

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 15th day of December 2016, and commencing at 10:06 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

Participating were:

Cayuga	Paul W. Lattimore, Jr.
Erie	Beverley A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Niagara	Elliott Winter
Oswego	Ronald B. Darrow
Rochester	Dennis Bassett
Schuyler	Philip C. Barnes
Wayne	Kenneth Lauderdale
Wyoming	Susan May

Absent:

Parmer- Garner
Haberer
Hendrickson
Morgan
Ricci
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 Mruczek, Deputy Comptroller; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Mark Wolf, Director of Video Gamin; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist; 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; Michael Kane, Advisor to President; Fred Hamilton, Director of Food & Beverage; Jessalyn Gates, Executive Secretary/Comptroller; 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 Fred Hamilton 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 October 27, 2016. There being none, a motion was made by Director Lauderdale and seconded by Director Barnes to approve the October 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 Bonnie Nzamis for the wonderful night her group had at Batavia Downs Racing.

3. **Officers' Reports:**

No Officers report.

4. **Finance Committee Report:**

Committee Chairman Lauderdale reported that the Finance Committee meeting was held on Wednesday, December 14, 2016 at 2:36p.m. and the following business was considered.

Mr. Leach presented the final proposed 2017 Operating Plan to the Committee highlighting Plan assumptions and certain revenues and expenses. The plan projects net revenue available to municipalities before post-employment benefits of \$3,817,082, including surcharge of \$1,188,216 and operational earnings of \$2,628,866.

A motion was made by Lauderdale and seconded by Mr. Barnes and carried unanimously to accept the 2017 Operating Plan as presented.

Mrs. Leach reviewed the October 2016 Comptroller's Report with Committee members. October results produced surcharge of \$111,225 and revenue of \$6,614. This was provided for informational purposes only.

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, December 14, 2016 at 2p.m. and the following business was discussed.

Mr. Schiano informed the Committee of the mandatory training conducted by Sue McClaren from Webster Szanye. Thirty (30) supervisory staff was trained and this information was sent to the EEOC as part of a resolution to an EEOC complaint.

Mr. Schiano informed the Committee that the Anniversary Program that was approved by the Board will begin on January 1, 2017. The rewards are the same for all employees, Union and Non-Union.

Mr. Kiedrowski informed the Committee that all of the Evaluations are in and have been reviewed by the Officers. They will be given back to Supervisors to review with their employees.

A motion was made by Director May to enter into Executive Session to discuss a personnel matter at 2:06 p.m., seconded by Chairman Bianchi.

The Committee came out of Executive Session and adjourned the meeting at 2:33 p.m.

6. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee met on Wednesday, December 15, 2016 at 3:07 p.m. and the following business was discussed.

There was no report from any of our lobbyists as Mr. Wojtaszek and Mr. Kane were able to give a complete report.

Mr. Wojtaszek and Mr. Kane both discussed continuing efforts to get the Vendor Bill signed by the Governor. They both believe there is a chance to get the bill signed this year and Senator Gallivan will be sending the bill to the Governor's office any day now. Mr. Kane mentioned how important Senator Maziarz's relationship with Rob Mohica from the Governor's office is in keeping this bill alive.

6. Legislative Committee Report continued:

Mr. Wojtaszek and outlined Legislative Goals for 2017 including:

- The Vendor Bill
- Increase in Capital Reward Monies
- Adjustment for mileage restrictions for EZ Bets
- Increasing Out of State ADW Tax
- Un-cashed Ticket Revenue
- Eliminating OTB Surcharge Taxes and Hold Harmless/Maintenance of Efforts Payments.

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, December 14, 2016 at 2:45 p.m. and the following business was discussed.

Todd Haight, General Manager Live Racing delivered a presentation of past and upcoming OTB events. Details on upcoming OTB Promotions for January were shown. Mr. Haight recapped recent racing promotions and previews the final weekend including Customer Appreciation night at the Ricky Lee Concert.

Mr. Hasenauer recapped November and December's Promotions and went over promotional changes in 2017. Pictures from November's Autograph Show, Zonta's Craft Show and from Winter Fest and the Turkey Donation were shown. Batavia Downs is holding its own Turkey Collection event from 12-3pm on November 22nd where those who donate receive \$20 in Gift Certificates at a Batavia Downs Restaurant and a Free T-shirt.

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 Vice-Chairman Siebert reported the Batavia Downs Operations Committee met on Wednesday, December 14, 2016 at 3:29p.m. and the following business was discussed.

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

Committee Vice-Chairman Siebert reported to the Board that staff recommends the necessary purchase of quality Food and Beverage services for the necessary products for the 2017 year.

The Food & Beverage Department Resolution #37-2016 as follows:

Boston's Best Coffee	\$ 50,000.00
C.H. Wright	\$ 150,000.00
Empire Merchants North	\$ 90,000.00
Hill & Markes	\$ 135,000.00
Jacob Kerns & Sons	\$ 40,000.00
Mark's Pizzeria	\$ 20,000.00
Palmer Food Service	\$1,600,000.00
Pepsi Bottling Service	\$ 150,000.00
Sanzo Beverage	\$ 75,000.00
Southern Wine & Spirits	\$ 95,000.00
Sysco (Tim Horton's)	\$ 60,000.00
Tarantino's	\$ 50,000.00
Tenney Laundry	\$ 65,000.00
U.S. Food Service	\$ 325,000.00
Waste Management	\$ 40,000.00
Maines	\$ 50,000.00

Upon motion by Vice-Chairman Siebert and seconded by Director Wamp, a roll call vote was taken. Ayes: 11; Nays: 0; Absent: Parmer-Garner, Haberer, Hendrickson, Morgan, Ricci, Clifford. The motion was approved for the necessary products for Food & Beverage for the 2017 year. (See Resolution #37-2016).

10. Batavia Downs Operations Committee Report continued:

Committee Vice-Chairman Siebert informed the Board of the Supplemental Resolution for Hill & Marks for the remainder of the 2016 calendar year.

Upon motion by Vice-Chairman Siebert and seconded by Director Winter a roll call vote was taken. Ayes: 11; Nays: 0; Absent: Parmer-Garner, Haberer, Hendrickson, Morgan, Ricci, Clifford. The motion was approved for Hill & Marks for the remainder of the year not to exceed \$7,000 (**See Resolution #43-2016**).

Committee Vice-Chairman Siebert informed the Board of the Resolution for Reisdorf Oil & Propane for the remainder of the 2016 calendar year.

Upon motion by Vice-Chairman Siebert and seconded by Director Lauderdale a roll call vote was taken. Ayes: 1; Nays: 0; Absent: Parmer-Garner, Haberer, Hendrickson, Morgan, Ricci, Clifford. The motion was approved to the Supplemental Resolution for Reisdorf Oil & Propane not to exceed the amount of \$5,000. (**See Resolution #44-2016**).

The Batavia Downs Committee meeting adjourned at 4:51 p.m.

11. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday December 15, 2016 at 9:35 a.m. and the following business was discussed.

Mr. Merriman updated the committee on the time and attendance project as well as the relocation of T.V.'s from closed braches. Mr. Merriman also discussed the security improvements planned for the Lyell/Broad branch. Mr. Schiano informed the Committee that Director Wamp approved setting a closing date for the Geneseo Branch location for Monday, December 17, 2016. Mr. Schiano also discussed the start of the Wehrle Branch project to repair the long standing HVAC issues.

Mr. Merriman informed the Committee that Champions is now open at the Wehrle Branch location and Lucky's at Military Road location could possibly be open by the end of the month. Mr. Schiano let the Board know that the

Phoenix concessionaire is current with the new addendum and has not missed or been late with any payments to date.

11. Branch Operations Committee Report continued:

Mr. Wojtaszek discussed the movement on the sales of the Ridge Lea, Hudson, Transit and Newark Branch locations. Mr. Schiano informed the Committee on the current search for a possible location for the Webster/Hudson Branches.

Mr. Schiano informed the Committee that in Niagara County, Jack Devine's in Wheatfield is approved and most likely will open in the next thirty (30) days. The Dugout in Lockport is very interested in being an E-Z Bet location. Mr. Schiano informed the Committee that in Monroe County, Jeffrey's Bar in Henrietta turned in their paperwork and we will be submitting that soon. Hooligan's in Webster called inquiring about another E-Z Bet location and we will be following up with them. In Cattaraugus County, LNB in East Otto is still working on their paperwork; Talty's Irish Pub in Olean may be interested in an E-Z Bet location.

Mr. Schiano informed the Committee that in Livingston County we will be searching for a location in Geneseo and Dansville. In Schuyler County Landon's Pub is finally completing their paperwork.

Mr. Haas updated the Committee on how slow the Hong Kong negotiations are. Mr. Haas also informed the Committee that Batavia Bets November handle was up 22% or \$143,000; year to date through November it is up 12%, over \$1 million. Batavia Bets should surpass the \$10 million dollar Mark Wolf, General Manager of Gaming for 2016.

Mr. Schiano informed the Committee that the Branch holiday visits are next week. Mr. Schiano will visit Hornell and the Batavia ITW on Monday. Mr. Hasenauer and Mr. Merriman will visit Buffalo and Niagara Falls on Wednesday. Ms. Gates and Mr. Schiano will visit Buffalo and Niagara Falls on Wednesday. Ms. Gates and Mr. Schiano will visit Rochester on Wednesday and the five eastern branches on Thursday. Mr. Merriman will schedule a Jamestown visit. Mr. Schiano let the Director's know that if any of them wanted to join them in these visits to let them know – they are all welcome.

Mr. Schiano informed the Committee of Resolution #38-2016 from W.B. Mason for office supplies for the 2017 year.

11. Branch Operations Committee Report continued:

Upon motion by Director Mazur and seconded by Director Ricci a roll call vote was taken. Ayes: 1; Nays: 0; Absent: Parmer-Garner, Haberer, Hendrickson, Morgan, Ricci, Clifford. The motion was approved for office supplies for the 2017 year from W.B. Mason in the amount not to exceed \$200,000. **(See Resolution #38-2016).**

The Branch Operations Committee adjourned at 9:55 a.m.

12. Unfinished Business:

Chairman Bianchi and Mr. Kane both thanked Mr. Hamilton for his hard work throughout his time at Batavia Downs and wished Mr. Hamilton an enjoyable retirement.

13. New Business:

The next Committee and Board meetings are scheduled for January 18 and 19, 2017 respectively.

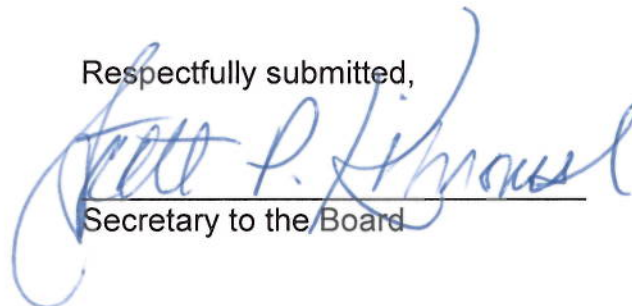
14. Resolutions:

Resolution #37-2016 2017 Food & Beverage
Resolution #38-2016 WB Mason
Resolution #43-2016 Hill & Markes
Resolution #44-2016 Reisdorf Supplemental

15. Adjournment:

Director Wamp made a motion to adjourn which Director Barnes seconded. The meeting was adjourned at 10:31 a.m.

Respectfully submitted,



Peter P. Ligoncel
Secretary to the Board