

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 March 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:

Buffalo	Michelle Parmer-Garner
Cattaraugus	Richard E. Haberer
Cayuga	Paul W. Lattimore, Jr.
Chautauqua	Allan Hendrickson
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Buffalo	Elliott Winter
Oswego	Ronald Darrow
Schuyler	Philip C. Barnes
Seneca	Richard L. Ricci
Wayne	Ken Lauderdale
Wyoming	Susan May

Absent:

Edward Morgan  
Dennis Bassett  
John 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; 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; Cindy DeCarlo, Controller; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist; Gayle Ashbery, Director of Purchasing; Ryan Hasenauer, Director of Marketing-WROT & Video Gaming; Edward Merriman, Manager of Branch Operations; Mark Gabriele, Associate Counsel; Mike Pettinella; The Batavian; Jim Krencik, The 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 Director Siebert 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 February 23, 2017. There being none, a motion was made by Director Haberer and seconded by Director May to approve the February minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

Mr. Kiedrowski informed the Board of a notice of thanks to Mr. Wojtaszek from Mr. and Mrs. Ralph Bump for taking the time to stop and ask how they were enjoying their visit and for doing a great job with the changes made and 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, March 22, 2017 at 1:50 p.m. and the following business was considered.

Mrs. Leach reviewed the January 2017 Comptroller's Report with Committee members. January produced surcharge for distribution of \$91,082. She briefly summarized the January results.

Mrs. Leach reviewed the February 2017 Comptroller's Report with Committee members. February produced surcharge of \$90,824, and operational earnings of \$111,857. This showed improvement over both 2016, which resulted in lower operating expenses and generated better branch operating results. Overall, February produced positive results for the corporation.

This was provided for informational purposes.

The Finance Committee meeting adjourned at 2:14 p.m.

**5. Personnel Committee Report:**

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, March 22, 2017 at 1:31 p.m. and the following business was discussed.

Mr. Kiedrowski discussed the ongoing training with the grant from GCC as well as the in house training by on site staff.

Mr. Nolan discussed the new Smoking Policy. A motion was made by Director Wamp to accept the Policy, seconded by Director Lauderdale a voice vote was taken and passed unanimously.

Mr. Nolan updated the Committee that upon staff review of salary grades there are still some final touches that need to be added to this before bringing it to the Board and asked that it be tabled until the next meeting.

At 1:36 p.m. a motion was made by Director May and seconded by Director Haberer to enter into Executive Session. The Committee came out of 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, March 22, 2017 at 3:03 p.m. and the following business was discussed.

The Committee received reports from our lobbyists including Patricia Lynch of Patricia Lynch Associates and Lisa Marrello of Jackson Lewis, Joel Giambra of Park Strategies, Inc. and Mike Kane, Advisor to President.

The Committee was informed that the Senate is pushing hard for the Tax Parity bill and believes there has been some warming on the issue from the Governor's office. The comingling of all the various racing entity's requests were also discussed by the Lobbyists and Mr. Kane. Mr. Kane emphasized the need for our tax parity bill to be separated from the existing list of seven.

Chairman Barnes made a motion to enter into Executive Session at 3:16 pm and was seconded by Vice-Chairman Hendrickson.

**6. Legislative Committee Report continued:**

The Legislative Committee came out of Executive Session and the Legislative meeting was adjourned at 3:30 p.m.

**7. Insurance Committee Report:**

The Insurance Committee did not meet.

**8. Advertising Committee Report:**

Committee Vice-Chairperson May reported the Advertising and Promotions Committee met on Wednesday, March 22, 2017 at 2:25 p.m. and the following business was discussed.

Todd Haight, Director/General Manager Live Racing delivered a presentation of February and March's OTB Promotions and all the upcoming qualifiers for the Kentucky Derby. A discussion was held regarding the amount of uncashed tickets that need to be cashed in by March, 31 2017.

Mr. Hasenauer recapped March's Promotions including Leprechaun Loot. April's Rainmaker promotion was previewed. Slides regarding the GLOW Wedding Expo, painting party and the upcoming Zac Brown Tribute Band and Runaway June concerts as well as April's Singles Mingle and Winery Tasting were shown.

Print ads from the Graphics Department were shown.

A discussion was held regarding the amount of money spent in the various marketing projects.

Director Mazur asked a question regarding the giving away of items, Mr. Hasenauer reported that gift certificates to our Made in America store are now being given to customers. Director Wamp asked about the Marketing Sales department and what the plan is moving forward. Mr. Hasenauer spoke about a new marketing outreach mailing that would be done in the next few weeks. Director Ricci led a discussion regarding Del Lago Casino and their effect on the facility. Director May asked about bus groups and their effect on the gaming floor. Director Siebert talked about an upcoming event he'll be attending and commended staff at helping organize the event.

The Advertising and Promotions Committee meeting adjourned at 2:55 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, March 22, 2017 at 3:34p.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.

Cindy DeCarlo reported the figures for gaming financials.

Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist provided Live Racing updates to the Committee. Mr. Haight recapped his USTA conference he and Director Lauderdale attended last month in Las Vegas.

Mr. Nolan informed the Committee that Mr. Wojtaszek and Mr. Kane met with Mr. Chris Palmer, NYS Gaming Commission regarding the Capital Awards plan that has been resubmitted for approval.

Mr. Nolan informed the Committee that paddock plans were reviewed. The shell of the Paddock will be bid out and presented at the May Board Meeting. Director Lattimore asked if the Horseman will be sharing the cost.

Mr. Nolan informed the Committee of the new parking lot plan that was submitted back to staff based on the NYS OGS Bituminous Bid from Keeler Construction with the assistance from Director Morgan.

Mr. Nolan informed the Committee the cost of the parking lot construction would not exceed the amount of \$ 508,128. Director Lauderdale inquired about LED lighting in the parking lot.

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

Upon motion by Director Lauderdale to waive the rules pertaining to the Monroe County Lease seconded by Director Siebert a voice was taken. Ayes: 14; Nays: 0; Absent: 3 Morgan, Bassett, Clifford

Upon motion by Director Lauderdale and seconded by Director Winter a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3 Morgan, Bassett, Clifford. The motion carried to approved for Staff to enter into contract with Keeler Construction. (**See Resolution # 07-2017**).

Mr. Nolan informed the Committee that Staff is working with vendors for sponsorship to help with the Summer Concert cost. Mr. Nolan informed the Committee that staff will be meeting with the City of Batavia and the Batavia Fire Department concerning the Concert Series.

The Batavia Downs Committee meeting adjourned at 4:18 p.m.

**11. Branch Operations Committee Report:**

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

Mr. Merriman discussed the new finished television wall at the Jefferson Road Branch and the upcoming work that will be done at the West Ridge Road location. He also mentioned the effect that the wind and snow storms had on the branches; the options for our ATM line connections and the continuing upgrading of self service terminals in the branches. Mr. Merriman informed the Committee about the party at our new concessionaire location in the Military Road Branch, Lucky's.

Mr. Gabriele updated the Committee on the status of the pending sales of the Hudson, Ridge Lea, Newark, Transit and Seneca Falls branch locations.

Mr. Schiano informed the Committee that the Livingston Lanes E-Z Bet in Geneseo, Livingston County is open and has a Grand Opening Party scheduled for Thursday, March 30, 2017. He also informed the Committee that the LB Grand E-Z Bet in LeRoy, Genesee County did have to close for a few days due to the sale of the business but that Jessalyn Gates was able to get the new owners paperwork in quickly and approved so that the location was only closed for four days total.

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

He stated that Jeffrey's E-Z Bet in Henrietta, Monroe County will be opening on Monday, March 27, 2017 and that Jack Devine's in Tonawanda; Niagara County is getting closer to opening. Mr. Schiano informed the Committee that staff continues to search for new locations in Schuyler, Monroe, Seneca, Niagara, Orleans and Cattaraugus Counties.

Mr. Schiano informed the Committee that Batavia Bets had a handle of \$765,000 and was up 12% or \$82,000 in February. To date in March the handle is \$765,000, up \$218,000 or 41%. Mr. Schiano informed the Committee that Hong Kong requested some information on our money laundering policies which have been sent and we are awaiting approval.

Mr. Schiano updated the Committee that United Tote was on site with staff to discuss the current contract and possible reductions in costs for Western OTB. United Tote requested 30 days to review our proposals but seemed agreeable to some of our ideas.

Mr. Schiano informed the Committee of Resolution #06-2017 for the Monroe County Lease for build out costs not to exceed the amount of \$70,000.

Upon motion by Director Wamp to waive the rules pertaining to the Monroe County Lease seconded by Director Darrow a voice was taken. Ayes: 14; Nays: 0; Absent: 3 Morgan, Bassett, Clifford

Upon motion by Director Mazur and seconded by Director Lattimore a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3 Morgan, Bassett, Clifford. The motion carried to accept the build out costs for Monroe County lease not to exceed \$70,000. **(See Resolution #05-2017).**

At 9:51 a.m. Chairman Bianchi made a motion to enter into Executive Session, seconded by Director Darrow. The Committee came out of Executive Session and the meeting adjourned at 9:56 a.m.

**12. Resolutions:**

**# 06-2017 Monroe County Lease**  
**# 07-2017 Keeler Construction**

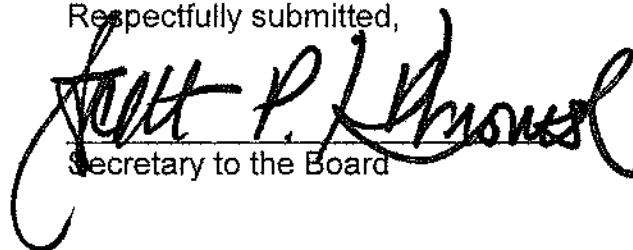
13. **New Business:**

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

14. **Adjournment:**

Director Haberer made a motion to adjourn which Director May seconded. The meeting was adjourned at 10:24 a.m.

Respectfully submitted,

  
Secretary to the Board

/pma