

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 28th day of September 2017, and commencing at 10:19 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

Participating were:

Absent:

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
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

Michelle Parmer-Garner

constituting the Directors of all participating municipalities.

Also participating were: Henry Wojtaszek, President & CEO; 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; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Cindy DeCarlo, Controller; James Haas, Communications/Mutuels Manager; Edward Merriman, Manager of Branch Operations and 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 Director Barnes 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 August 24, 2017. There being none, a motion was made by Director Morgan and seconded by Director Hendrickson to approve the August 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 WROTBBC/ 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 bottle returns 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, September 27, 2017 at 2:35 p.m. and the following business was considered.

Mrs. Leach reviewed the August 2017 Comptroller's Report with Committee members. The month of August generated a surcharge of \$106,956, and operational earnings of \$35,915.

Mrs. Leach and Mr. Wojtaszek reviewed the NYGA number with the Committee members. Mr. Nolan discussed the competition for gaming customers and how WROTOBC is responding, in order to maintain and increase revenues.

This was provided for informational purposes.

Upon motion by Mr. Barnes, and seconded by Mr. Bianchi, the Finance Committee went into Executive Session to discuss contractual matters. Upon motion by Mr. Bianchi, the Committee adjourned from Executive Session and the Finance Committee meeting adjourned at 3:09 p.m.

5. Personnel Committee Report:

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, September 27, 2017 at 1:30 p.m. and the following business was discussed.

John Berger from LMHF led a lengthy discussion about the cost of health insurance and the benefits of staying with the plan. After a long discussion a motion was made by Director Clifford to keep the plan as is. The Committee agreed unanimously to do this.

Mr. Wojtaszek informed the Committee that there will be two training sessions on sight for Host, Players Club and their Supervisors.

Mr. Wojtaszek informed the Board that the third and final outstanding comp case has been settled and he believes rates should trend down by year end for workers comp as long as there are no new claims.

Ms. Leach informed the Board of the recent opening from the position that was just filled. Ms. Leach said she has interviewed a number of onsite candidates and would like to hire one of those candidates but was not 100% committed to that final candidate. Director Clifford made a motion to allow Ms. Leach to hire the candidate that she feels will best fit this position at the previously approved rate of pay for the Cost Accounting Manager. This was approved unanimously.

Chairperson Wamp made a motion at 2:25 to enter into Executive Session to discuss a personnel matter. Director Haberer seconded the motion.

The Committee came out of Executive Session and Committee Chairman Wamp adjourned the meeting at 2:31 p.m.

6. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, September 27, 2017 at 3:26 p.m. and the following business was discussed.

6. Legislative Committee Report Continued:

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, September 27, 2017 at 3:26 p.m. and the following business was discussed.

Mr. Wojtaszek introduced our new Mercury Lobbyist, Patrick McCarthy via phone and a lengthy discussion was held with reports from Mr. McCarthy, Mr. Wojtaszek, and Mr. Nolan.

They reported about meetings set up by Mercury with Rob Williams and Jen Best, Assemblyman Heastie's top staffer. The meeting with Mr. Williams discussed the Tax Parity issue, including concerns about education monies. Staff will be pushing the benefits of WROTBC for local communities as well as aiding communities with shortfall from no Seneca monies. The meeting with Ms. Best included a high level of engagement which our lobbyist was encouraged by. Staff will be moving for a meeting with Budget next.

The Legislative Committee meeting adjourned at 3:42 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, September 27, 2017 at 3:05 p.m. and the following business was discussed.

Mr. Haight delivered a presentation of upcoming OTB and Live Racing Events as well as Winner's Circle photos from recent weddings and memorial races.

Mr. Hasenauer showed pictures from the Weiner Dog Day.

An analysis of Print and Brochure ads for 2017 was done by the Marketing staff. Based on the results, staff will make appropriate changes to the budget in 2018.

8. Advertising Committee Report Continued:

The results from the new "President's Mailing" were shown. The mailing was a success and future mailings similar to this one will be conducted on a monthly basis.

A discussion was held with various directors regarding the mailings sent to patrons. Mr. Hasenauer explained that while some mailings look the same, they are for different amounts, based on the recipients play.

Committee Chairman Clifford presented Resolution #23-2017 for additional hotel rooms to be purchased by Marketing in the amount not to exceed \$20,000 for the remainder of 2017 to give to patrons from October 1 - December 31, 2017.

Upon motion by Committee Chairman Clifford and seconded by Director Hendrickson to approve the supplemental Resolution for Hart Hotel at a cost not to exceed \$20,000, a roll call vote was taken, Ayes: 16; Nays: 0; Absent 1; Parmer-Garner. The motion passed. **(See Resolution #23-2017).**

The Advertising Committee meeting adjourned at 3:25 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, September 27, 2017 at 3:45 p.m. and the following business was discussed.

Mr. Wolf reported the figures and monthly status report of gaming statistics to the Committee.

Ms. Leach reported the figures for gaming financials.

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

Mr. Wojtaszek informed the Committee that the Capital Project has officially be approved by the NYS Gaming Commission.

Mr. Wojtaszek informed the Committee of an expected timeline for the design and construction as follows:

10. Batavia Downs Operations Committee Report Continued:

Design September 18 – December 18, 2017
Bidding (separate) Phases & Contract January 8 – February 9, 2018
Bidding Review and Approval February 9 – February 23, 2018
Execute Contracts & Bonds February 23 – March 19, 2018
Construction Phase I March 19 – April 6, 2018 Event Space upgrade
Phase II April 15 – August 17, 2018 Fortune, Cigar, Homestretch
Phase III March 19 – July 13, 2018 Porte-Cochere
April 16 – May 18, 2018 Parking Lot

Mr. Wojtaszek informed the Committee that Kathy Paradowski is proposing a 2018 Concert Series.

Committee Chairman Morgan presented to the Committee the Supplemental Resolution #24-2017 for Schneider's Premium Seafood not to exceed \$40,000 for the remainder of 2017.

Upon motion by Committee Chairman Morgan and seconded by Director Haberer to approve the supplemental Resolution for Schneider's Premium Seafood at a cost not to exceed \$40,000, a roll call vote was taken, Ayes: 16; Nays: 0; Absent 1; Parmer-Garner. The motion passed. **(See Resolution #24-2017).**

Committee Chairman Morgan presented to the Committee the Supplemental Resolution #25-2017 for Maplevale Farms not to exceed \$90,000 for the remainder of 2017.

Upon motion by Committee Chairman Morgan and seconded by Director Hendrickson to approve the supplemental Resolution for Maplevale Farms at a cost not to exceed \$90,000, a roll call vote was taken, Ayes: 16; Nays: 0; Absent 1; Parmer-Garner. The motion passed. **(See Resolution #25-2017).**

Committee Chairman Morgan presented to the Committee the Resolution #26-2017 for the Cummins-Allison Corporation for the Currency Counting Machine maintenance in the amount of \$15,992.

Upon motion by Committee Chairman Morgan and seconded by Director Darrow to approve the Resolution for Cummins-Allison Corporation in the amount of \$15,992, a roll call vote was taken, Ayes: 16; Nays: 0; Absent 1; Parmer-Garner. The motion passed. **(See Resolution #26-2017).**

10. Batavia Downs Operations Committee Report Continued:

Committee Chairman Morgan presented to the Committee the Resolution #27-2017 for plumbing supplies from ID Booth in the amount not to exceed \$10,000.

Upon motion by Committee Chairman Morgan and seconded by Director Haberer to approve the Resolution for ID Booth in the amount not to exceed \$10,000, a roll call vote was taken, Ayes: 16; Nays: 0; Absent 1; Parmer-Garner. The motion passed. **(See Resolution #27-2017).**

Committee Chairman Morgan presented to the Committee the Resolution #28-2017 for paper supplies from Hill & Markes in the amount not to exceed \$10,000 for the remainder of 2017.

Upon motion by Committee Chairman Morgan and seconded by Director Winter to approve the Resolution for Hill & Markes in the amount not to exceed \$10,000 for the remainder of 2017, a roll call vote was taken, Ayes: 16; Nays: 0; Absent 1; Parmer-Garner. The motion passed. **(See Resolution #28-2017).**

The Batavia Downs Operations Committee meeting adjourned at 4:16 p.m.

11. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday September 27, 2017 at 9:30 a.m. and the following business was discussed.

Mr. Merriman discussed the television updates for the River, Jamestown, Wehrle, Central Square, Marway and West Ridge Branches. He also discussed fine tuning the new Empire location and adding tables and chairs where needed from extra inventory. Mr. Schiano discussed the night closure of the McKinley Branch. He also mentioned the savings that Ms. Glor has found with the expiration of service agreement for Waste Management saving \$400 per month beginning in 2018. Mr. Schiano informed the Committee that the Auburn Concessionaire should be getting a liquor license any day now.

Mr. Gabriele updated the Committee on the sale of Transit as well as the possible Verizon cell tower at Clinton an extra income that could come from that contract.

Mr. Schiano informed the Committee that M4300 and Attitudes should be opening in the next two weeks; we are just waiting on some equipment from Tote that is ordered.

11. Branch Operations Committee Report Continued:

Mr. Haas informed the Committee that Batavia Bets handle was just under \$1 million, down 9%; September handle so far is \$757,000 down about \$70,000; year to date handle is \$7.4 million – up 4%. Mr. Haas reported that Hong Kong racing has had seven nights and has handled just over \$700 and he informed the Committee that we will continue monitoring this as it is still early.

Mr. Schiano informed the Committee that Vet's Night had over 560 buffets purchased and that the Penny Auction rose over \$1,200. A check for over \$4,000 will be delivered to the Monroe County Veteran's Court Mentor Program. Mr. Schiano wanted to thank all who contributed to the success of this event and especially Jessalyn Gates for putting this event together.

A motion was made by Director Bassett at 9:45 a.m. to enter into Executive Session. The Committee came out of Executive Session and the meeting was adjourned at 10:15 a.m. by Chairperson Mazur.

12. Resolutions:

- #23-2017 Hart Hotel**
- #24-2017 Schneider's Premium Seafood supplemental**
- #25-2017 Maplevale Farms Supplemental**
- #26-2017 Cummins-Allison Corp.**
- #27-2017 ID Booth**
- #28-2017 Hill & Markes**

13. New Business:

The next Committee and Board meetings are scheduled for October 25 and 26, 2017 respectively.

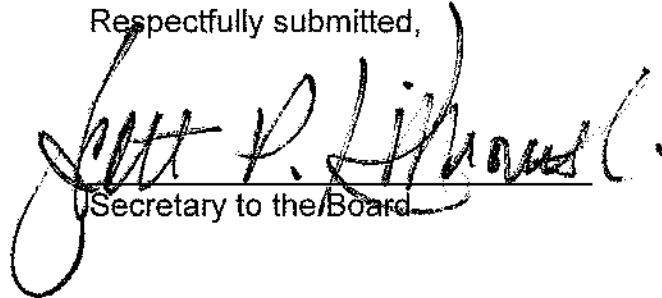
Mr. Wojtaszek and Chairman Bianchi thanked Mr. Kane for his grateful insight and advice and for his contributions that will never be overlooked by this Corporation.

Director Barnes suggested the Corporation inquire about an outside Security Company.

14. Adjournment:

Director Haberer made a motion to adjourn which Director Winter seconded.
The meeting was adjourned at 10:55 a.m.

Respectfully submitted,


Secretary to the Board

/pma