

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 27th day of October 2016, and commencing at 10:50 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
Erie	Beverley A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
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:

Paul Lattimore
Allan Hendrickson
Dennis Bassett

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; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Gayle Ashbery, Director of Purchasing; Cindy DeCarlo, Comptroller; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Edward Merriman, Manager of Branch Operations; Jim Krencik, The Batavia Daily News and Mike Pettinella, The Batavian; Jessalyn Gates, Executive Secretary/Comptroller.

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

Chairman Bianchi proceeded to conduct the meeting following the published Agenda for this regular meeting.

Chairman Bianchi then asked Mike Pettinella to lead the assemblage in the Pledge of Allegiance.

1. **Approval of Previous Minutes:**

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of September 22nd.

There being none, a motion was made by Director Haberer and seconded by Director May to approve the September 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 Rick Likus, General Manager of the Hotel at Batavia Downs for the Hospitality Batavia Downs provided.

Mr. Kiedrowski informed the Board of a notice of thanks from Shelley Falitico, Director of Arc of Genesee Orleans for the "Night at the Races" at Batavia Downs.

3. **Officers' Reports:**

Chairman Bianchi informed the Board of the Retirement notice from Fred Hamilton, Director of Food & Beverage. Mr. Bianchi thanked him for his years of service at Batavia Downs.

4. **Finance Committee Report:**

Committee Chairman Lauderdale reported that the Finance Committee meeting was held on Wednesday, October 26, 2016 at 2p.m. and the following business was considered.

Mrs. Ashbery advised the Committee that bids for snowplowing services were opened on October 12, 2016 for snowplowing services at five (5) branches in Monroe County and three (3) branches in Niagara County for the 2016-2017 winter season. After review by staff, the following is recommended.

Erie County:

Branch	Low Bidder	Per Plow Price	
		Plow	Salt
McKinley	Landscaping & Snowplowing	\$220.00	\$170.00
Ridge Lea	Landscaping & Snowplowing	\$175.00	\$150.00
Clinton	Landscaping & Snowplowing	\$170.00	\$150.00
Wehrle	Landscaping & Snowplowing	\$190.00	\$185.00

4. **Finance Committee Report continued:**

Delaware Brothers in Lawn \$85.00 \$70.00

Upon motion by Mr. Barnes, seconded by Mr. Morgan, and carried unanimously, the Erie County snowplowing bids for the 2016-2017 winter seasons were approved as above (**Resolution #34-2016**).

Niagara County:

Branch	Low Bidder	Per Plow Price	
		Plow	Salt
Transit Road	J & T Enterprises	\$75.00	\$50.00
River Road	Bill's Automotive	\$74.50	\$64.50
Military Road	Bill's Automotive	\$74.50	\$64.50

Upon motion to reject all bids by Mr. Morgan, seconded by Mr. Barnes, and carried unanimously, the Niagara County snowplowing bids for the 2016-2017 winter seasons were rejected as above (**Resolution #32-2016**).

Monroe County:

Branch	Low Bidder	Per Plow Price	
		Plow	Salt
Hudson	CPM Property	\$199.99	\$160.99
Marway	CPM Property	\$199.99	\$160.99
West Broad	CPM Property	\$99.99	\$75.99
Jefferson	CPM Property	\$99.99	\$75.99
West Ridge	CPM Property	\$99.99	\$75.99

Upon motion by Mr. Barnes, seconded by Mr. Morgan, and carried unanimously, the Monroe County snowplowing bids for the 2016-2017 winter seasons were approved as above (**Resolution #33-2016**).

Mrs. Leach reviewed the September 2016 Comptroller's Report with Committee members. September generated surcharge for distribution of \$107,864 and earnings of approximately \$104,358. Distributable earnings for the third quarter of 2016 will be approximately \$282,000.

4. **Finance Committee Report continued:**

Mr. Leach presented the 2017 Preliminary Operating Plan to the Committee highlighting Plan assumptions and certain revenues and expenses. The Preliminary Plan is presented as a fluid working document. Its purpose is to facilitate discussion amongst WROTBC management and the Board of Directors. Current trends will be reviewed and adjustments will be made. Staff is confident that the revised Plan will present improved results.

Mr. Lauderdale and Mrs. Leach invited the Board members to study the document and also invited the Directors to a Plan Workshop to be held on November 16, 2016 at 11:00am in the Boardroom. Staff anticipates the Board will vote on the final plan at its December 2016 meeting.

The Finance Committee meeting adjourned at 2:58 p.m.

5. **Personnel Committee Report:**

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, October 26, 2016 at 1:34p.m. and the following business was discussed.

Mr. Schiano informed the Committee of the ongoing training including the topics of discipline grievance, employee interviews, as well as employee evaluations. The next topic planned will be the updated emergency evacuation plan.

Mr. Wojtaszek informed the committee of the recent training for the officers lead by Bonnie Nizamis with the goal of improving morale and attaining a mission statement for the corporation.

Mr. Haigh informed the committee that he, Mr. Schiano, and Mr. Wojtaszek have gone through a number of corporate policies and made the necessary updates. A motion made by Mr. Wamp to accept these changes, seconded by Director Haberer and passed unanimously.

Mr. Schiano informed the committee of an anniversary program that he and Mr. Hasenauer have completed and implemented. A motion was made by Director May to implement the program, seconded by Director Winter and passed unanimously.

A motion was made by Director Clifford to enter into Executive Session to discuss a personnel matter at 2:06pm, seconded by Director Ricci. The committee came out of executive session and adjourned the meeting at 2:12 p.m.

6. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee met on Wednesday, October 26, 2016 at 3:03 p.m. and the following business was discussed.

Mr. Nick Antenucci and Ms. Lisa Marrello from Jackson Lewis were available via telephone conference and reported on discussions about the Vendor Fee Legislation, as well as working on racing initiatives with Rob Williams.

Mr. George Maziarz and Ms. Patricia Lynch from Patricia Lynch Associates were available via telephone conference and also discussed this Vendor legislation that is awaiting the Governor's signature; he and Mike Kane have met with Rob Moheeka from the Governor's office concentrating on showing the negative effect that Lago and the Seneca Build out has on Batavia Downs.

Mr. Wojtaszek discussed the vendor fee legislation as well and is confident that staff has made all the arguments possible.

The Legislative Committee meeting was adjourned at 3:26 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, October 26, 2016 at 3:27 p.m. and the following business was discussed.

Todd Haight, General Manager Live Racing delivered a presentation of past and upcoming OTB events including the Breeder's Cup. Photos from the Diamond Earring Giveaway and ads from the October's promotions including the Kane Memorial T-shirt giveaway were shown along with a preview of November promotions.

Print ads from the Graphic Department were shown.

The Advertising and Promotions Committee meeting adjourned at 3:41 p.m.

9. **Audit Committee Report:**

The Audit Committee did not meet.

10. **Batavia Downs Operations Committee Report:**

Committee Chairman Morgan reported the Batavia Downs Operations Committee met on Wednesday, October 26, 2016 at 3:41p.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 open and slides were shown of the rooms also the search lights placed on the roof top with the approval of the Town of Batavia and the FAA. There is a Hotel ribbon cutting ceremony at 5:30 pm on November 2nd.

Mr. Nolan informed the Board of the Supplemental Resolution needed for Home Depot for the 2016 calendar year.

Upon motion by Director Morgan and seconded by Director May a roll call vote was taken. Ayes: 14; Nays: 0; Absent: Lattimore, Hendrickson, Bassett. The motion was approved for Home Depot for the remainder of the year not to exceed \$19,000 (**See Resolution #29-2016**).

Mr. Nolan informed the Board of the Supplemental Resolution for Hill & Marks for the remainder of the 2016 calendar year.

Upon motion by Director Morgan and seconded by Director Ricci a roll call vote was taken. Ayes: 14; Nays: 0; Absent: Lattimore, Hendrickson, Bassett. The motion was approved for Hill & Marks for the remainder of the year not to exceed \$16,000 (**See Resolution #30-2016**).

Mr. Nolan informed the Board of the Resolution needed for the Staff to supply inventory to the Made in America Store for the remainder of the 2016 calendar year.

10. Batavia Downs Operations Committee Report continued:

Upon motion by Director Morgan and seconded by Director Ricci a roll call vote was taken. Ayes: 14; Nays: 0; Absent: Lattimore, Hendrickson, Bassett. The motion was approved to supply inventory to the Made in America Store not to exceed the amount of \$25,000. **(See Resolution #35-2016).**

Mr. Wojtaszek informed the Committee that a meeting was held last week with Bruce Tubin regarding the new paddock. An agreement was made to wait until the 2018 racing season to build.

Mr. Wamp thanked Mr. Nolan for his help and support for the Ann & Carl Myers Cancer Institute fundraiser.

Mr. Wojtaszek informed the Board that Mr. Nolan is now a Genesee County Chamber of Commerce Board member for a three (3) year term.

The Batavia Downs Committee meeting adjourned at 4:25 p.m.

11. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday October 27, 2016 at 9:34 a.m. and the following business was discussed.

Mr. Merriman informed the Committee that most branches have their equipment for the Time and Attendance project installed. All this work is being reported as a Capital Improvement Project. He also reported that Maintenance installed new TV's for the Wehrle Concessions upstairs, as well as preparing both Military and Wehrle for the opening of their concessionaires both of whom are only awaiting their New York State Liquor Licenses.

Mr. Wojtaszek and Mr. Schiano reported to the Committee on the continued due diligence by the buyers of Ridge Lea, Newark, and Hudson. We will be receiving an eviction notice soon for the Webster property. The sale of Albion property has closed.

Mr. Schiano informed the Committee that HVAC work was necessary for ongoing issues at the Wehrle location.

11. Branch Operations Committee Report continued:

Upon motion by Director Mazur and seconded by Director Morgan a roll call vote was taken. Ayes: 14; Nays: 0; Absent: Lattimore, Hendrickson, Bassett.

The motion was approved the purchase order for Parise Mechanical in the amount not to exceed \$127,000 for necessary work to HVAC at Wehrle (**See Resolution #36-2016**)

Mr. Schiano informed the Committee that United Tote will begin installing the self-service terminals in all branches, following a similar install schedule as the line terminals. He also reported that Save-On-Beverage in Orleans County is open and doing very well. Staff continues to work with Jack Deivines in Niagara County, three possible locations in Monroe County, LNB in Cattaraugus County, as well as a possible location in Livingston County with the help of Director Wamp.

Mr. Schiano informed the Committee that Batavia Bets was up almost \$980,000 through September. The year to date through Sunday October 23, 2016 Batavia Bets was up 14%, over \$1 million.

Mr. Schiano informed the Committee of the necessary resolution to extend the lease for one year at Central Square.

Upon motion by Director Mazur and seconded by Director Morgan a roll call vote was taken. Ayes: 14; Nays: 0; Absent: Lattimore, Hendrickson, Bassett. The motion was approved to extend the lease for one year at Central Square (**See Resolution #36-2016**)

Mr. Schiano informed the Committee that Vest Kiosks have offered the use of two more kiosks at no extra charge. Western only pays a percentage of the sales. These kiosks will be located at Delaware in Erie County and Marway in Monroe County. There are currently three (3) in use: Phoenix, Oswego County; Ridge Lea, Erie County; Batavia ITW, Genesee County.

Mr. Schiano also wanted to thank everyone involved for the Vet's Night Fundraiser that rose over \$3,000.00. He especially noted all the hard work that Jessalyn Gates did putting this event together.

The Committee entered into Executive Session at approximately 9:55 a.m. to discuss Branch issues. A motion was made by Director Morgan and seconded by Director Hendrickson to exit Executive Session at 10:13 a.m.

The Branch Operation meeting adjourned at 10:14 a.m.

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12. Unfinished Business:

No unfinished business.

13. New Business:

The next Committee and Board meetings are scheduled for December 14 and 15, 2016 respectively.

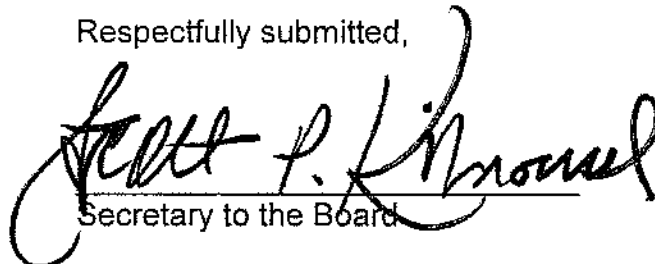
14. Resolutions:

Resolution #29-2016 Home Depot
Resolution #30-2016 Hill & Marks
Resolution #31-2016 Central Square Lease
Resolution #32-2016 (**REJECTED**) Niagara County Snowplowing
Resolution #33-2016 Monroe County Snowplowing
Resolution #34-2016 Erie County Snowplowing
Resolution #35-2016 Made In America Store
Resolution #36-2016 HVAC Wehrle

15. Adjournment:

Director Barnes made a motion to adjourn which Director Haberer seconded. The meeting was adjourned at 11:27 a.m.

Respectfully submitted,


Secretary to the Board

/pma