

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 19th day of January 2017, 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:

Buffalo	Michelle Parmer-Garner
Cattaraugus	Richard E. Haberer
Erie	Beverly A. Mazur
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Niagara	Elliott Winter
Oswego	Ronald B. Darrow
Rochester	Dennis Bassett
Schuyler	Philip C. Barnes
Seneca	Richard L. Ricci
Steuben	John E. Clifford
Wayne	Kenneth Lauderdale
Wyoming	Susan May

Absent:

Lattimore, Jr.
Hendrickson
Siebert
Morgan

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; 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; Mark Gabriele, Associate Counsel; Jim Krencik, The 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 Mark Gabriele to lead the assemblage in the Pledge of Allegiance.

1. Chairman Bianchi asked Director Barnes to proceed as temporary Chairman. Director Barnes continued to conduct the annual nomination proceeding for Chairman of the Board.
2. Director Barnes asked for nominations from the floor for the position of the Chairman of the Board of Directors. Director Bassett nominated Director Bianchi. Director Mazur seconded the nomination. Director Barnes moved to close the request for nominations. A voice vote was taken; Ayes: 13; Absent: 4; Lattimore, Hendrickson, Siebert, Morgan.
3. Newly elected Chairman Bianchi thanked the members of the Board. He asked if there were nominations from the floor for Vice-Chairman. Director Clifford nominated Director Wamp. Director Ricci seconded the nomination. A voice vote was taken; Ayes: 13; Absent: 4; Lattimore, Hendrickson, Siebert, Morgan.

4. **Approval of Previous Minutes:**

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of December 15, 2016. There being none, a motion was made by Director Barnes and seconded by Director May to approve the December minutes as submitted. The minutes were approved unanimously by a voice vote.

5. **Communications:**

There were no Communications.

6. **Officers' Reports:**

There were no Officers reports.

7. **Finance Committee Report:**

Committee Chairman Lauderdale reported that the Finance Committee meeting was held on Wednesday, January 18, 2017 at 1:57 p.m. and the following business was considered.

Mrs. Leach reviewed the November 2016 Comptroller's Report with Committee members. November generated surcharge for distribution of approximately \$99,187. Mrs. Leach indicated staff is working on the year-end general ledger. Bonadio & Co. will be on site beginning next week to perform the fieldwork associated with the audit of the 2016 corporate financial statements.

7. Finance Committee Report continued:

Mrs. Leach also stated the Corporation prepaid its New York State pension obligation on December 15, 2016, saving the Corporation approximately \$15,000 in interest charges.

This was provided for informational purposes only.

The Finance Committee meeting adjourned at 2:33 p.m.

8. Personnel Committee Report:

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, January 18, 2017 at 1:36 p.m. and the following business was discussed.

Mr. Schiano informed the Committee of two (2) upcoming training sessions for 2017. The first is for Management staff to streamline the interview process and the second is for the Marketing Department on how best to prioritize FanDuel and online sports opportunities.

Mr. Kiedrowski informed the Committee that all of the Employee Evaluations are completed. They have been reviewed by Supervisory staff and are with the President for final approval.

Mr. Wojtaszek informed the Committee that Jessalyn Gates and Jake Rak will be representing the Corporation at this year long Leadership Council for Genesee County.

A motion was made by Chairman Bianchi and seconded by Director Mazur at 1:42 p.m. to enter into Executive Session and adjourned the meeting at 1:55 p.m.

9. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee met on Wednesday, January 18, 2017 at 3:00 p.m. and the following business was discussed.

The Committee received reports from our lobbyists including Patricia Lynch and George Maziarz fro Patricia Lynch Associates and Kevin Bronner from Jackson Lewis. Mike Kane was also involved in the teleconference. The report included the vendor being removed from the Governor's budget on Friday but removed prior to budge becoming public. Ms. Lynch suggested a "Plan B" is to first find out why it was removed and then take a new plan promoting this bill as a worker and bobs saving bill for Western NY.

9. Legislative Committee Report continued:

Mr. Kane believes there is just too much anarchy right now in Albany between the parties. Another teleconference is scheduled for next week.

There was also a conversation regarding the monies that Madison County could receive from many of the fifteen counties represented by Western Regional Off Track Betting if a budget proposal regarding same is passed.

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

10. Insurance Committee Report:

The Insurance Committee did not meet.

11. Advertising Committee Report

Committee Chairman Clifford reported the Advertising and Promotions Committee met on Wednesday, January 18, 2017 at 2:21 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 Sunshine Millions and Pegasus Cup.

Mr. Hasenauer recapped January's Promotions and went over February's Million Dollar Roll promotion happening the first week in February. Pictures from December's Turkey Collection as well as New Year's Eve were shown. A discussion was had regarding the Live Vouchers for inactive member promotion and its creation and success. Upcoming events including the Autograph Show, FanDuel Live event and Wedding Show were shown.

Print ads from the Graphics Department were shown.

The Advertising and Promotions Committee meeting adjourned at 2:50 p.m.

12. Audit Committee Report:

The Audit Committee did not meet.

13. Batavia Downs Operations Committee Report:

Committee member Lauderdale reported the Batavia Downs Operations Committee met on Wednesday, January 18, 2017 at 3:26p.m. and the following business was discussed.

Director Lauderdale reported the figures and monthly status report of gaming statistics which was provided to the Committee by Mr. Nolan.

There are currently 797 games on the gaming floor; an additional 38 will be coming soon. Mr. Nolan discussed the downward trend in "hold" on the gaming floor. Staff is looking into reason and will report back at the next meeting.

Director Lauderdale reported that Live Racing information was presented by Todd Haight. For future race meets, Mr. Haight suggested further analysis of race starting times and types of wagering.

Mr. Nolan informed the Committee of a resolution needed for the purchases of inventory for 2017 for the Made in America Store not to exceed the amount of \$29,000.

Upon motion by Director Lauderdale and seconded by Director Haberer a roll call vote was taken. Ayes: 13; Nays: 0; Absent: 4 Lattimore, Hendrickson, Siebert, Morgan. The motion was approved for purchases of inventory for the 2017 year not exceed \$29,000. **(See Resolution #03-2017).**

Mr. Wojtaszek discussed the status of future projects to be funded with Capital Awards monies at Batavia Downs. Staff will continue efforts to obtain Gaming Commission approvals for future projects.

Focus groups will be held Saturday, January 21, 2017 in both Buffalo and Rochester, with "Diamond" Gaming Customers, to gain their input on Batavia Downs promotions, seeking to find out their likes and dislikes.

The new Paddock construction will start in April 2017. And have a shell up by June. Construction will stop for a time and begin again in January 2018.

Mr. Haight provided an update on the statue of Genesee County Fair racing. Batavia Downs may not be involved in 2017. Mr. Haight will provide future updates as he learns more.

13. Batavia Downs Operations Committee Report:

Mr. Kiedrowski provided information on changes being made at Fortune's restaurant. Future plans include the addition of a buffet, and improvements geared towards increasing lunch and dinner customers.

Mr. Wojtaszek informed the Board of the services retained by Park Strategies at \$5000.00 a month for 12 months with a 30 day out clause.

Upon motion by Director Lauderdale and seconded by Director Haberer a voice vote was taken. Ayes: 13; Nays: 0; Absent: 4 Lattimore, Hendrickson, Siebert, Morgan. The motion carried unanimously.

The Batavia Downs Committee meeting adjourned at 4:06 p.m.

14. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday January 19, 2017 at 9:32 a.m. and the following business was discussed.

Mr. Merriman informed the Committee that the Wehrle concessionaire is up and running and business is improving. Military Road looks great and should be opening in the very near future.

Mr. Merriman discussed the work being done to clean out the closed Branches and the relocation of useful televisions as well as other equipment. Mr. Schiano discussed the breakdown of handle from 2016 among the Branches, E-Z Bets and Batavia Bets.

Mrs. Ashbery informed the Committee of a Resolution needed for the Daily Racing Form deliveries to Wehrle and Ridge Lea Branches with Class Act for the 2017 Calendar year not to exceed the amount of \$50,000.

Upon motion by Director Mazur and seconded by Director Wamp a roll call vote was taken. Ayes: 13; Nays: 0; Absent: 4; Lattimore, Hendrickson, Siebert, Morgan. The motion was approved for Daily Racing Form deliveries from Class Act for the 2017 year not exceed \$50,000. **(See Resolution #01-2017).**

Mrs. Ashbery informed the Committee of a Resolution needed for purchase of the Daily Racing Forms for the 2017 calendar year in the amount of \$47,000.

Upon motion by Director Mazur and seconded by Director Lauderdale a roll call vote was taken. Ayes: 13; Nays: 0; Absent: 4; Lattimore, Hendrickson,

14. Branch Operations Committee Report continued:

Upon motion by Director Mazur and seconded by Director Lauderdale a roll call vote was taken. Ayes: 13; Nays: 0; Absent: 4; Lattimore, Hendrickson, Siebert, Morgan. The motion was approved for Daily Racing Form deliveries from Class Act for the 2017 year not exceed \$50,000. **(See Resolution #04-2017).**

Mr. Wojtaszek informed the Committee that the Newark sale has a tentative closing date of February 23, 2017 with a final sale cost of \$477,000. The Hudson due diligence period with Benderson is still ongoing but Mr. Wojtaszek believes with Mr. Gabriele's help we should be coming to a close soon.

The Ridge Lea sale could close as soon as April. Mr. Wojtaszek informed the Committee of an offer of \$1.2 million for the Transit property. A motion was made by Chairman Bianchi to accept this offer, seconded by Director Bassett and passed unanimously. Mr. Schiano informed the Committee of the continued search for partners for a location to replace the Hudson and Webster Branches. He is also working with Mr. Gabriele and Director Ricci to find a suitable Realtor for the Seneca Falls property.

Mr. Schiano informed the Committee of multiple E-Z Bet opportunities in several counties. Mr. Wojtaszek also informed the Committee of a meeting he and Mr. Nolan have with representatives from Buffalo Raceway to reduce some of the mileage restrictions for possible E-Z Bets in and around Erie County.

Mr. Haas updated the Committee on the continuing negotiations to simulcast Hong Kong Racing. He also informed the Committee that Batavia Bets handled over \$700,000 for the month of December and cracked the \$10 million dollar barrier for 2016 -12% for the year. Year to date Batavia Bets is already up \$36,000.

The Branch Committee meeting adjourned at 10:08 a.m.

15. Unfinished Business:

Director Clifford informed the Board that he is opposed to the monies that Madison County could receive from many of the counties represented by Western Regional Off-Track Betting Corp.

16. New Business:

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

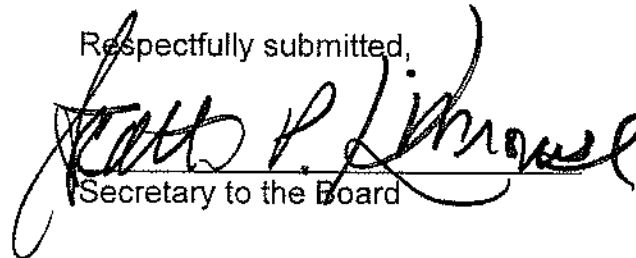
27. Resolutions:

Resolution #01-2017 Class Act
Resolution #03-2017 Made in America Store
Resolution #04-2017 Daily Racing Form

18. Adjournment:

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

Respectfully submitted,



Secretary to the Board

/pma