

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 24th day of August 2017, and commencing at 10:34 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

Participating were:

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

Absent:

Richard Siebert

constituting the Directors of all participating municipalities.

Also participating were: Scott Kiedrowski, Vice President Operations; Michael P. Nolan, Chief Operating Officer; William R. White, Vice President – Administration; Jacquelyne Leach, Comptroller; Mark Gabriele, Associate Counsel; Mark Wolf, General Manager of Gaming; Barbara Mruczek, Deputy Comptroller; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist; Ryan Hasenauer, Director of Marketing-WROTb & Video Gaming; Cindy DeCarlo, Controller; James Haas, Communications/Mutuels Manager; Gayle Ashbery, Director of Purchasing; Jim Krencik, Batavia Daily News

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 Mrs. Leach 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 July 27, 2017. There being none, a motion was made by Director Haberer and seconded by Director May to approve the July 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 Melisande Bianchi to WROTBC/ Batavia Downs Gaming Staff for the continuous support and generosity at the Breast Cancer Coalition of Rochester Night at the Races.

Mr. Kiedrowski informed the Board of a notice of sincere thanks from the Genesee County Animal Shelter for the donation of returnable's collected during the first concert venue at Batavia Downs.

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, August 23, 2017 at 2:23 p.m. and the following business was considered.

Mrs. Leach reviewed the Key2Purchase Agreement with Committee members. Key2Purchase is an accounts payable payment processing program which Western's accounting staff has been researching. This program is offered by Western's main banking institution, Key Bank. Upon motion by Mr. Barnes, and seconded by Mr. Darrow, the Finance Committee approved the Corporation to enter into an agreement with Key Bank to proceed with the application and implementation of the Key2Purchase Program.

Mrs. Leach reviewed the July 2017 Comptroller's Report with Committee members. The month of July generated a surcharge of \$93,236, and operational earnings of \$148,969.

4. Finance Committee Report continued:

Mrs. Leach and Mr. Wojtaszek reviewed the NYGA weekly numbers with the Committee members.

This was provided for informational purposes.

The Finance Committee meeting adjourned at 3:07p.m.

5. Personnel Committee Report:

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, August 23, 2017 at 1:30 p.m. and the following business was discussed.

Messrs. Wojtaszek and Schiano updated the Committee on the current arbitrations, both of which the Corporation feels confident about, as well as the upcoming PERB hearing in regards to a Gaming substitute rate of pay.

Mr. Wojtaszek informed the Committee of the possible Maxwell School of Training for Players Club and Hosts. A proposal to the Board will be coming out at an upcoming meeting.

Mr. Wojtaszek informed the Committee of the two possible training topics for 2018: Team Building/Customer Service and Leadership in a Multiple Generational Workplace.

Mr. Wojtaszek informed the Committee that staff continues to meet with the Healthcare Committee and they expect to have a report at the September meeting. The projected healthcare premium increase for 2018 is between 2.2% and 2.9% compared to a 9% increase in 2017. Staff is still looking to save an additional \$100,000 - \$150,000 in the upcoming year.

Mr. Wojtaszek informed the Committee that the new FMLA leave is effective in January 2018 but is not mandatory for Union employees unless it is negotiated. Staff is still unclear whether non-Union employees fall under this new law, but until it is made clear to the Corporation we will not be offering this to our non-Union employees.

Mr. Haigh informed the Committee that he and Mr. Gabriele continue to research the Policies and hope to have them ready for review and approval at an upcoming meeting.

5. Personnel Committee Report continued:

Ms. Leach informed the Committee of the retirement of Ken Krotz after 42 years and her proposal for dispersing his duties among Ken Pin, Jessalyn Gates and Jake Rak with pay raises of \$6,000 for Mr. Pink and \$2,500 each for the other 2 employees for their additional duties. These salaries will be retroactive to August 14, 2017.

Upon motion by Committee Chairman Wamp and seconded by Director Morgan to accept the proposal of duties Ayes: 16; Nays: 0; Abstain: 0; Absent 1; Siebert. The motion passed.

Director Clifford made a motion at 2:05 pm to enter into Executive Session to discuss a personnel matter. Director Ricci seconded the motion.

The Committee came out of Executive Session and Committee Chairman Wamp adjourned the meeting at 2:25 p.m.

6. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, August 23, 2017 at 3:25 p.m. and the following business was discussed.

The Committee was introduced to two potential lobbying firms and received reports from both:

Mark Wladis of Wladis Law Firm based in Syracuse spoke of his companies thoughts on how best to help WROTB achieve our goals in Albany.

Patrick McCarthy from Mercury Public Affairs spoke of his bi-partisan coalition ideas to achieve similar results.

Upon motion by Director Morgan and seconded by Director May, the Legislative Committee approved the Corporation to enter into Lobbying contract not to exceed \$80,000, Ayes: 16; Nays: 0; Abstain: 0; Absent 1; Siebert. The motion passed.

The Legislative Committee meeting adjourned at 4:20 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, August 23, 2017 at 3:09 p.m. and the following business was discussed.

Mr. Haight delivered a presentation of upcoming OTB and Live Racing Events including the recent Hotel and Gold Night Giveaways.

Mr. Hasenauer informed the Committee of the new mailing that will target good players outside of the immediate NY, PA and Ohio areas in order to drive summer/fall traffic.

October's theme will revolve around "Gold and Dragon" IGT machines.

Ms. Vona showcased new strategies for sponsorships related to the concert series. Brands spend most of their sponsorship money with music events and we have new ideas we can pitch to these sponsors to help offset costs and garner more engagement with onsite customers.

Director Clifford relayed a story about the recent Saratoga meetings and how fortunate Batavia Downs is to be the size that we are and in the location we are. Other, newer facilities have overbuilt and their floors lack the "excitement: that seem to be on our floor.

Director Siebert praised the messaging and Mr. Wojtaszek's acting in the new Batavia Downs Commercial.

The Advertising Committee meeting adjourned at 3:22 pm.

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, August 24, 2017 at 9 a.m. and the following business was discussed.

Mr. Wolf 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.

Mr. Wojtaszek updated the Committee that the Capital Awards has been submitted to the NYS Gaming Commission and is still awaiting approval.

Mr. Wojtaszek informed the Committee of the changes made to include minors in the Fortune's Restaurant. He also stated that staff has decided to discontinue the use of the Fountain outside of Fortune's. A satellite service bar will replace the fountain to improve busy events that take place and to help with the Fortune's Dining.

Mr. Haight informed the Committee of the Kane Memorial Race and recommends not scheduling the race this year.

Mr. Wojtaszek informed the Committee of LYFT who has assured they would like to work with us concerning sponsorship.

Mr. Wojtaszek and Mrs. Leach reviewed the Concert Series with the Committee and reported the series produced a profit of \$10,000.

Committee Chairman Morgan informed the Committee of the bid opening for distribution of direct mailings that was held on August 4, 2017. Staff recommends the service be awarded to the lowest bidder Applied Business Service, at a cost not to exceed \$63,169.00.

Upon motion by Committee Chairman Morgan and seconded by Director Lauderdale to approve the recommendation of Applied Business Services at a cost not to exceed \$63,169, a roll call vote was taken, Ayes: 15; Nays: 0; Abstain: 1; Clifford; Absent 1; Siebert. The motion passed. **(Resolution #19-2017).**

10. Batavia Downs Operations Committee Report continued:

Mr. Nolan informed the Committee of a Supplemental Resolution needed for Oil and Propane not to exceed \$15,000 for the remainder of 2017.

Upon motion by Committee Chairman Morgan and seconded by Director Haberer to approve the State bid vendor Reisdorf Oil and Propane for supplies, a roll call vote was taken, Ayes: 15; Nays: 1; Clifford: Absent 1; Siebert. The motion passed. **(Resolution #20-2017).**

Mr. Nolan informed the Committee of a Supplemental Resolution for services needed from Cintas not to exceed \$15,000 for the remainder of 2017.

Upon motion by Committee Chairman Morgan and seconded by Director Darrow to approve the Cintas supplemental, a roll call vote was taken, Ayes: 15; Nays: 1; Clifford Absent 1; Siebert. The motion passed. **(Resolution #21-2017).**

The Batavia Downs Committee adjourned at 9:35 a.m.

11. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday August 24, 2017 at 9:45 a.m. and the following business was discussed.

Mr. Schiano informed the Committee that the new Empire Branch opened on August 8, 2017 and that the Grand Opening is scheduled for Friday, August 25, 2017. Mr. Merriman is working with maintenance to continue to complete wish lists from Branch visits. The Auburn concessionaire packet was sent to the NYS Gaming Commission for approval. We will start taking Hong Kong on Batavia Bets beginning September 3, 2017.

Mr. Gabriele reported to the Committee Newark finally closed and Transit should close by the end of the month. He also reported that there is still no significant movement on Seneca Falls.

Mr. Schiano informed the Committee that Mickey's in Olean, Cattaraugus County opened on Tuesday and that the Grand Opening is scheduled for Saturday, September 9, 2017 at 1:00 – 3:00 p.m. The M4300 Lounge in Irondequoit, Monroe County and Attitudes in Lockport, Niagara County were both approved and will open sometime in September.

Mr. Haas informed the Committee that Batavia Bets handle was up in July \$13,000 or 1.3%. We are down 10.4% or 85,000 so far in August; year to date Batavia Bets is up \$400,000 or 6.8%.

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

A motion was made by Director Morgan at 10:05 a.m. to enter into Executive Session at 10:20 a.m. and the meeting was adjourned at 10:21 a.m. by Chairperson Mazur.

12. **Resolutions:**

#19-2017 Sherwin Williams
#20-2017 Reisdorf Oil & Propane
#21-2017 Cintas
#22-2017 Key2Purchase

13. **New Business:**

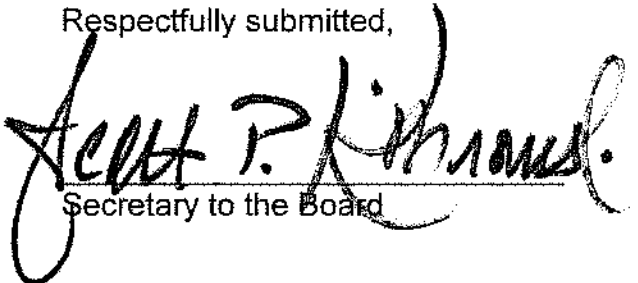
Mr. Kiedrowski informed the Board of Veteran's Night that will be held at Batavia Downs on September 20, 2017.

The next Committee and Board meetings are scheduled for September 27 and 28, 2017 respectively.

14. **Adjournment:**

Director Haberer made a motion to adjourn which Director May seconded. The meeting was adjourned at 10:58 a.m.

Respectfully submitted,


Secretary to the Board

/pma