

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 26th day of October 2017, and commencing at 10:46 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
Orleans	Edward F. Morgan
Oswego	Ronald B. Darrow
Rochester	Dennis Bassett
Schuyler	Philip C. Barnes
Wayne	Ken Lauderdale
Wyoming	Susan May

Absent:

Richard L. Ricci
John E. Clifford

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 Jim Krencik, The 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 Director Lattimore 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 September 28, 2017. There being none, a motion was made by Director May and seconded by Director Winter to approve the September minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

Mr. Kiedrowski informed the Board of a note of thanks from Mark Simon, President/CEO at UNYTS, for the donation from WROTBC/Batavia Downs Gaming.

3. **Officers' Reports:**

There were no Officers reports.

4. **Finance Committee Report:**

Chairman Lauderdale, called the meeting of the Finance Committee to order at 9:05 a.m. on Thursday, October 26, 2017 and the following business was discussed.

AWARD OF BID – SNOWPLOWING SERVICES – OTB BRANCHES, ERIE, AND MONROE COUNTIES (Resolution # 31-2017, # 32-2017)

Mrs. Megan Glor, Administrative Assistant Purchasing advised the Committee that bids for snowplowing services were opened on October 12, 2017 for snowplowing services at four (4) branches in Erie County, and four (4) branches in Monroe County for the 2017-2018 winter season. After review by staff, the following is recommended:

Erie County:

<u>Branch</u>	<u>Low Bidder</u>	<u>Per Plow Price</u>	
		<u>Plow</u>	<u>Salt</u>
McKinley	Brothers in Lawn	\$220.00	\$160.00
Clinton	Brothers in Lawn	\$165.00	\$150.00
Wehrle	Brothers in Lawn	\$195.00	\$190.00
Delaware	Brothers in Lawn	\$85.00	\$70.00

4. Finance Committee Report Continued:

Upon motion by Director Lauderdale, seconded by Director Hendrickson, a roll call vote was taken. Ayes: 15; Nays: 0; Absent: Ricci, Clifford. The motion was approved for the Erie County snowplowing bids for the 2017-2018 winter seasons. **(See Resolution #31-2017).**

Monroe County:

<u>Branch</u>	<u>Low Bidder</u>	<u>Per Plow Price</u>	
		<u>Plow</u>	<u>Salt</u>
Lyell	Red 9 Enterprises, LLC	\$150.00	\$100.00
West Ridge	Red 9 Enterprises, LLC	\$150.00	\$100.00
Marway	Red 9 Enterprises, LLC	\$200.00	\$150.00
Jefferson	Red 9 Enterprises, LLC	\$150.00	\$100.00

Upon motion by Director Lauderdale, seconded by Director Lattimore, a roll call vote was taken. Ayes: 15; Nays: 0; Absent: Ricci, Clifford. The motion was approved for the Monroe County snowplowing bids for the 2017-2018 winter seasons. **(See Resolution #32-2017).**

Mrs. Leach presented the September 2017 Comptroller's Report to the Committee. She noted the Corporation generated distributable surcharge in the amount of approximately \$87,000 for the month of September. She also indicated the Corporation generated distributable earnings from operations in the amount of \$173,000. Distributable earnings for the third quarter of 2017 will be approximately \$358,000. Mr. Schiano and Mrs. Leach discussed distributions of earnings to counties.

Mrs. Leach and Mr. Wojtaszek reviewed the NYGA Weekly Numbers with the Committee members.

Mrs. Leach presented the 2018 Preliminary Operating Plan to the Committee highlighting plan assumptions and certain revenues and expenses. The preliminary plan is presented as a fluid working document. Its purpose is to facilitate discussion amongst WROTBC management and the Board of Directors. Current trends will be reviewed and adjustments will be made.

4. Finance Committee Report Continued:

Mrs. Leach encouraged members to review the preliminary plan and direct any questions they may have to Mrs. Leach and the other Officers.

The final plan will be submitted for approval at the Wednesday, December 13th, 2017 Finance Committee meeting.

Mrs. Leach discussed the status of outstanding tickets related to previous years.

This was provided for informational purposes

The Finance Committee meeting adjourned at 9:45 a.m.

5. Personnel Committee Report:

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, October 25, 2017 at 1:30 p.m. and the following business was discussed.

Mr. Wojtaszek informed the Committee about the training by Inspire from Rochester with the goal of "a buy in" from the employees to make it work. The goal is as always excellent customer service.

Mr. Wojtaszek informed the Committee that October Workers Comp is at \$29,000, down from our high of \$104,000. There have been no new claims since June and staff believes this is due to the new Drug Testing Policy.

Mr. Wojtaszek informed the Committee of the new jobs that were filled due to retirement and resignation. Staff was happy to report that all jobs were filled internally.

Mr. Wojtaszek informed the Committee of the upcoming training for all Department Heads from GCC on November 1 and 2.

5. Personnel Committee Report continued:

Mr. Steven Haigh, Internal Auditor informed the Committee of the numerous vacant positions that continue to exist in the Jobs Compendium. Mr. Haigh requested that these vacant positions be removed to clean up the compendium. Committee Chairman Wamp noted that this makes the Board more aware of what positions need to be filled, even below Grade 7. A motion was made by Committee Chairman Wamp and seconded by Director Morgan to remove the positions, and passed unanimously by voice vote.

The Personnel Committee meeting adjourned at 1:44 p.m.

6. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, October 25, 2017 at 2:15 p.m. and the following business was discussed.

Patrick McCarthy from Mercury updated the Committee on the current and future efforts including visits to both Erie and Niagara County Legislatures delivering checks in person. Mercury wants to "raise the temperature" on this issue without riling up Albany to much at the same time. The next step is getting face time with the Governor's budget team to press the issue further, as well as hitting editorial boards.

Mr. Wojtaszek discussed the NYGA meeting he attended last week and issues including the tax parity situation, contracts with VLT providers and Sports Betting, and also smoking rooms.

The Legislative Committee meeting adjourned at 2:40 p.m.

7. Insurance Committee Report:

Committee Vice-Chairman Darrow reported the Insurance Committee met on Wednesday, October 26, 2017 at 1:47 p.m. and the following business was discussed.

Mr. Sean Schiano, Director of Branch Operations informed the Committee about the onsite safety inspections at Batavia Downs as well as all Branch locations. The inspections are preventative and done to be proactive to correct any OSHA violations as well as being sure employees work in a safe environment void of any and all hazards. This was provided for informational purposes only.

7. **Insurance Committee Report continued:**

The Insurance Committee adjourned at 1:49 p.m.

8. **Advertising Committee Report:**

Committee Vice-Chairman May reported the Advertising and Promotions Committee met on Wednesday, October 25, 2017 at 1:55 p.m. and the following business was discussed.

Mr. Todd Haight, General Manager Live Racing delivered a presentation of upcoming OTB and Live Racing Events including a visit by Kevin Cox, The Brooklyn Handicapper. Photos from recent wedding and memorial races were shown.

Mr. Ryan Hasenauer, Director of Marketing displayed an analysis of the recent postcard mailing targeting folks living outside the normal geographic area.

The new Monday Night Trivia promotion has increased attendance and sales in 34 Rush on Mondays and will continue through the winter months.

A new Batavia Downs Podcast has begun and will be recorded each week by Marketing to give patrons and employees more information.

The Advertising Committee meeting adjourned at 2:11 p.m.

9. **Audit Committee Report:**

Committee Chairman Bassett reported the Audit Committee received an update on audit department activities and informed the board of an upcoming health insurance dependent verification audit that was upcoming in November.

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

Committee Chairman Morgan reported the Batavia Downs Operations Committee met on Wednesday, October 25, 2017 at 2:47 a.m. and the following business was discussed.

Mr. Mark Wolf, General Manager Video Gaming, reported the figures and monthly status report of gaming statistics to the Committee.

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

Ms. Cindy DeCarlo, Controller, reported the figures for gaming financials.

Mr. Todd Haight, General Manager Live Racing, provided Live Racing updates. Mr. Haight informed the Committee of the 2018 Live Racing dates.

Committee Chairman Morgan recommends a one year contract that 70 race dates remain for 2018.

Mr. Wojtaszek informed the Committee that he and Todd Haight met with Tom Balk, Director of Building & Grounds Fraser to go over the Paddock plans.

Mr. Wojtaszek informed the Committee that two concerts Grand Funk Railroad and Eddie Money have been secured for 2018.

Committee Chairman Morgan presented to the Committee the supplemental Resolution #29-2017 for Tarantino Foods not to exceed \$50,000 for the remainder of 2017.

Upon motion by Committee Chairman Morgan and seconded by Director Lattimore to approve the supplemental Resolution for Tarantino Foods at a cost not to exceed \$50,000, a roll call vote was taken, Ayes: 15; Nays: 0; Absent 2; Ricci, Clifford. The motion passed. **(See Resolution #29-2017).**

Committee Chairman Morgan presented to the Committee the supplemental Resolution #30-2017 for Condidorio Deliveries for the remainder of 2017 not to exceed \$7,000.

Upon motion by Committee Chairman Morgan and seconded by Director Haberer to approve the supplemental Resolution for Condidorio Deliveries for the remainder of the 2017 year at a cost not to exceed \$7,000, a roll call vote was taken, Ayes: 15; Nays: 0; Absent 2; Ricci, Clifford. The motion passed. **(See Resolution #30-2017).**

Director Wamp thanked Staff for the great job in the Clubhouse with the NOISE group. There were 74 people and 55 have never visited Batavia Downs before and enjoyed their evening.

Rajat Shah, Susan Kesel and Sandra Jones of the Phoenix Group gave a presentation.

The Batavia Downs Operations Committee meeting adjourned at 4:59 p.m.

11. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday October 26, 2017 at 9:30 a.m. and the following business was discussed.

Mr. Edward Merriman, Manager of Branch Operations informed the Committee about the opening of the Auburn concessionaire and grand opening scheduled for Breeders' Cup Friday, November 3, 2017. He also informed the Committee on the continued efforts to finish Wehrle HVAC with Tom Fraser's assistance. Mr. Merriman also mentioned the new signs being installed at the Empire and Military Branches.

Mr. Mark Gabriele, Associate Counsel informed the Committee of a possible New Verizon Tower Contract at Clinton and also updated the Committee on properties up for sale; Transit and Seneca Falls.

Mr. Sean Schiano, Director of Branch Operations informed the Committee that Save-On is closing due to the owner not reviewing his lease; staff is already searching for a replacement in Albion, Orleans County. Matt's News in Dunkirk, Chautauqua County is selling but the new owner does not want to continue with the E-Z Bet, so staff will be submitting the new application. M4300 in Rochester, Monroe County is opening on Monday. Attitudes in Lockport, Niagara County should be opening before the Breeders' Cup.

Mr. Jim Haas, Telecommunications/Mutuels Manager informed the Committee that Batavia Bets was up \$54,000 in September. With eight (8) days to go in October, Batavia Bets is down about \$114,000, but will top 2016 number in the next eight (8) days. The year to date handle is \$8,916,000, which is up about \$145,000 from a full ten months in 2016.

A motion was made by Chairperson Mazur at 10:04 a.m. to enter into Executive Session. The Committee came out of Executive Session and the meeting was adjourned at 10:25 a.m. by Chairperson Mazur.

12. Resolutions:

- #29-2017 Tarantino Foods Supplemental**
- #30-2017 Condidorio Supplemental**
- #31-2017 Brothers in Lawn Erie County Snowplowing**
- #32-2017 Red 9 Enterprises LLC Monroe County Snowplowing**

13. **New Business:**

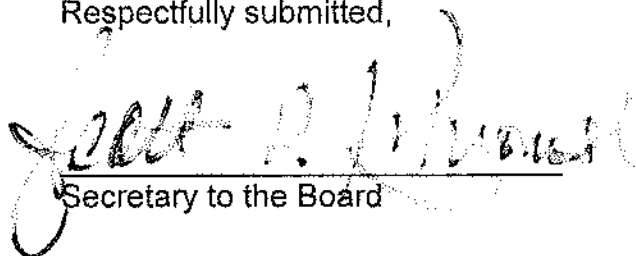
The Board members approved out of state travel to Cleveland for Mr. Schiano as requested by Mr. Wojtaszek.

The next Committee and Board meetings are scheduled for December 13 and 14, 2017 respectively.

14. **Adjournment:**

Director Barnes made a motion to adjourn which Director Bassett seconded. The meeting was adjourned at 11:09 a.m.

Respectfully submitted,



Brett R. Bassett
Secretary to the Board

/pma