.

#### Sales:

- Partner with Invest Buffalo to identify combined target segments for potential meeting and convention business.
- Host targeted meeting planner FAM's.
- Convene 10<sup>th</sup> annual Customer Advisory Council.
- Continue the Buffalo Book Club for customer engagement with tour operators and meeting planners.
- Host quarterly in-person hotel sales training for new hotel staff.
- Develop community-based legacy projects for 2023 convention groups.

#### Industry Relations:

- Partner with the Buffalo School of Culinary Arts & Hospitality Management to provide internships, mentoring and introduce students to career paths in the tourism industry.
- Launch Freedom's Footsteps to the public in spring 2023.
- Continue to enhance Buffalo Restaurant Week in the spring and fall in collaboration with the local chapter of the NYS Restaurant Association.
- Create spring and fall promotions for local theater productions.
- Provide marketing and tourism leadership in planning for the solar eclipse on April 8, 2024.

Administration:

- Continue advocacy in cooperation with Senator Kennedy’s office for Tourism Improvement Legislation.
- Implement Zartico data-driven platform to provide baselines and benchmarks on visitation, points of interest and spend.
- Continue to pursue opportunities for diversity, equity and inclusion through staff professional development and VBN marketing programs.
- Maintain and expand organizational representation regarding tourism opportunities, issues and successes.
- Prepare for staff transitions.

A motion was made by Mr. Chiazza and seconded by Mr. Spasiano to approve the 2023 Business Plan. Motion carried.

Q3/PRESIDENT’S REPORT: Mr. Kaler reviewed the highlights of the Q3 report. He reported that although we are still coming out of the pandemic, ADR has surpassed 2019 rates through September. Air travel is slowly coming back, and airlines are adding more flight capacity. Although the Canadian border is more open to travel, border crossings are down 38% for the month of September. Mr. Kaler reported our sales numbers are down for the quarter, mainly because our Sports Sales Director resigned in July to take a position at the Sarasota Sports Commission. That position was filled in October.

Mr. Kaler reported in September we hosted a FAM tour for 25 meeting planners as well as the ninth annual Customer Advisory Council. We also held a three-year sales strategy session with a small group from the Customer Advisory Council to plan out for Mike Even’s retirement at the end of 2023.

The marketing department filled the Communications Manager position which will allow for the return of travel writer FAMS. The website redesign has been completed.

In Q3, the industry relations and marketing departments developed the theater month promotion, and in October, VBN worked with the Restaurant Association to bring back Restaurant Week. Also upcoming in Q4 is the return of in-person industry meetings and industry nights.

ADJOURNMENT: There being no further business, a motion was made by Ms. Roberts and seconded by Ms. Abbott-Letro to adjourn the VBN meeting. Motion carried. Meeting adjourned at 4:20 p.m.

Minutes prepared by J. Smith

Approved: \_\_\_\_\_/s/ Mary F. Roberts  
Mary F. Roberts, Chair