

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 28th day of July 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
Chautauqua	Allan Hendrickson
Erie	Beverly A. Mazur
Livingston	Thomas P. Wamp
Monroe	Richard 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
Richard Siebert
Dennis Bassett

constituting the Directors of all participating municipalities.

Also participating were: Michael D. Kane, President & Chief Executive Officer; Scott Kiedrowski, Vice President Operations; Barbara Mruczek, Deputy Comptroller; Mark Wolf, Director of Video Gaming; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Edward Merriman, Manager of Branch Operations; James Haas, Communications/Mutuels Manager; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Gayle Ashbery, Director of Purchasing; Cindy DeCarlo, Comptroller; Patricia Giammarva, Executive Secretary/Senior Administration; Jim Krencik, The Batavia Daily News and Mike Pettinella, The Batavian.

Chairman Bianchi introduced and welcomed newly appointed Director Elliott Winter, of Niagara County.

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 Director Winter 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 June 23, 2016. There being none, a motion was made by Director Lauderdale and seconded by Director Haberer to approve the June 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 Rotary Club of Batavia for contributing the use of tables and chairs for the Annual Father's Day Fly-In Breakfast.

3. **Officers' Reports:**

Mr. Nolan thanked Mr. Kane on behalf of the Officers, Department Heads and employees of WROTBC and Batavia Downs for his leadership and congratulated him on his retirement.

4. **Finance Committee Report:**

Committee Chairman Lauderdale reported that the Finance Committee meeting was held on Wednesday, July 27, 2016 at 1:40 p.m. and the following business was considered.

Mrs. Leach reviewed the June 2016 Comptroller's Report with Committee members. June produced surcharge for distribution of \$122,000 and earnings of approximately \$227,000. Second quarter 2016 earnings distributions totaled \$837,364 approximately 21% higher than 2015 earnings distributions. She discussed the results of operations for Branches and Batavia Downs.

This was provided for informational purposes only.

The Finance Committee meeting adjourned at 1:59 p.m.

5. **Personnel Committee Report:**

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, July 27, 2016 at 1:27 p.m. and the following business was discussed.

5. Personnel Committee Report continued:

Ms. DeCarlo informed the Committee of the ongoing work being done with the Gaming Industry Tip Compliance Agreement. This is an ongoing effort as a way to implement a system of employees to report tip income.

Mr. Kane informed the Committee that due to his retirement a new Officer needs to take his place the Board of Director for Deferred Compensation. This Officer is Scott P. Kiedrowski, Vice-President Operations.

Mr. Kane informed the Committee that due to his retirement Resolution #23-2016 would be needed to remove his name and add Henry Wojtaszek on all corporate checks as an authorizing signature effective July 29, 2016.

Upon motion made by Director Wamp and seconded by Director Haberer a voice vote was taken. The motion carried to add Henry Wojtaszek as authorizing signature. Ayes; 14, Nays; 0, Absent; 3, Lattimore, Siebert, Bassett. (**Resolution #23-2016**).

Director Haberer made a motion to adjourn the meeting at 1:37 p.m., seconded by Director Clifford.

6. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee met on Wednesday, July 27, 2016 at 3:45 p.m. and the following business was discussed.

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

Ms. Lisa Marrello informed the Committee that the CAF bill is waiting on the Governor's signature as well as the Gaming Commission is touring new casino sites.

Ms. Lisa Marrello informed the Committee that Wilson Elser is switching law firms as of September 1, 2016 to the Jackson-Lewis Law Firm and believes this will have only a positive impact on all clients including more benefits in Employment Law.

Mr. Kane and Mr. Nolan spoke about Fantasy Sports and the meeting with FanDuel representatives as well as a team going to NYC on August 5, 2016 to discuss details.

6. Legislative Committee Report continued:

Mr. Kane discussed the Sunday Brunch Bill that when signed will allow for alcohol to be sold at 10am on Sundays as well as the CAF bill that would allow these monies to be used operationally, but mentioned that Western is not in need of the use of these funds as some other state OTB's are.

The Legislative Committee meeting was adjourned at 4:08 p.m.

7. Insurance Committee Report:

Committee Chairman Ricci reported that the Insurance Committee met on Wednesday July 27, 2016 at 4:00 p.m. and the following business was discussed.

Chairman Ricci informed the Board that Western has contracted ShelterPoint Life Insurance Company to administer a disability plan for employees.

Upon motion by Director Ricci and seconded by Director Barnes, a roll call vote was taken Ayes: 14; Nays: 0; Absent: 3; Lattimore, Siebert, Bassett. The motion carried unanimously to enter in agreement with ShelterPoint Life Insurance Company (**Resolution #22-2016**).

The Insurance Committee meeting adjourned at 4:15 p.m.

8. Advertising Committee Report

Committee Chairman Clifford reported the Advertising and Promotions Committee met on Wednesday, July 27, 2016 at 2:30 p.m. and the following business was discussed.

Mr. Haight delivered a presentation of past and upcoming OTB events including the summer meet at Saratoga and OTB promotions related to the Batavia Downs Live Meet. Mr. Haight also went through the upcoming start of the racing meet including free program, promotions & throwback price nights. The new facebook promotion designed to increase online social media views is working well.

Mr. Hasenauer recapped July's Zuma promotion and previewed August's ZZ Top Vendor Promotion. The upcoming 5k shirt was revealed and the employee picnic and its Rock Paper Scissors Champion were shown. Marketing received four awards at the Casino Marketing Convention in Las Vegas. A new partnership with a country music star was previewed and a promotion involving the new PokemonGO app was talked about.

8. **Advertising Committee Report continued:**

Print ads from the Graphics Department were shown.

The Advertising and Promotions Committee meeting adjourned at 2:31 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, July 27, 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. Haight reviewed the ad sales. He reviewed the Genesee County Fair Races.

Mr. Nolan reported that the Hotel will open the first week in September. He reported the base units for the breakfast buffet are installed.

Mr. Nolan reported the valet was moved to the front of the building. Discussions are ongoing for the changes to the valet entrance and parking lot.

Mr. Kane reported him and Todd Haight met with Bruce Tubin to discuss a new paddock.

Mr. Kane reported that the Capital Awards proposal was submitted on July 14, 2016.

Mr. Nolan reported that the contract with Tim Horton's will be terminated at the end of the month.

The Batavia Downs Committee meeting adjourned at 3:44 p.m.

11. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday, July 28, 2016 at 9:31 a.m. and the following business was discussed.

Mr. Merriman reported that maintenance staff added 7 new flat screen TVs to Lyell from Albion closing. Damage was repaired to the Auburn building from a customer accident. The two branches that have G-Series are pleased. Summer help continues to do a great job in both areas.

Mr. Schiano informed the Committee that prospective buyers for Ridge Lea and Hudson are still doing their due diligence. Staff is actively making arrangements for new District Offices.

Newark is still in the process of finalizing the contract for sale including the terms of the lease back and one party is still interested in Hornell, but no formal offer to date.

Mr. Schiano informed the Committee that Mr. Wojtaszek is still working on eviction paperwork for Phoenix. The Ridge Lea concessionaire is working to be open at Wehrle by September 1, 2016. The Military concessionaire is waiting on their liquor license, but the Gaming Commission approved new owner already.

Mr. Schiano informed the Committee that Letchworth Pines E-Z Bet should open first and Save On Beverage Center soon thereafter. Ms. Gates is still pursuing leads in Livingston, Monroe, Oswego, and Schuyler Counties. Year to date handle is \$2.8 million or 5.8% of total handle, up \$38,000 from 2015.

Mr. Schiano informed the Committee that the G-Series have been installed at French Road and Jefferson Road Branches. Two branches weekly are scheduled for installs and follow up training by Jessalyn Gates and T.J. Noce.

Mr. Kane informed the Committee that NYRA was not able to include Western in their new CDI contract. Western will be included in NYRA Monarch deal, with betting California rates, but Tampa rates went up.

Mr. Haas informed the Committee that Batavia Bets was up \$247,000 in June or 36% and is already up \$74,000 or 10% with four days remaining. Year to date Batavia Bets is up over \$500,000 or 10%. A group of staff met with Fan Duel President Nigel Eccles on sit and we will meet in NYC on August 5, 2016 for more details for this venture.

Mr. Schiano updated the Committee that beginning August 1, 2016 WROTBC will take Nighttime Thoroughbreds through the end of December.

11. **Branch Operations Committee Report continued:**

We wind up mostly paying ourselves the "Hold Harmless" payments. Since March we are averaging over \$10,000/night on Night Thoroughbreds.

A motion was made by Director Darrow and seconded by Director Morgan 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 August 27, and 28, 2016 respectively.

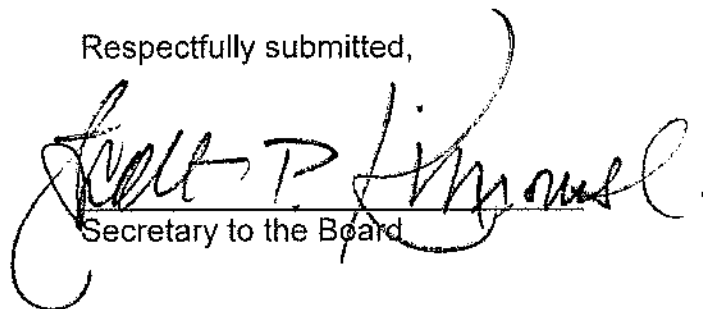
14. **Resolutions:**

Resolution #22-2016 NYS Disability
Resolution #23-2016 Signature Wojtaszek

15. **Adjournment:**

Director Haberer made a motion to adjourn which Director Darrow seconded. The meeting was adjourned at 10:21 a.m.

Respectfully submitted,


Secretary to the Board

/pma