

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 22th day of September 2016, and commencing at 10:16 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
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Niagara	Elliott Winter
Orleans	Edward Morgan
Oswego	Ronald B. Darrow
City of Rochester	Dennis Bassett
Schuyler	Philip C. Barnes
Wayne	Kenneth Lauderdale
Wyoming	Susan May

Absent:

Beverly Mazur
Richard Ricci
John Clifford

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; James Haas, Communications/Mutuels Manager; 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.

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 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 August 25, 2016. There being none, a motion was made by Director Lauderdale and seconded by Director Haberer to approve the August 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 Spazione Family for the memorial honoring Dave Spazione.

Mr. Kiedrowski informed the Board of a notice of thanks from Karen Goodwin to Todd Haight, General Manager Live Racing for the Horse owner's seminar held at Batavia Downs.

Mr. Kiedrowski informed the Board of a notice of thanks from Sandra Hyde for Mary Bucceri assisting with her special needs dinner at the Di Martino wedding held at Batavia Downs.

3. **Officers' Reports:**

No Officer's Report

4. **Finance Committee Report:**

Committee Chairman Lauderdale reported that the Finance Committee meeting was held on Wednesday, September 21, 2016 at 2 p.m. and the following business was considered.

Mrs. Leach reviewed with the Committee members the Corporation's long-term debt obligations. This was provided for informational purposes only.

Mrs. Leach reviewed the August 2016 Comptroller's Report with Committee members. August generated surcharge for distribution of \$124,000 and earnings of approximately \$79,000.

This was provided for informational purposes only.

The Finance Committee meeting adjourned at 2:35 p.m.

5. Personnel Committee Report:

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, September 21, 2016 at 1:30 p.m. and the following business was discussed.

Mr. Kiedrowski informed the Committee that staff will be reviving the Employee of the Month program. Staff is hoping this will help enhance employee morale.

Mr. Schiano informed the Committee that 27 supervisors were involved in the first training on discipline and termination. This was well received. He and Mr. Kiedrowski are working on the next training scheduled of October 4, 2016 with the topic being job postings and job interviews.

Mr. Schiano informed the Committee that he and Mr. Hasenauer have been tasked with putting together an anniversary program to reward long term employees. We hope to have a proposal ready for the next Board meeting.

Mr. Wojtaszek informed the Committee that the healthcare rates are projected to rise by nine percent (9%) which will be a \$350,000 increase. Staff recommends using the unused monies form LMHF as a way of paying off this increase.

Mr. Wojtaszek informed the Committee that he formed a Committee consisting of himself, Steven Haigh, Internal Auditor and Sean Schiano to update corporate policies and they will have these policies ready the October Board meeting for review.

Chairman Wamp adjourned the meeting at 1:55 p.m.

6. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee met on Wednesday, September 21, 2016 at 3 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 tax equity bill, and how they are trying to push focus for this to be a regional bill.

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; the Senate does not want to submit bill until they have a favorable sign from the second floor.

6. **Legislative Committee Report continued:**

Mr. Wojtaszek discussed the ongoing Fanduel partnership and the slow number of sign ups but discussed the guaranteed monies WROTB would receive and our ongoing efforts to build Fanduel in Western NY.

Mr. Wojtaszek and Mr. Nolan discussed the Vendor Fee Legislation and their meeting with Buffalo Mayor Brown scheduled for next Friday and hoping for his clout with the Governor to get his signature on the bill that would help all of Western NY.

The Legislative Committee meeting was adjourned at 3:24 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, September 21, 2016 at 2:32 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 Labor Day and Breeder's Cup. Photos from wiener Dog Day/Family Fun Day were shown along with a preview of September promotions and the October Kane Memorial T-shirt giveaway.

Mr. Hasenauer recapped September's Cash/Car Drawing and previewed October's Collect and Win in October. Slides showing the Wedding on Saturday Night were show. Staff will be attending Wedding Expos in Buffalo and Rochester in an attempt to book more weddings. The Made in America store was shown and the upcoming ribbon cutting was mentioned.

Print ads from the Graphic Department were shown.

8. Advertising Committee Report continued:

Director Lattimore asked about the capacity of the various rooms in the facility. Director Wamp asked if there was positive feedback from the wedding, Mr. Hasenauer reported that there was including a nice email sent to staff. Director Siebert asked about promotions related to 34 Rush. Staff will be instructed to communicate promotions to front end staff more frequently. Director Morgan asked about the success of the new shuttle bus service. Staff will seek that information and have it at the next board meeting.

The Advertising and Promotions Committee meeting adjourned at 2:48 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, September 21, 2016 at 3:30p.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 the second week in October. The fourth floor is completed.

Mr. Nolan informed the Committee that the Made in America Grand Opening was yesterday. Everything in the store is 100% made in America. The store offers a 10% discount to all Veterans everyday and twice a month for employees. Country singer Ricky Lee performed at the opening.

Mr. Kiedrowski informed the Committee of the new entrance and the new curb appearance. Also, Maintenance is continuing paint work on to the front of Batavia Downs.

Mr. Wojtaszek informed the Committee that there is a 30 day Facial Recognition Trial. The cost of the equipment if purchase would be around \$41,000

10. Batavia Downs Operations Committee Report continued:

Mr. Nolan informed the Committee that a Resolution was needed for the additional purchases of supplies from Falcone Electric for the remainder of the year at a cost of \$10,000.

Upon motion by Director Morgan and seconded by Director Siebert a roll call vote was taken. Ayes: 13; Nays: 0; Absent: Mazur, Wamp, Ricci, Clifford. The motion was approved to purchase the additional supplies from Falcone Electric for the remainder of 2016 not to exceed \$10,000. **See Resolution #25-2016**

Mr. Nolan informed the Committee that a Resolution was needed for additional supplies from Sherwin Williams for the remainder of the year at a cost of \$15,000.

Upon motion by Director Morgan and seconded by Director Hendrickson a roll call vote was taken. Ayes: 12; Nays: 0; Absent: Mazur, Wamp, Ricci, Clifford; Abstain: 1; Darrow. The motion was approved to purchase the additional supplies from Sherwin Williams for the remainder of 2016 not to exceed \$15,000. **See Resolution #26-2016**

Mr. Nolan informed the Committee that a Resolution was needed for additional rental service from Skyworks for the remainder of the year at a cost of \$10,000.

Upon motion by Director Morgan and seconded by Director Haberer a roll call vote was taken. Ayes: 13; Nays: 0; Absent: Mazur, Wamp, Ricci, Clifford. The motion was approved to purchase additional rental services from Skyworks for the remainder of 2016 not to exceed \$10,000. **See Resolution #27-2016**

Mr. Kiedrowski informed the Committee that a Resolution was needed for additional supplies from General Supply for the remainder of the year at a cost of \$15,000.

Upon motion by Director Morgan and seconded by Director Lauderdale a roll call vote was taken. Ayes: 13; Nays: 0; Absent: Mazur, Wamp, Ricci, Clifford. The motion was approved to purchase additional supplies from General Supply for the remainder of 2016 not to exceed \$15,000. **See Resolution #28-2016**

The Batavia Downs Committee meeting adjourned at 4:10 p.m.

11. Branch Operations Committee Report:

Committee Vice-Chairman Darrow reported that the Committee met on Thursday September 22, 2016 at 9:31 a.m. and the following business was discussed.

Mr. Merriman informed the Committee regarding the G-Series set up work in the Buffalo and Rochester areas. He also reported that Buffalo maintenance has organized and prepped Wehrle warehouse for a possible District Office location if the Ridge Lea Sale goes through. Mr. Merriman informed the Committee that the Wehrle Branch will be getting T.V. upgrades and that they are moving McKenzie's E-Z Bet T.V.'s to needed locations in Monroe County.

Mr. Wojtaszek and Mr. Schiano reported to the Committee that the Ridge Lea sale is still in the due diligence process as is Hudson but Hudson is due on October 17, 2016. The Albion Branch sale should close any day. Mr. Wojtaszek is working on terms especially the lease back period for Newark. Mr. Schiano is working with realtors looking for possible location preferably between the Hudson and Webster branches.

Mr. Wojtaszek informed the Committee that the paperwork for the Phoenix concessionaire has been delivered. He also undated the Committee that the paperwork for the Military concessionaire is progressing as well as the Wehrle paperwork but that there are no open dates for either as of yet.

Mr. Schiano informed the Committee that Mr. Wojtaszek is negotiating with the bank attorney to extend our stay as long as possible while he is searching for a new location.

Mr. Schiano informed the Committee that Save-On, Albion, Orleans County, should be opening any day now. It has been slow due to Verizon getting the proper equipment in. Jack Divines in North Tonawanda, Niagara County, Has submitted an application to Albany. MacKenzie's in Henrietta, Monroe County closed suddenly but staff believes Ms. Gates has a possible location at Dirty Daves in Scottsville, Monroe County. Staff also has a possible location in East Otto, Cattaraugus County, which is 30.8 miles from Buffalo Raceway.

Mr. Haas informed the Committee that Batavia Bets handled \$1.1 million in August, our second best month ever. Year to date we are up 14%, with \$7.1 million handle so far. Mr. Haas also informed the Committee that the Hong Kong contract continues but that it is going very slowly.

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

11. Branch Operations Committee Report continued:

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.

12. Unfinished Business:

No unfinished business.

13. New Business:

The next Committee and Board meetings are scheduled for October 26, and 27, 2016 respectively.

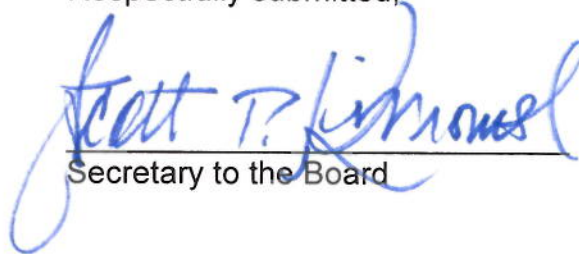
14. Resolutions:

**Resolution #25-2016 Falcone Electric Supplemental
Resolution #26-2016 Sherwin Williams Supplemental
Resolution #27-2016 Skyworks Rental Supplemental
Resolution #28-2016 General Supply Supplemental**

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