



Buffalo Niagara Convention Center Management Corporation

2025 Proposed Operating Budget

Draft

For Presentation at the Board of Directors on Monday February 12, 2025

Approved by the Finance Committee on Monday February 3, 2025

Buffalo Niagara Convention Center Management Corporation
2025 Operating Budget
Budget Narrative

Revenue:

1. **Total Earned Revenue :**

Gross Food & Beverage/Rentals/Services and Other - Based on a combination of definite, tentative and potential business already on the books or forecasted for 2025, the Center has budgeted \$ 4.7M in total earned revenue for next year. This is an expected 5% increase in total revenue earned over 2024 actual total revenue earned; we feel confident in this due to the upward trend we have seen since 2022.

2. **Erie County Grant** – The Center is budgeted to receive a grant from the County in the amount of \$2,350,000, which is a slight decrease from the 2024 grant received. In 2024 additional one-time funding was received to shore up the projected 2024 operating deficit.

Expenses:

1. **Food & Beverage** – We are continually focusing our attentions on F&B departmental staffing, specifically relating to scheduling and reducing overtime. After the actual F&B departmental was finalized, and came in below the projected budget for 2024, we are confident we can maintain the projection below budget for the upcoming year. We are cognizant of the rising food prices, and although there was an increase in menu prices, we are still within a competitive price range for menu selections. We continue to utilize a select number of vendors to reduce costs.
2. **Salaries & Wages** – For the 2025 budget, we are using the contracted wage totals, expecting a slight increase with the new contract being negotiated for 2025-2027. For the administrative staff, we budgeted an average 3% increase.
3. **Health & Welfare** – Health, dental and vision premiums are on a continual increase, so we had to budget accordingly in order to offer competitive benefits to our employees.

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4. **Legal Fees** – Though other professional fees will remain unchanged; we expect our audit fees specifically to decrease this coming year due to less auditor presence needed since the new Controller has been in place.
5. **Shared Service** – BCC will continue to work with VBN’s social media department to provide services.
6. **Data Processing Fees** – BCC has budgeted a slight increase to data processing with the upgrade to our point-of-sale system in 2025, which is extremely outdated, causing WIFI connection issues. In order to better service our clientele and the public, this is a much-needed expense.
7. **Supplies** – No anticipated major inventory items are envisioned during this upcoming budget year.
8. **Internet Expense** – Due to an upgrade in the BCC WIFI system, there is no other anticipated expenses for the upcoming budget year.
9. **Occupancy Costs** – Total occupancy costs are expected to remain consistent with prior years. The majority of the utilities are locked into a contract rate, although with increased business activity at the Center it is expected that utilities will increase slightly in 2025. General business insurance costs will remain consistent with 2024. No other significant changes affecting occupancy are expected in the upcoming year.
10. **Capital Equipment** – The Center is currently not budgeted for any larger capital purchases in 2025. We will continually re-evaluate this during the year as needed and financial ability warrants.

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	Proposed Budget <u>2025</u>	Projected Budget <u>2024</u>	Budget <u>2024</u>	Actual <u>2023</u>	Variance 2025 Budget 2024 Projected	Variance 2025 Budget v. 2024 Budget
REVENUES:						
EARNED REVENUES						
Gross Food & Beverage	3,436,614	3,225,347	2,599,949	2,157,788	\$ 211,267	\$ 836,665
Rents	917,134	873,461	846,486	707,483	\$ 43,673	\$ 70,648
Electrical Services	178,009	169,532	139,767	116,816	\$ 8,477	\$ 38,242
Equipment Rentals	84,689	80,656	61,398	51,316	\$ 4,033	\$ 23,291
Communications Revenue	2,638	2,513	4,637	2,960	\$ 126	\$ (1,998)
Other Earned Revenue	92,314	87,919	79,500	561,271	\$ 4,396	\$ 12,814
TOTAL EARNED REVENUES	\$ 4,711,399	\$ 4,439,427	\$ 3,731,737	\$ 3,597,634	\$ 271,971	\$ 979,662
OTHER REVENUES						
Commissions	14,851	14,143	11,500	9,164	\$ 707	\$ 3,351
Investment Interest/Dividends	5,000	477	32,500	-	\$ 4,523	\$ 32,500
TOTAL OTHER REVENUES	19,851	14,621	44,000	9,164	5,230	\$ (24,149)
Erie County - Grant	2,350,000	2,581,286	2,400,631	1,923,578	\$ (231,286)	\$ (50,631)
TOTAL REVENUES	\$ 7,081,249	\$ 7,035,334	\$ 6,176,368	\$ 5,530,376	\$ 45,915	\$ 904,881
EXPENSES:						
COST OF SALES FOOD AND BEVERAGE	\$ 2,051,185	\$ 2,071,904	\$ 2,106,287	\$ 1,872,571	\$ (20,719)	\$ (55,101)
SALARIES\WAGES						
Admin/Sales	703,366	689,574	684,856	639,455	\$ 13,791	\$ 18,510
Maintenance	680,421	667,080	730,810	669,240	\$ 13,342	\$ (50,389)
Engineering/Electrical	443,599	434,901	441,673	404,462	\$ 8,698	\$ 1,926
Dock/Lobby	158,012	154,914	134,736	123,385	\$ 3,098	\$ 23,276
Staff Incentives	0	-	-	-	\$ -	\$ -
Temporary Services	151,316	148,349	6,385	5,847	\$ 2,967	\$ 144,931
TOTAL SALARIES AND WAGES	\$ 2,136,715	\$ 2,094,819	\$ 1,998,460	\$ 1,842,389	\$ 41,896	\$ 138,255

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PAYROLL TAXES AND FRINGE BENEFITS						
FICA	420,629	410,319	199,267	182,479	\$ 10,310	\$ 221,362
NYS Unemployment Insurance	1,471	1,428	-	-	\$ 43	\$ 1,471
Disability/Life Insurance	32,316	31,375	6,090	5,577	\$ 941	\$ 26,226
Workmens Compensation	208,468	207,236	43,169	39,532	\$ 1,232	\$ 165,299
Health- Admin	181,077	175,803	103,851	95,102	\$ 5,274	\$ 77,226
Health - Union	131,493	127,663	64,681	59,232	\$ 3,830	\$ 66,811
Pension - Admin	23,943	23,245	12,176	11,150	\$ 697	\$ 11,767
Pension - Union	80,790	78,437	84,383	77,274	\$ 2,353	\$ (3,593)
Training Expense	515	500	639	585	\$ 15	\$ (124)
TOTAL EMPLOYEE BENEFITS	\$ 1,080,701	\$ 1,056,005	\$ 514,257	\$ 470,931	\$ 24,695	\$ 566,444
TOTAL PERSONNEL EXPENSES	\$ 3,217,416	\$ 3,150,824	\$ 2,512,717	\$ 2,313,320	\$ 66,592	\$ 704,699
PROFESSIONAL FEES						
Legal	15,300	15,000	4,178	3,826	\$ 300	\$ 11,122
Audit	27,500	65,743	27,500	26,213	\$ (38,243)	\$ -
Data Processing	70,462	40,462	102,500	97,274	\$ 30,000	\$ (32,038)
Other Professional Fees	19,338	18,959	38,056	35,533	\$ 379	\$ (18,718)
Shared Services - BNCVB	10,000	12,000	10,000	-	\$ (2,000)	\$ -
TOTAL PROFESSIONAL FEES	\$ 142,599	\$ 152,163	\$ 182,234	\$ 162,846	\$ (9,563)	\$ (39,635)
SUPPLIES\SMALL TOOLS						
Administrative	12,287	12,165	19,000	17,795	\$ 122	\$ (6,713)
Maintenance	59,620	59,030	70,000	65,708	\$ 590	\$ (10,380)
Engineering	44,183	43,745	44,000	41,713	\$ 437	\$ 183
Electrical	882	874	6,200	5,834	\$ 9	\$ (5,318)
Food & Beverage	312,888	309,790	87,000	83,116	\$ 3,098	\$ 225,888
TOTAL SUPPLIES	\$ 429,860	\$ 425,604	\$ 226,200	\$ 214,166	\$ 4,256	\$ 203,660

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COMMUNICATION EXPENSES						
Telephone/Fax/Website	109,162	108,082	140,000	132,641	\$ 1,081	\$ (30,838)
Internet & Website	0	-	-	-	\$ -	\$ -
Postage & Freight	3,500	4,647	3,000	2,758	\$ (1,147)	\$ 500
TOTAL COMMUNICATION EXPENSES	\$ 112,662	\$ 112,729	\$ 143,000	\$ 135,399	\$ (66)	\$ (30,338)
OCCUPANCY EXPENSES						
Utilities - Gas	67,619	66,294	76,453	70,012	\$ 1,326	\$ (8,834)
Utilities - Electric	269,625	264,338	275,134	251,954	\$ 5,287	\$ (5,509)
Utilities - Water	17,380	17,040	17,292	15,835	\$ 341	\$ 89
Admin Insurance	295,261	292,338	206,378	190,808	\$ 2,923	\$ 88,883
Contractual Maintenance	55,486	54,398	19,609	17,957	\$ 1,088	\$ 35,877
Emergency Medical Technicians	(1,530)	(1,500)	(5,048)	(4,623)	\$ (30)	\$ 3,518
Security & Police	41,656	41,330	62,920	59,849	\$ 327	\$ (21,264)
Building Repairs	5,661	5,550	9,426	8,632	\$ 111	\$ (3,765)
Licenses & fees	9,002	8,825	9,672	9,284	\$ 177	\$ (670)
Other Occupancy	63,295	62,544	67,600	62,812	\$ 751	\$ (4,305)
TOTAL OCCUPANCY	\$ 823,456	\$ 811,157	\$ 739,435	\$ 682,520	\$ 12,300	\$ 84,021
EQUIPMENT RENTAL/ REPAIRS & MAINT						
Equipment - Rentals	41,914	41,093	-	-	\$ 822	\$ 41,914
Admin - Repairs & Maintenance	8,764	8,592	15,000	15,002	\$ 172	\$ (6,236)
Maintenance - Repairs & Maintenance	12,375	12,133	4,600	4,293	\$ 243	\$ 7,775
Engineering - Repairs & Maintenance	124,000	124,210	135,000	132,649	\$ (210)	\$ (11,000)
TOTAL EQUIP RENTAL/ REPAIRS & MAINT	\$ 187,054	\$ 186,027	\$ 154,600	\$ 151,944	\$ 1,026	\$ 32,454

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TRAVEL & ENTERTAINMENT						
Local Meetings & Travel	1,000	614	200	177	\$ 386	\$ 800
Client Promotions & Entertainment	8,500	7,062	8,500	7,790	\$ 1,438	\$ -
Trade Shows	7,500	4,624	7,500	6,898	\$ 2,876	\$ -
TOTAL TRAVEL & ENTERTAINMENT	\$ 17,000	\$ 12,301	\$ 16,200	\$ 14,865	\$ 4,699	\$ 800
ADVERTISING & PROMOTIONS						
Advertising	8,000	5,670	8,000	7,312	\$ 2,330	\$ -
Promotional Materials	600	1,600	600	541	\$ (1,000)	\$ -
Other promotional	20,000	22,188	20,000	34,581	\$ (2,188)	\$ -
TOTAL ADVERTISING & PROMOTIONS	\$ 28,600	\$ 29,458	\$ 28,600	\$ 42,434	\$ (858)	\$ -
OTHER EXPENSES						
Uniforms	8,836	8,749	6,684	6,121	\$ 87	\$ 2,152
Dues & Subscriptions	6,975	6,906	22,000	19,842	\$ 69	\$ (15,025)
Bank Fees/Interest	52,575	146,114	35,000	33,841	\$ (93,539)	\$ 17,575
Bad Debts	3,030	3,000	3,411	3,124	\$ 30	\$ (381)
Miscellaneous / Depreciation/Equipment Purchase	0	6,334	-	95,743	\$ (6,334)	\$ -
TOTAL OTHER EXPENSES	\$ 71,417	\$ 171,103	\$ 67,096	\$ 158,671	\$ (99,686)	\$ 4,321
CAPITAL EQUIPMENT PURCHASES	0	-	-	-	\$ -	-
TOTAL OPERATING EXPENSES	\$ 7,081,250	\$ 7,123,271	\$ 6,176,369	\$ 5,748,736	\$ (42,021)	\$ 904,881
INCREASE (DECREASE) IN OPERATING NET ASSETS	(0)	(87,937)	(0)	(218,360)	87,936	(1)
FUNDS ENCUMBERED TO COVER OPERATING DEFICIT						
NET INCREASE (DECREASE) IN OPERATING NET ASSETS	\$ (0)	\$ (87,937)	\$ (0)	\$ (218,360)	\$ 87,936	\$ (1)