



Visit Buffalo Niagara

Board of Directors Meeting
Wednesday, October 30, 2024
RiverWorks Buffalo

PRESENT: M. Alnutt, M. Brown, D. Castle, A. Chase, B. Karmazyn, P. Kaler, T. Long, K. Minkel, S. Ranalli, M. Roberts, D. Spasiano, M. Urbanczyk

ABSENT: C. Abbott-Letro, T. Beauford, M. Chiazza, D. Gallagher, M. Glasgow, D. Schutte, W. Paladino

STAFF: J. Bialek, J. Calkins, M. Even, K. Fashana, D. Marzo, H. Nowakowski, R. Toney

GUEST: C. Karpik

CALL TO ORDER: Board Vice-Chair, Kim Minkel, convened the meeting of the Visit Buffalo Niagara Board of Directors at 3:32 p.m.

APPROVAL OF MINUTES: A motion was made by Mr. Alnutt and seconded by Mr. Long to approve the July minutes. Motion carried.

Announcement of VBN's New Agency of Record and Public Relations Agency:

Mr. Kaler began by explaining to the Board that we were going to have our two new agencies introduce themselves via Zoom, but due to technical difficulties, this prevented their remote access. Mr. Kaler went on to provide an update on the selection process for the new agency of record and PR agency. MMGY was chosen as the agency of record for their expertise in data-driven strategies and extensive industry experience, while Lou Hammond Group was selected as the PR agency due to their New York City-based operations and strong media relationships. A rigorous RFP process resulted in 13 proposals, and final presentations were conducted in Buffalo with six agencies. Along with our VBN Vice Presidents, the selection committee included Mary Roberts, Matt Chiazza, and Chastity O'Shei.

Both agencies demonstrated flexibility in starting work before full funding is available in 2025. Mr. Marzo noted that the MMGY retainer is \$60,000 per month, which raised some concerns about cash flow early in the year. However, he explained that the agency agreed to delay billing until funding timelines aligned.

FINANCE REPORT: Mr. Marzo reviewed the financial statements for the quarter ending September 30, 2024.

Balance Sheet: Mr. Marzo reported we ended the quarter with \$3.1 million in total assets. Cash and receivables make up the majority of the total. The cash balance includes \$20,000 in restricted funds for the Restaurant Accessibility Program, being funded by Erie County, scheduled for 2025. Liabilities totaled about \$1.9 million; and net assets just over \$1 million. Mr. Marzo noted that a significant portion of the organization's assets is tied up in cash and grants receivable from the State of New York.. On the liability side, deferred revenue from the county constitutes the majority, which will be gradually reduced as the year concludes.

Statement of Activities: Through the end of September VBN realized a decrease of net assets of about \$268,000, about \$70,000 behind the budgeted pace. Most of the variance is timing related, with accrued PTO accounting for the majority of the variance.

Revenues: No significant variance from budget has been noted. Grant revenues will more than likely finish under budget, but there will be a corresponding decrease in expenses as well. We have a grant for the Freedoms Footsteps program, which was due to start off in 2024, but due to a variety of reasons, will be pushed back to 2025.

Expenses: Expenses through September are running approximately \$70,000 ahead of budget. While part of this is timing-related and expected to reverse in the last quarter, permanent differences exist in categories such as advertising, website development, freelance, and destination development. These expenses were higher due to opportunities that arose during the year. To offset these additional costs, several other line items are running under budget. Efforts have been made to conserve funds to cover these overages and to maintain a reserve for new projects in 2025.

Projections: For 2024, the budgeted deficit was \$325,000, but projections indicate the year will likely close with a deficit of \$400,000 to \$425,000. This increase remains well within the organization's capacity, supported by a \$1.9 million reserve carried over from 2020. The reserve has been carefully managed to cover unexpected costs and deficits over the past few years.

Looking ahead to 2025, VBN anticipates receiving approximately \$7.5 million from hotel occupancy taxes and a potential overage of \$1 million from 2024 collections. If realized, these revenues could result in a total budget of approximately \$8.8 million for 2025. However, cash flow may be tight during the first quarter due to delays in county funding. Steps are being taken to address this, including requesting billing adjustments from partner agencies to manage cash flow.

Additionally, VBN is awaiting \$400,000 in employee retention tax credits, which remain unrecorded until finalized by the IRS. If received, this revenue will significantly support future planning. Net assets carried forward into 2025 are projected to be around \$800,000 to \$900,000, depending on the final 2024 deficit.

BNCVB Foundation and Buffalo Niagara Sports Commission – Mr. Marzo reported the Foundation activity is mostly related to the printing and publication of our 2024 Visitor Guide, the Mobile Visitor Center, and the Paul Murphy Scholarship Fund.

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

A motion to approve the financials was made by Ms. Urbanczyk and seconded by Mr. Karmazyn to approve the financial statements as presented. Motion carried.

Q3/PRESIDENT'S REPORT: Mr. Kaler highlighted year-to-date data as positive, showing a 6.9% increase in hotel revenue compared to the prior year. Despite a decline in demand since the pandemic, occupancy

and rates remain strong, contributing to solid RevPAR (Revenue Per Available Room). New bed tax revenue from short-term rentals, collected since July, is expected to positively impact 2025 financials. Regarding travel, air and border traffic recovery is progressing, though cross-border travel remains a challenge. There is a planned press conference with Representative Kennedy in December to address border issues.

Despite some decreases in definite bookings (down 6.1%), the economic impact of events has increased by 48.1% compared to the prior year. Although event numbers and hotel room bookings are slightly lower than last year, attendance has risen, and the team has been actively participating in trade shows to build future opportunities.

Marketing efforts remain robust. Website and social media performance are strong, with Instagram followers surpassing 90,000—a significant milestone compared to nearby competitors. Popular video content included topics such as Buffalo’s beaches, the Upstate Eats Trail, and Sponge Candy Day, collectively reaching millions of views. Media coverage during the quarter included features in prominent outlets like *The New York Times*, *Forbes*, *Food and Wine*, and CNN.

Other updates included the strategic planning process for 2025, the hiring process for a new Vice President of Sales and Services, and participation in the city’s Queen City Hub initiative. Mr. Kaler also announced the appointment of Brian Gould, the deputy mayor, to the board of directors. On the visitor engagement front, Renata Toney successfully managed a distribution plan to circulate visitor guides, ensuring no excess inventory remains.

The quarter closed on an optimistic note with a focus on strong operational performance, strategic planning for the future, and maintaining the organization’s competitive edge in the region.

Mr. Kaler concluded by thanking Mike Even for his 30 years of service to Visit Buffalo Niagara and wishing him an enjoyable retirement. With Mike set to retire at the end of the year, Patrick expressed gratitude for his dedication and contributions to the organization over three decades.

ADJOURNMENT: There being no further business, a motion was made by Ms. Brown and seconded by Mr. Castle to adjourn the VBN meeting. Meeting adjourned at 4:09 PM.

Minutes prepared by J. Bialek

Approved:  1/29/2025

Kimberley Minkel, Vice Chair