



Visit Buffalo Niagara

Board of Directors Meeting
Wednesday November 8, 2023
Buffalo Convention Center, Room 106A

PRESENT: C. Abbott-Letro, M. Brown, D. Castle, A. Chase, P. Kaler, T. Long, K. Minkel, S. Ranalli, D. Schutte, D. Spasiano, H. Taran, G. Wells

ABSENT: M. Alnutt, T. Beauford, M. Chiazza, D. Gallagher, M. Glasgow, W. Paladino, M. Roberts, M. Urbanczyk

STAFF: J. Bialek, J. Calkins, E. Healy, D. Marzo, R. Toney

CALL TO ORDER: Board Chair, Cindy Abbott-Letro, convened the meeting of the Visit Buffalo Niagara Board of Directors at 3:34 p.m.

APPROVAL OF MINUTES: A motion was made by Mr. Spasiano and seconded by Mr. Castle to approve the August minutes. Motion carried.

FINANCE REPORT: Mr. Marzo reviewed the financial statements for the quarter ending September 30, 2023.

Balance Sheet: Mr. Marzo reported we ended the quarter with \$3 million in total assets. Cash and receivables make up the majority of the total. Cash includes \$7,000 for the completion of the Theatre Program.

Liabilities totaled about \$1.6 million; the majority of which represents the deferred revenue from the 2023 County Grant and from 2024 Visitor Guide Ad Sales. As of September 30th, VBN had approximately \$1.45 million in net assets and is in compliance with the Erie County grant terms in our annual funding contract.

Statement of Activities: Through September 30th, VBN realized a decrease in net assets of \$426,000, about \$99,000 behind the budgeted pace. Most of the variance is timing related and we expect it to fall more in line as we go through the year.

Revenues: Revenues are running ahead of budget by \$300,000 mostly due to additional revenue recognized from Erie County, New York State grants, and investment income.

Expenses: Overall through September, expenses are ahead of budget by \$395,000. While some of the expenses are tied to the additional program revenues reported, a portion of the variance is due to timing. These expenses would not have been incurred if not for the additional funding being received.

Projections: We are expecting that VBN will finish 2023 with a projected deficit of approximately \$530,000 to \$540,000; about \$130,000 to \$140,000 more than budgeted. This is a planned deficit that we budgeted for as a result of the additional balance of net assets carried forward from the 2020 and 2021 fiscal year ends. These additional funds contractually need to be spent down over the course of the next couple of years.

In March, VBN applied for and received notification that we were eligible to receive approximately \$390,000 in ERTC credits. With the assistance of Paychex, we have prepared and submitted the amended payroll tax returns and are awaiting final approval from the IRS. We have received notification from them that they received the amended returns and are currently processing them. Patrick has been working on a plan to utilize these additional funds.

BNCVB Foundation and Buffalo Niagara Sports Commission – Mr. Marzo reported the Foundation activity is mostly related to the Mobile Visitor Center, and activity for the Paul Murphy Scholarship Fund through September of 2023. For 2023 we will be running various print projects and the 2024 Visitor Guide costs through the Foundation.

For the Sports Commission, there is no significant activity to report.

2024 Budget: Mr. Marzo reported that due to various uncertainties surrounding the 2024 budget preparation, it has been pushed back a few months. The department heads are finishing up their individual budgets after which he will compile data into the overall 2024 operating budget, for presentation to the finance committee and then to the overall Board.

Currently as it stands the total budget for 2024 is approximately \$5.3 million which includes the Erie County Grant of \$4.5 million.

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

Q3/PRESIDENT'S REPORT: Mr. Kaler reviewed the numbers from the STR, Key Data and monthly recovery reports and noted that occupancy through Q2 is up 14.3% compared to 2019. Hotel occupancy is looking very strong, up over last year's numbers, but down from 2019 due to meetings and conventions being slow to return. In terms of economics, US Travel Association doesn't expect that to return to 2019 levels until the end of 2024, beginning of 2025. Our hotel partners still command a high rate with year to date 22.3% over 2019 levels. Airport traffic is down only 7.1% compared to 2019 and service to Nashville will be starting in June. Canadian visitors are still down 23.4% from 2019 and has been slow to come back.

We are in the process of looking for a new salesperson for the Washington DC market. Shannon was bringing in a lot of site visits, and having boots on the ground in DC was working very well for us. We hosted 29 site visits January through August and only eight in 2019. We have hired a search firm to assist in the process. We have received three qualified people so far and are hoping to get someone on board by the end of the year.

We recently promoted Meredith Walsh to our SMERF Sales Manager. Emma Carlo resigned for a position to move to Florida and work for Visit Jacksonville. We were also able to fill Meredith's old position and that employee will be starting soon. We lost a little bit of traction in August and September without having Shannon and losing Emma at the end of the month.

We hosted 29 site visits between January and August. Twenty of those converted to actual pieces of business. Thank you to Dan Castle and Invest Buffalo for helping to secure the American Cheese Society as well as the National Confectioners.

One of our big challenges is taking the Buffalo Grand Hotel out of our inventory as it had 487 rooms. Those rooms were taken out of the Smith Travel Report in August so we are down 21% and this is a challenge for us. Meeting planners want to sign as few hotel contracts as possible and hotel inventory is a challenge. We have lost 436 opportunities because of hotel inventory challenges which equates to \$360 million dollars of economic impact. We brought together a group of stakeholders and our hotel board members as well as Dan and Zaque from Erie County, a representative from the Mayor's Office and the Mayor's Chief of Staff to talk about how we fill the hole in our hotel inventory. Bill Paladino, who is on our board, gave some good insight. Lenders are not looking at hotel construction at least over the next 2 to 3 years. So how do we position our destination for future growth? We talked about the reuse of existing buildings and how to convert those into hotel rooms.

One thing that came out of the meeting was the question of whether VBN could act as one central contracting entity rather than going through five or six hotels. Mike Even will be researching this. We will continue to monitor and we are looking at hosting smaller meetings as well.

On the marketing side, Mr. Kaler reported that we have an increase in our Instagram followers, our video views are up 890% since 2019. We've had fantastic engagement from social media views. Touring guide ad sales are very strong and this allows us to add more pages for next year. We are working with Spree to do the production of the guide this year and we have done well on our distribution. We will be releasing a drone video called Flight 716. Media familiarization tours have been popular for us this year.

On the Destination Development side, we are bringing back Industry Night as well as our Industry meetings. We are also going to be working with a new company on our overall destination training. We are going to be working with the Certified Travel Ambassadors Program. A lot of destinations have implemented this and it's not only for our tourism industry; we open this up to any person who would like to be a Certified Travel Ambassador. The program will start in May of 2024.

Tourist Economic Report – fantastic numbers came from Empire State Development from the Governor's Office. \$2.2 billion in visitors spending in Erie County – up 22% from 2019.

Mr. Kaler also reported that we hosted Meeting Planners International, Thought Leaders Summit. We hosted 75 meeting planners and thought leaders that are associated with MPI in Buffalo. It was a heavy lift but it paid off. They were blown away by what they saw and are considering coming back every three years.

We have continued with our arts and culture message by creating an Art of the Neighborhood brochure. We also created a video of our stained-glass collections here in Buffalo.

Renata Toney just finished Restaurant Week. We had 98 participating restaurants representing the entire community and all of Erie County. There was a 130% increase in overall views on the landing page over last year at this time. Restaurant week is a great opportunity for us to keep the restaurants engaged with VBN.

Art Installation at Canalside – We are installing large 'BUF' letters at Canalside. We worked with a local artist to do the artwork. Erie County Harbor Development and VBN will maintain it. The Erie County

Heritage fund paid for half of this project and it was something they were hoping we might do in cooperation with World Canal Conference coming in 2025.

In December we will be hosting an Industry Night / Volunteer Appreciation Night at the Barrel Factory.

In January we are hosting a marketing outlook forum at the convention center.

Zartico digital data collection will be doing a report on first year of our overall data collection.

An arts and culture speaker will be coming in and doing a program with us in 2024 and a panel discussion with arts and culture leaders.

We are working on our 2024 budget as well as our business plan. We hoped we would have better news for our budget but, in the meantime, we have to readjust as the bed tax money is not ours as of yet.

ADJOURNMENT: There being no further business, a motion was made by Mr. Schutte and seconded by Mr. Spasiano to adjourn the VBN meeting. Motion carried. Meeting adjourned at 4:51 p.m.

Minutes prepared by J. Bialek

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