

**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 23rd day of February 2017, and commencing at 10:02 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.
Erie	Beverly A. Mazur
Monroe	Richard D. Bianchi
Orleans	Edward F. Morgan
Oswego	Ronald B. Darrow
Rochester	Dennis Bassett
Schuyler	Philip C. Barnes
Seneca	Richard L. Ricci
Wyoming	Susan May

**Absent:**

Allan Hendrickson  
Thomas Wamp  
Richard Siebert  
Elliott Winter  
John Clifford  
Ken Lauderdale

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; Gayle Ashbery, Director of Purchasing; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Edward Merriman, Manager of Branch Operations; Mark Gabriele, Associate Counsel; Michael D. Kane, Advisor to the President.

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 William White 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 January 19, 2017. There being none, a motion was made by Director Barnes and seconded by Director Haberer to approve the January 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 Charlotte McCabe for the "Denim Day" donation to the Breast Cancer Coalition from WROTBC / Batavia Downs Gaming Employees.

Mr. Kiedrowski informed the Board of a notice of thanks from Karen Jarzynski for the addition of the designated "Diamond Club" line at Player's Club.

3. **Officers' Reports:**

There were no Officers reports.

4. **Finance Committee Report:**

Committee Vice- Chairman Lattimore reported that the Finance Committee meeting was held on Wednesday, February 22, 2017 at 1:47 p.m. and the following business was considered.

Mrs. Leach reviewed the December 2016 Comptroller's Report with Committee members. She reviewed 2016 annual results and provided a summary of operations, highlighting annual revenues, expenses, variances and special items. She explained the GASB45 and GASB68 items in detail. After the special items, 2016 operating results were very comparable to 2015 operating results.

Mrs. Leach provided an overview of January 2017 preliminary results. Net win for January 2017 exceeded January 2016 by 6%. She explained that the accounting department will be doing an in depth review of January 2017 Plan numbers, to insure accurate number in the Plan.

Mrs. Leach and Mr. Kane also provided an overview of the bidding process for utility costs, which WROTB will be undertaking soon in an effort to decrease costs.

This was provided for informational purposes.

The Finance Committee meeting adjourned at 2:16 p.m.

5. **Personnel Committee Report:**

Committee Acting Chairman Haberer reported the Personnel Committee meeting was held on Wednesday, February 22, 2017 at 1:30 p.m. and the following business was discussed.

Mr. Schiano informed the Committee that Ms. Lawrence has dates set for the Interview Process Training at the end of April. The training for the Marketing Department has not yet been determined. The next in house training for Supervisory staff is scheduled for Tuesday, February 28, 2017 to discuss the changes in the Gaming Contract.

Mr. Gabriele informed the Committee that he is working with Mr. Haigh on the Procurement Policy. He believes it is in good order and he and Mr. Haigh are working on guidelines for staff to follow.

Mr. Wojtaszek asked the Committee to approve three hires. A motion was made by Director May, seconded by Director Morgan to approve Donna Beane as Director of Food and Beverage, which was passed unanimously by the Committee. A motion was made by Chairman Bianchi, seconded by Director May to approve Christopher Spina as Executive Chef, which passed unanimously by the Committee. A motion was made by Director May, seconded by Chairman Bianchi to create a new position of General Manager of Food and Beverage with a salary range of \$46,000 to \$63,000, which was passed unanimously by the Committee. Ms. Jody Coffta will be the new hire for this position.

Mr. Wojtaszek informed the Committee that healthcare costs have raised to \$4 million dollars. He mentioned that Western Regional Off-Track Betting has a very good plan, but it is expensive. A meeting was held with a consultant to determine if the current plan is cost effective as compared to a self insurance fund. More information will follow in the coming months.

Mr. Wojtaszek informed the Committee that he is working with Ms. Giammarva on the Salary Grades for submission purposes only and they will be available at the next meeting.

A motion was made by Director May and seconded by Chairman Bianchi at 1:42 p.m. to enter into Executive Session and adjourned the meeting at 1:46 p.m.

**6. Legislative Committee Report:**

Committee Chairman Barnes reported the Legislative Committee met on Wednesday, February 22, 2017 at 3:10 p.m. and the following business was discussed.

The Committee received reports from our lobbyists including Patricia Lynch and George Maziarz of Patricia Lynch Associates and Nick Antenucci and Kevin Bronner of Jackson Lewis, and Joel Giambra of Park Strategies, Inc. The discussion concerned all the activity surrounding the new strategies in place for the Vendor Equity Bill. All sides are working with both houses and the Governor's office to forward this bill. Mr. Antenucci and Mr. Bronner also mentioned their efforts pushing the horse racing issues, including statutory relief.

The Legislative Committee meeting was adjourned at 3:24 p.m.

**7. Insurance Committee Report:**

Committee Chairman Ricci reported the Insurance Committee met on Wednesday, February 22, 2017 at 3:59 and the following business was discussed.

Mr. Wojtaszek informed the Committee that he met with IT Staff members involved with Cyber Security Insurance to discuss proper steps necessary so problems do not occur. He reported that at this time he does not feel it is necessary to commit to at this time. He reported he will review the data that is currently being used at this time.

The Insurance Committee meeting was adjourned at 4:02 p.m.

**8. Advertising Committee Report:**

Committee Vice Chairperson May reported the Advertising and Promotions Committee met on Wednesday, February 22, 2017 at 2:20 p.m. and the following business was discussed.

Todd Haight, Director/General Manager Live Racing delivered a presentation of January, February and March's OTB Promotions including the Sunshine Millions, Pegasus Cup and all the upcoming qualifiers for the Kentucky Derby.

9. **Advertising Committee Report continued:**

Mr. Hasenauer recapped February's Promotions including the Million Dollar Roll promotion. A video was shown of the last contestant nearly winning the million. March's Leprechaun Loot promotion was previewed. Ms. Kim Vona, Community Relations was introduced and went over her background, duties and goals in her new position. Mr. Hasenauer went over the increasing number of events taking place at the facility including last weekend's autograph show, the upcoming GLOW Wedding Expo, the changes made as a result of the focus groups, the upcoming wine and painting party, the Zac Brown Tribute Band and Runaway June concerts as well as April's Singles Mingle and Winery tasting.

Print ads from the Graphics Department were shown.

Director Bassett asked that an analysis be created and presented to the Board regarding the use of monies within Marketing with respect to retention and acquisition.

Director Ricci commended the facility's entire staff for their positive work over the last few weeks.

The Advertising and Promotions Committee meeting adjourned at 3:10 p.m.

10. **Audit Committee Report:**

Audit Committee Chairman Bassett reported the Audit Committee met on February 22, 2017 at 4:15 p.m. and the following business was discussed.

Mr. Haigh presented a summary of the audit reports for the areas audited during the fourth quarter of 2016.

The Audit Committee meeting adjourned at 4:20 p.m.

11. **Batavia Downs Operations Committee Report:**

Committee Chairman Morgan reported the Batavia Downs Operations Committee met on Wednesday, February 22, 2017 at 3:27p.m. and the following business was discussed.

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

Mrs. Leach reported monthly Gaming Financials. Gaming Status Reports were provided to the Committee by Mr. Nolan and Live Racing updates were provided by Mr. Haight.

Mr. Wojtaszek informed the Committee that the Capital Awards Application submitted is moving slowly. He has a meeting scheduled with Mr. Kane and Mr. Nolan on March 7, 2017 in Albany with Mr. Chris Palmer.

Mr. Kane informed the Committee on part LL of the Equine Drug Testing. The cost of the testing is being placed on "horse person" (i.e. Tracks). The total cost for Batavia Downs could be \$212-\$261,000. He informed the committee that Lobbyist's are working on a letter of opposition, so that this is not included in the budget.

Mr. Wojtaszek informed the Committee that he expects site work for the new paddock to be complete by May and the shell to be up by October. He projected the cost to be around \$1.2 million.

Mr. Wojtaszek updated the Committee of the recent focus groups that met. He informed the Committee that these meetings were an opportunity for feedback for improvement so that Batavia Downs can be a continued success.

Mr. Wojtaszek informed the Committee that this is the first year for the Batavia Downs Concert Series. The plan is to have six concerts, five Friday evenings and one Sunday. He reported that main sponsors are being lined up. The target is 5,000 ticket sales for crowd control at around \$10 each. The Batavia Downs Concert Series schedule is as follows:

June 4, 2017	Lonestar
June 23, 2017	Dennis DeYoung (Styx)
June 30, 2017	Eddie Money
July 7, 2017	Lou Gramm
July 14, 2017	Marshall Tucker
July 21, 2017	Lee Greenwood

Mr. Nolan informed the Committee that Genesee County has renewed waivers to both smoking rooms.

The Batavia Downs Committee meeting adjourned at 3:56 p.m.

**13. Branch Operations Committee Report:**

Committee Chairperson Mazur reported that the Committee met on Thursday February 23, 2017 at 9:32 a.m. and the following business was discussed.

Mr. Merriman informed the Committee that there are branch improvements at the West Ridge Road and Jefferson Road branches. Mr. Merriman discussed with the Committee the updating of Self-Vending Terminals by United Tote in all branches. He also mentioned the annual contest of the Battle of the Branches and informed the Committee that the Military Road concessionaire has opened Lucky's and has scheduled a grand opening party for Friday, March 3, 2017.

Messer's Wojtaszek, Gabriele and Schiano discussed the ongoing real estate sales of t Ridge lea, Hudson, Newark, Transit and Seneca Falls. The Hudson sale should close in March, Ridge Lea possibly in May or June and Transit possibly in June or July.

Mr. Schiano informed the Committee that staff is working diligently to open the three approved E-Z Bets; Jack Divines in North Tonawanda, Niagara County, Jeffery's in Henrietta, Monroe County, and Livingston Lanes in Geneseo, Livingston County. Jessalyn Gates is working on applications from a variety of counties. Mr. Schiano reported that the E-Z Bet handle was up \$224,000 or 30% year to date.

Mr. Schiano informed the Committee that with seven (7) days remaining in the month, Batavia Bets is down about \$109,000 from last year, but averaging over \$29,000 a day so we should easily pass that amount. Year to date Batavia Bets is up about 22%. The Hong Kong Contract was signed and returned for review. Once the Contract is approved by Hong Kong Racing, it will be sent to the Gaming Commission for their approval before it will be available on Batavia Bets.

Mr. Schiano informed the Committee that a motion was needed to waive the rules for the resolution needed for a new Hudson, Monroe County location. The motion was made by Director Morgan and seconded by Director Lattimore. Mr. Schiano informed the Committee that staff believes it is necessary to be prepared if a new location is found to replace Hudson. A motion was by Director Bassett, seconded by Director Darrow and passed unanimously to enter into a Lease not to exceed \$60,000 per year. (**See Resolution #05-2017**).

The Branch Operations Committee adjourned at 9:45 a.m.

14. **Resolutions:**

# 05-2017 Monroe County Lease

15. **New Business:**

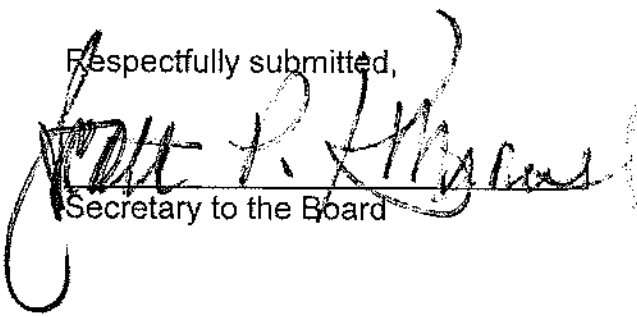
Upon motion by Director Lattimore and seconded by Director May the Board approved out of state travel as requested by Mr. Wojtaszek for the Marketing Conference in Las Vegas in July for three members of the Marketing staff.

The next Committee and Board meetings are scheduled for March 22 and 23, 2017 respectively.

16. **Adjournment:**

Director Bassett made a motion to adjourn which Director Haberer seconded. The meeting was adjourned at 10:23 a.m.

Respectfully submitted,

  
Secretary to the Board

/pma