



Buffalo Niagara Convention Center

Board of Directors Meeting
Wednesday, May 10, 2023
Buffalo Niagara Convention Center, Room 106A

PRESENT: C. Abbott-Letro, M. Alnutt, M. Brown, D. Castle, A. Chase, M. Chiazza, M. Glasgow, T. Long, K. Minkel, M. Roberts, D. Spasiano, G. Wells

ABSENT: T. Beauford, D. Gallagher, W. Paladino, S. Ranalli, H. Taran

STAFF: J. Calkins, D. Marzo, H. Nowakowski, R. Toney

GUEST: D. Gonser, S. Hopkins, C. Karpik

CALL TO ORDER: Board Chair, Ms. Abbott-Letro, convened the meeting of the Buffalo Niagara Convention Center Board of Directors at 4:12 p.m.

APPROVAL OF MINUTES: A motion was made by Ms. Roberts and seconded by Ms. Brown to approve the February minutes. Motion carried.

EXECUTIVE COMMITTEE REPORT/ELECTION OF DIRECTORS: Mr. Kaler reviewed Board member nominees David Schutte (Schutte Hospitality Group) and Michelle Urbanczyk (Explore & More Children's Museum). A motion was made by Mr. Long and seconded by Mr. Spasiano to approve the Board nominations. Motion carried.

AUDIT REVIEW: Mr. Marzo reported that during the first quarter of 2023, the Buffalo Niagara Convention Center underwent its annual independent audit, conducted by Lumsden & McCormick. The audit reports, management letter and required communications were reviewed in detail and approved by the Audit & Finance Committee at a meeting in March. In performing the audit of the Center, the auditors encountered difficulties which ended up delaying the issuance of their reports and resulted in significant management letter comments which the audit team will review in more depth during the Center's presentation.

As a result of these findings, Management at the direction of the finance committee has already taken corrective steps to address this situation to ensure it is not repeated. Mr. Marzo introduced Donna Gonser and her team to present the reports.

Ms. Karpik reported the audit found that key accounts were not reconciled timely resulting in audit delays.

Ms. Karpik reported accounting estimates were reasonable. They performed limited fraud procedures, and no unusual items were noted. Material misstatements identified were reconciled and corrected by management.

Ms. Karpik reviewed the Financial Statement Reporting and Disclosures:

Footnote 1 - Operation of the Center which is owned by a municipality (Erie County) falls under a service concession arrangement. Under this arrangement, fixed assets or capital improvements are expensed as purchased. Therefore, no depreciation on fixed assets is recognized.

Footnote 7 - In January 2020 the United States Secretary of Health and Human Services declared a public health emergency related to the wide-spread effects of the Covid-19 disease. As a result of the pandemic, the Center was required to close the building and cease operations until October 2021. The closure significantly impacted the Center's operations and resulted in significant declines in revenue. In 2021 and 2022 the Center applied for federal financial assistance under the CARES Act and received \$ 375,215 in a Paycheck Protection Program (PPP) grant in 2021 and \$ 345,777 in Employee Retention Tax Credits during fiscal year 2022.

Ms. Karpik reported at the end of 2022, the change in net assets was a decrease of \$218,360. The balance sheet assets remained consistent at \$1.5 million and net assets were \$929,569.

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

FINANCE REPORT: Mr. Marzo shared that no formal report is available at this time due to reconciliations needed because of the audit. A full report will be shared at the August meeting.

Q1/GENERAL MANAGER'S REPORT: Mr. Calkins reported Q1 event attendance continues to trend upwards year over year. After a three-year absence, the Moog Mid-Winter Bash returned to the Center. Despite weather conditions, the NFDA Auto Show demonstrated increased numbers.

Mr. Calkins reported interior painting of the lower-level meeting rooms and hallway spaces has been completed. The ballroom is partially done and to be completed when time allows. Energy performance upgrades are taking place such as LED replacement lighting in corridors, loading dock, ballroom and meeting rooms. New condensing boilers are to be installed in the summer. We are continuing work on the creation of a new logo-branding to coincide with the façade completion.

The façade project's final stage started on April 15th, with the revised completion date moved to late July/early August. The structural reinforcement project in the vault along Pearl Street will start in mid-June. The project will include a new sidewalk on Pearl Street.

Mr. Calkins shared that technology upgrades will be in design phase in Summer 2023 with the scope focusing on A/V upgrades in the ballroom and breakout meeting rooms. Work is to be done in 2024, pending capital request approval.

ADJOURNMENT: There being no further business, a motion was made by Ms. Roberts and seconded by Mr. Spasiano to adjourn the meeting. Motion carried. Meeting adjourned at 4:35 p.m.

Minutes prepared by H. Nowakowski

Approved: /s/ Cindy Abbott-Letro
Cindy Abbott-Letro, Chair