

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

Minutes of the regular meeting of Board of Directors of the Western Regional Off-Track Betting Corporation, held on the 25th day of August 2016, and commencing at 10:00 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

Participating were:

City of Buffalo	Michelle Parmer-Garner
Cattaraugus	Richard Haberer
Cayuga	Paul Lattimore, Jr.
Chautauqua	Allan Hendrickson
Livingston	Thomas P. Wamp
Niagara	Elliott Winter
Orleans	Edward Morgan
Oswego	Ronald B. Darrow
Schuyler	Philip C. Barnes
Seneca	Richard L. Ricci
Steuben	John E. Clifford
Wayne	Kenneth Lauderdale
Wyoming	Susan May

Absent:

Beverly Mazur
Richard Siebert
Richard Bianchi

constituting the Directors of all participating municipalities.

Also participating were: Henry Wojtaszek, President & Chief Executive Officer; Scott Kiedrowski, Vice President Operations; Michael P. Nolan, Chief Operating Officer; Jacquelyne Leach, Comptroller; Barbara Mruzek, Deputy Comptroller; Mark Wolf, Director of Video Gaming; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; James Haas, Communications/Mutuels Manager; Gayle Ashbery, Director of Purchasing; Cindy DeCarlo, Comptroller; Joe Leathersich, The Batavia Daily News and Mike Pettinella, The Batavian.

A roll of the membership of the Board having been called, Mr. Kiedrowski declared a quorum present.

Vice-Chairman Wamp proceeded to conduct the meeting following the published Agenda for this regular meeting.

Vice-Chairman Wamp then asked Director Lattimore to lead the assemblage in the Pledge of Allegiance.

1. **Approval of Previous Minutes:**

Vice-Chairman Wamp called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of July 28, 2016. There being none, a motion was made by Director Hendrickson and seconded by Director Bassett to approve the July minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

Mr. Kiedrowski informed the Board of a notice of thanks from the Genesee Community College Alumni Office for the sponsorship of the Cougar Classic Scholarship Scramble.

Mr. Kiedrowski informed the Board of a notice of thanks from the Cornell University Cooperative Extension Genesee County for taking part in Leadership Genesee's "A Tourist Destination" day session on July 27, 2016.

Mr. Kiedrowski informed the Board of a notice of thanks to Mary Bucceri Batavia Downs Gaming for the Birthday Celebration for Frances Ford.

Mr. Kiedrowski informed the Board of a notice of thanks from Albert Kurek for the tribute to his wife, Annie Kurek a long time WROTB employee-retiree who died unexpectedly.

Mr. Kiedrowski informed the Board of a notice of thanks from Mr. and Mrs. Scott to Pauline Andrews as she kindly took the time to assist them during their first visit to Batavia Downs Gaming.

3. **Officers' Reports:**

No Officer's Report

4. **Finance Committee Report:**

Committee Chairman Lauderdale reported that the Finance Committee meeting was held on Wednesday, August 24, 2016 at 1:45 p.m. and the following business was considered.

Mrs. Leach reviewed the July 2016 Comptroller's Report with Committee members. July produced surcharge for distribution of \$119,000 and earnings of approximately \$98,000.

4. **Finance Committee Report continued:**

This was provided for informational purposes only.

The Finance Committee meeting adjourned at 2:25 p.m.

5. **Personnel Committee Report:**

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, August 24, 2016 at 1:30 p.m. and the following business was discussed.

Ms. DeCarlo updated the Committee that the IRS is planning to be on site for a presentation November 2nd and 3rd. Western OTB needs 75% participation from the employees to utilize this program.

Mr. Schiano informed the Committee that staff is preparing a training session for Supervisory staff on site on how to deal with properly disciplining employees and the policies and procedures that go along with this process.

Ms. Lawrence informed the Committee that Western Regional Off-Track Betting was invited to submit new applications by the Best Center at GCC and we submitted two (2) applications: the first for interview skills and the second for team building. The trainers would be from R.I.T. and Western would be obligated to pay for forty percent (40%) of the cost. Ms. Lawrence added that in the year 2016 training costs were \$11,000.00.

Mr. Wojtaszek informed the Committee that he is trying to meet with all employees on and off site as part of his process to get to know all aspects of the Corporations. Mr. Wojtaszek noted that two of the biggest issues that have come up during these meeting are teamwork and communication.

Chairman Wamp adjourned the meeting at 1:43 p.m.

6. **Legislative Committee Report:**

Committee Chairman Barnes reported the Legislative Committee met on Wednesday, August 24, 2016 at 4 p.m. and the following business was discussed.

6. Legislative Committee Report continued:

Mr. Nick Antenucci from Wilson Elser, Mr. George Maziarz and Ms. Patricia Lynch from Patricia Lynch Associates were available via telephone conference.

Mr. Nick Antenucci reported on discussions for a NYGA Bill and Constitutional Convention, neither of which he thinks will happen this year, also mentioned that the Fantasy Bill was signed.

Mr. George Maziarz discussed the Vendor legislation that is awaiting the Governor's signature. Senator Gallivan will also be meeting with Governor in efforts to get the bill signed

Mr. Wojtaszek discussed the ongoing Fanduel partnership and the trip that six employees took to meet with Fanduel in NYC. Ryan Hasenauer is working with their marketing department. Mr. Kane will be delivering the Fanduel contract to the Gaming Commission for approval.

Mr. Wojtaszek discussed the Vendor Fee Legislation and the letter that was sent and well as Sen. Gallivan's involvement.

The Legislative Committee meeting was adjourned at 4:25 p.m.

7. Insurance Committee Report:

The Insurance Committee did not meet.

8. Advertising Committee Report

Committee Chairman Clifford reported the Advertising and Promotions Committee met on Wednesday, August 24, 2016 at 2:30 p.m. and the following business was discussed.

Mr. Hasenauer delivered a presentation to the Committee of past and upcoming OTB events including the summer meet at Saratoga and OTB promotions related to the Batavia Live Meet. Mr. Hasenauer recapped Augusts' ZZ Top promotion and previewed Septembers Cash and Car Promotion. Director Bassett inquired about the amount of Free Play at our disposal in a year; staff reported that it was around \$7 million. Pictures from the 5k were show and everyone had a great time meeting other employees and generally building great camaraderie. A promotion involving a Sunday bus run with RTS Genesee that would be visiting GCC was talked about.

8. Advertising Committee Report continued:

Todd Haight, General Manager Live Racing reported to the Committee the well as promotions and throwback price nights. The new Facebook promotion designed to increase online social media views is working well. Handicapping contests in both August and September will hopefully drive revenue. A program designed to attract new horse owners is scheduled for September 10, 2016.

Print ads from the Graphics Department were shown.

The Advertising and Promotions Committee meeting adjourned at 2:56 p.m.

9. Audit Committee Report:

Committee Chairman Bassett reported the Audit Committee met at 4:25 p.m. and the following business was discussed.

Mr. Bassett informed the Board of the MICROS Inventory System that was presented to the Committee.

The Audit Committee meeting adjourned at 4:40 p.m.

10. Batavia Downs Operations Committee Report:

Committee Chairman Morgan reported the Batavia Downs Operations Committee met on Wednesday, August 24, 2016 at 3p.m. and the following business was discussed.

Committee Chairman Morgan reported the figures and monthly status report of gaming statistics which was provided to the Committee by Mr. Mark Wolf, General Manager of Gaming.

Mr. Nolan reported that the Hotel is scheduled to open in October.

Mr. Nolan informed the Committee of the changes to the Park Road parking lot and entrance.

Mr. Haight informed the Committee of the request for the Kane Memorial Race that will be held on October 8, 2016.

Mr. Nolan informed the Committee that a Resolution was needed for the additional purchases of necessary food products from Palmer Foods for the remainder of the year.

10. Batavia Downs Operations Committee Report continued:

Upon motion by Director Haberer and seconded by Director Winter a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Mazur, Siebert, Bianchi. The motion was approved to purchase the necessary food products from Palmer Foods for the remainder of 2016 not to exceed \$250,000.

Mr. Colaizzi informed the Committee that the equipment for the Facial Recognition Trial will be on site and installed on September 8, 2016.

The Batavia Downs Committee meeting adjourned at 4:12 p.m.

11. Branch Operations Committee Report:

Committee Vice-Chairman Darrow reported that the Committee met on Thursday August 25, 2016 at 9:30 a.m. and the following business was discussed.

Mr. Schiano reported that summer Maintenance is wrapping up and did a great job and wanted to thank Directors for their assistance. In Buffalo, they are working on the Wehrle warehouse for a possible Buffalo District Office relocation. Eric Dude and Tom Cwik continue to assist in wiring for G- Series as well as new biometric attendance equipment. Mr. Schiano mentioned that he and Jacquelyne Leach have been monitoring Night Thoroughbred and handle has increased for sure, Harness handle has dropped some but overall handle was up in July. He stated that the bottom line is we are making money in this venture; net revenue through August 21st was almost \$10,000. Mr. Schiano thanked Felicia Cecere and Jake Rak for putting this research together.

Mr. Wojtaszek and Mr. Schiano reported that Ridge Lea asked for a 90 day extension on due diligence process; Hudson will use all due diligence up to October 17th; Albion should close some time in September; Newark work is being completed for the environmental study.

Mr. Schiano and Mr. Wojtaszek reported that we have an issue with the lease renewal at the Webster Branch and that the original owner lost property to the Genesee Regional Bank and that they do not want it but are willing to do short term renewal with higher rent. Mr. Schiano is working with Rubinos owner and with prospective buyer, but also looking for locations in area at same time.

11. Branch Operations Committee Report continued;

Mr. Schiano informed the Committee that the E-Z Bet handle through August 21, 2016 was \$3.2 million, up \$150,000 from last year. He also reported that Save-On in Albion, Orleans County, is approved by the Gaming Commission, but we are waiting on an Internet provider. He stated that Letchworth Pines in Portageville, Wyoming County opened on August 13, 2016 and that the Grand Opening is set for this Saturday from 12:00-2:00 p.m. Mr. Schiano informed the Committee that there are two possibilities being researched in Monroe County for potential E-Z Bets. Jack Devine's in Wheatfield, Niagara County is in the process of completing their application and Bubba's Roadhouse in Sodus, Wayne County, is interested.

Mr. Haas informed the Committee that the Monarch contract terms are set, we are just waiting on language, and this is being handled by NYRA. Mr. Haas also reported that Batavia Nets continues to do well, up to \$607,000 for the year, compare to last August with eight days left in the month.

Mr. Schiano reported that Veteran's Night is scheduled for Wednesday, September 21, 2016. Mr. Schiano informed the Committee that we rose over \$3,000 last year for the Monroe County Veteran's Court Mentor Program. Mr. Schiano also reported that he did a podcast for Fingerlakes1.com on Monday.

A motion was made by Committee Vice-Chairman Darrow and seconded by Director Wamp to adjourn the meeting at 9:54 a.m.

12. Unfinished Business:

No unfinished business.

13. New Business:

The next Committee and Board meetings are scheduled for September 21, and 22, 2016 respectively.

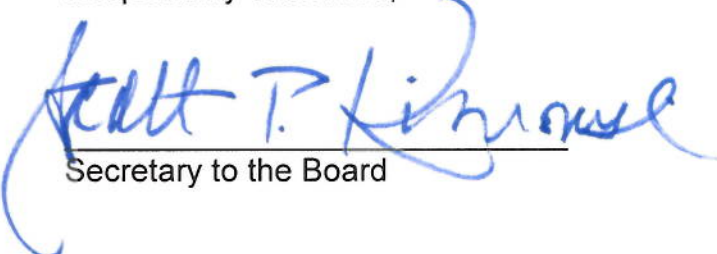
14. **Resolutions:**

Resolution #24-2016 Palmer Food Supplementary

15. **Adjournment:**

Director Haberer made a motion to adjourn which Director Barnes seconded.
The meeting was adjourned at 10:27 a.m.

Respectfully submitted,


Secretary to the Board

/pma