

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 22nd day of June 2017, and commencing at 10:04 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

Participating were:

Absent:

| | | |
|-------------|------------------------|-----------|
| Buffalo | Michelle Parmer-Garner | Lattimore |
| Cattaraugus | Richard E. Haberer | Bassett |
| Chautauqua | Allan Hendrickson | |
| Erie | Beverly A. Mazur | |
| Genesee | Richard E. Siebert | |
| Livingston | Thomas P. Wamp | |
| Monroe | Richard D. Bianchi | |
| Buffalo | Elliott Winter | |
| Orleans | Edward F. Morgan | |
| Oswego | Ronald Darrow | |
| Schuyler | Philip C. Barnes | |
| Seneca | Richard L. Ricci | |
| Steuben | John E. Clifford | |
| Wayne | Ken Lauderdale | |
| Wyoming | Susan May | |

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; William R. White, Vice President – Administration; Jacquelyne Leach, Comptroller; Barbara Mruczek, Deputy Comptroller; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Mark Wolf, General Manager of Gaming; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Cindy DeCarlo, Controller; Edward Merriman, Manager of Branch Operations; James Haas, Communications/Mutuels Manager; Gayle Ashbery, Director of Purchasing; Jessalyn Gates, Executive Secretary to 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 Ms. Gates 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 May 25, 2017. There being none, a motion was made by Director May and seconded by Director Haberer to approve the May minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

Mr. Kiedrowski informed the Board of a notice of thanks and appreciation from Kyle and Danielle Paganello to Batavia Downs Staff for making their wedding day at Batavia Downs perfect.

3. **Officers' Reports:**

There were no Officers reports.

4. **Finance Committee Report:**

Committee Chairman Lauderdale reported that the Finance Committee meeting was held on Wednesday, June 26, 2017 at 1:50 p.m. and the following business was considered.

Mrs. Ashbery stated a public bid was held on June 14, 2017 for cleaning services for the OTB Branches in Monroe County and that three bids were received.

After review of the bids, Staff recommends the Board's approval to award the bid to the lowest responsible bidder, Jordan Scott Cleaning in the amount of \$5,000 per month.

Upon motion by Director Lauderdale and seconded by Director Darrow a roll call vote was taken; Ayes: 15; Nays: 0; Absent: 2; Lattimore, Bassett. The motion carried unanimously to award the Monroe County cleaning bid to Jordan Scott Cleaning in the amount of \$5,000 per month. (**See Resolution #16-2017**).

4. Finance Committee Report continued:

Mrs. Leach reviewed the May 2017 Comptroller's report with Committee members. May produced surcharge of \$145,376, and operational earnings of \$236,415. She discussed the results of operations for Branches and Batavia Downs. She highlighted some on the variances and provided explanations. She presented information on the sales of Ridge Lea and Hudson which resulted in a gain for the corporation in the amount for \$700,465. Total earnings for May were \$936,880.

This was provided for informational purposes.

The Finance Committee meeting adjourned at 2:48 p.m.

5. Personnel Committee Report:

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, June 21, 2017 at 1:31 p.m. and the following business was discussed.

Mr. Wojtaszek informed the Committee that we are waiting for the results of one Human Rights case as well as receiving a new Human Rights Complaint that we have already responded to.

Mr. Schiano informed the Committee on Phase 2 of the recent Best Center training and informed the Committee that there is another training planned for later in the year.

Mr. Wojtaszek informed the Committee that the company will be staying with LMHF, but is still looking to save approximately \$250,000 possible through Workers Compensation. Staff is planning on having recommendation for the Board at the September meeting after trying to close out three open Workers Comp cases.

Mr. Wojtaszek requested that the Committee create a new position of Office Manager – Buildings & Grounds/Supervisor Environmental Services. This will be a Grade 4 position that will go to a current employee who is currently not full-time. It will be a combination of her current duties and the new responsibilities making this a full-time position.

Upon motion by Committee Chairman Wamp and seconded by Director Lauderdale a roll call vote was taken Ayes: 15; Nays: 0; Absent: 2; Lattimore, Bassett. The motion passed to approve this new position.

5. Personnel Committee Report continued:

Mr. Wojtaszek informed the Committee that approval was needed for the raise of one employee. Due to the fact that this is a Union position, thus an amendment to the Collective Bargaining Agreement, the Board of Directors must approve this.

Upon motion by the Committee Chairman and seconded by Director Winter a roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2; Lattimore. and Bassett. The motion passed to approve this amendment.

Mr. Wojtaszek informed the Committee of a need to create a new position in the Communications Department, a Grade 4 position.

Upon motion by Committee Chairman Wamp and seconded by Director Hendrickson a roll call vote was taken Ayes: 14; Nays: 1; Clifford, Absent: 2; Lattimore and Bassett. The motion passed to approve the new Communications position.

Mr. Wojtaszek informed the Committee that the Officers of the corporation would like to create a Safety Officer to handle all matters in regards to the Safety Policies moving forward. The Officers have chosen Mr. Schiano to assume this responsibility. The Officers also felt it necessary to remove Mr. Schiano as Compliance Officer due to the added responsibilities. The Officers have chosen Jake Rak to replace Mr. Schiano as a Compliance Office for the Corporations Harassment and Discrimination Policy. Mr. Schiano will remain in some capacity to assist the Officers in regard to compliance of the Harassment and Discrimination Policy.

Mr. Wojtaszek informed the Committee that staff will be updating the Bereavement and Compensation Day Policies. These updated Policies will be presented to the Board at the July meeting for approval.

A brief Executive Session was held to discuss the most recent Human Rights Complaint for informational purposes only.

The Personnel Committee meeting adjourned at 1:51 p.m.

6. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, June 21, 2017 at 3:01 p.m. and the following business was discussed.

The Committee received reports from Patricia Lynch, who said there was still much unfinished business and everything is still on the table.

Mr. Kane added that our other two lobbyists were both working the Assembly on a number of OTB bills, including lessening statutory payments and the uncanceled ticket revenue. Mr. Kane hears that these will be pushed to budget talks at the beginning of 2018. He added there is a bill to raise percentage of out of state Advanced Deposit Wagering (ADW) revenue from 5% to 7.5% which would mean about \$475,000 more this year and this is expected to increase yearly. Mr. Nolan added that the Senate has passed the Vendor Bill and we are working all angels to get the bill passed in Assembly. Chairman Bianchi discussed ending the contract of all three lobbyists at the end of June if there was no legislation passed that would help WROTB. Director Hendrickson made this motion seconded by Director Mazur, and passed unanimously by the committee.

The Legislative Committee meeting was adjourned at 3:14 p.m.

7. Insurance Committee Report:

The Insurance Committee did not meet.

8. Advertising Committee Report:

Committee Chairperson Clifford reported the Advertising and Promotions Committee met on Wednesday, June 22, 2017 at 3:30 p.m. and the following business was discussed.

Mr. Todd Haight, Director/General Manager Live Racing delivered a presentation of Belmont numbers, Handicapping Contest and a preview of upcoming OTB events.

8. Advertising Committee Report continued:

Mr. Hasenauer informed the Committee of the recent Direct Mailings. The new business to business direct mail piece success was discussed. Several directors gave input as to what other facilities are doing and why this is so important. Pictures from the Lonestar Concert were shown. The concert increased new member signups and have a noticeable effect on the gaming floor numbers. Director Clifford asked that a post concert cost benefit analysis is done.

Photos from the Taste of the Track vendor show were shown. A recent wedding took place on the track by the pond and fountain which received news coverage.

Director Siebert asked about private meeting space for smaller parties and if they could be catered. Staff answered that they could in the Board room or upstairs and that those coming could order off the menu or other arrangements would be made for catering.

The Advertising and Promotions Committee meeting adjourned at 4:06 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, June 21, 2017 at 4:05 p.m. and the following business was discussed.

Mark Wolf, General Manager of Gaming reported the figures and monthly status report of gaming statistics to the Committee.

Ms. DeCarlo reported the figures for gaming financials.

Mr. Haight, Director/General Manager Live Racing provided Live Racing updates to the Committee.

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

Mr. Wojtaszek informed the Committee that the Capital Awards will be submitted by hand to the NYS Gaming Commission on Friday and will take three or four weeks for approval. The project featuring is in order as follows: Cigar Bar, 34 Rush Kitchen, Paddock, Parking Lot (behind the ITW) and the Entrance Port Cache. The completion date is September of 2019.

Mr. Wojtaszek informed the Committee that the new paddock will not be built, but there will be minor improvements made before racing this season.

Mr. Wojtaszek informed the Committee that the parking lot is complete at the cost of \$508,128 as quoted. There was a replacement of one catch basin at a cost of \$5,860 also, seven more basins that needed to be raised at a cost of \$5,110.

Upon motion by Director Haberer to wave the rules and seconded by Director Wamp for payment to Barre Stone, A voice vote was taken. Ayes: 15; Nays: 0; Absent: 2; Lattimore and Bassett.

Upon motion by Director Morgan and seconded by Director Hendrickson to approve and accept payment to Barre Stone in the amount of \$10,970, a roll call vote was Ayes: 15; Nays;0; Absent: 2, Lattimore, Bassett the motion passed.

Owners Glen Smith and Paul Eusanio of Buffalo Cigar Bar presented their business to the Board which included Customer and Sales trends, Demographics, and integration with Batavia Downs Gaming.

Director Clifford asked if it was possible that Batavia Downs lease an area inside on the premises to Buffalo Cigar.

Mr. Wojtaszek informed the Board that there will be a cost review provided for the concert series when it ends.

Mr. Haight informed the Board of a resolution needed for Grooms Quarters at the Days Inn for up to 16 grooms participating at Batavia Downs during the 2017 Live Racing season.

Upon motion by Director Morgan and seconded by Director Lauderdale a roll call vote was taken. Ayes: 15; Nays: 0; Absent: Lattimore, Bassett. The motion was approved for the Days Inn Grooms Quarters not to exceed the amount of \$30,240. **(See Resolution # 13-2017).**

10. Batavia Downs Operations Committee Report continued:

Mr. Wolf informed the Board of a Resolution needed for the Kiosk Maintenance. EVERI was a sole source bid.

Upon motion by Director Morgan and seconded by Director Winter a roll call vote was taken. Ayes: 15; Nays: 0; Absent: Lattimore, Bassett. The motion was approved to accept the Kiosk Maintenance by the sole source EVERI not to exceed the amount of \$31,520.50. **(See Resolution # 15-2017).**

The Batavia Downs Committee adjourned at 4:38 pm.

11. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday June 22, 2017 at 9:31 a.m. and the following business was discussed.

Mr. Wojtaszek discussed the branch visits and follow up work that is needed. He also discussed the cleaning out of Ridge Lea and the new full-time Skilled Maintenance employee, as well as the summer help working in both Rochester and Buffalo. Mr. Merriman also informed the Committee how the Office Managers in both Buffalo and Rochester are in new offices making things work while staff completes renovations and build outs.

Mr. Gabriele and Mr. Schiano informed the Committee on the finalization of sales for the Hudson and Ridge Lea branches. The sales of Transit and Newark were also discussed and are closer than ever to being completed. No movement on Seneca Falls as of yet.

Mr. Schiano mentioned the Grand Opening party at Jack Devine's and thanked Mr. Wojtaszek, Mr. Kiedrowski and Director Winter for attending. Dewey's in Seneca Falls, Seneca County is open with a grand opening date pending. Landon's Pub in Watkins Glen, Schuyler County opened on Monday, and has a grand opening set for Friday, June 30, 2017. Mickey's in Olean, Cattaraugus County is approved and will open soon. Applications are still out in Medina – Orleans County, Rochester – Monroe County, and Lockport – Niagara County.

Mr. Schiano requested approval for a new Concessionaire in Auburn by the name of Toby More. Director Lattimore has already given his consent. Mr. Schiano and Mr. Gabriele are reworking the Concessionaire Agreement to provide better protection for WROTB. A motion was made by Director Morgan to approve Toby More as Concessionaire, seconded by Director Darrow and Carried unanimously.

11. Branch Operations Committee Report continued:

Mr. Haas updated the Committee on the status of the Hong Kong contract and that it was accepted and submitted to the NYS Gaming Commission for approval. Batavia Bets handle in May was \$1,229,600 up \$63,000 or 5.5%; already up \$33,000 in June with ten days to go, and up year to date through May by \$334,523 or 8%.

Mr. Wojtaszek discussed with the Committee his ongoing visits to the branches and is pleased with his initial review, but would like to make the branches that we have better.

Mr. Schiano with assistance from Ms. Leach and Ms. Gates, presented a review of counties through April showing profit/loss, and why, as well as showing how some of the branch handle has moved since closing of numerous branch locations.

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

12. Resolutions:

- #13-2017 Grooms Quarters Days Inn**
- #15-2017 EVERI Kiosk service**
- #16-2017 Jordan Scott Cleaning, Monroe County**

13. New Business:

A summer Company Mixer is scheduled for July 12, 2017 at 4:30 p.m. on the track apron/Paddock room.

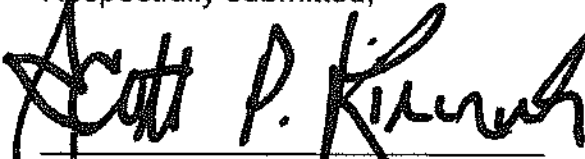
Mr. Wojtaszek informed the Board of the G2E Global Conference October 3-5 in Las Vegas.

The next Committee and Board meetings are scheduled for July 26 and 27, 2017 respectively.

14. Adjournment:

Director Ricci made a motion to adjourn which Director Clifford seconded. The meeting was adjourned at 10:40 a.m.

Respectfully submitted,


Secretary to the Board

/pma