

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 18th day of January 2018, and commencing at 10:00 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

Participating were:

Absent:

Michelle Parmer-Garner

Cattaraugus	Richard E. Haberer
Cayuga	Paul W. Lattimore
Chautauqua	Allan Hendrickson
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Niagara	Elliott Winter
Orleans	Edward F. Morgan
Oswego	Ronald B. Darrow
Rochester	Dennis Bassett
Schuyler	Philip C. Barnes
Seneca	Richard Ricci
Steuben	John E. Clifford
Wayne	Ken Lauderdale
Wyoming	Susan May

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; Todd Haight, General Manager Live Racing, James Haas, Communications/Mutuels Manager; Gayle Ashbery, Director of Purchasing, Edward Merriman, Manager of Branch Operations and Brian Quinn, 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 Vice Chairman Wamp to lead the assemblage in the Pledge of Allegiance.

1. Chairman Bianchi asked Director Lattimore to proceed as temporary Chairman. Director Lattimore continued to conduct the annual nomination proceeding for Chairman of the Board.
2. Director Lattimore asked for nominations from the floor for the position of the Chairman of the Board of Directors. Director Morgan nominated Director Bianchi. Director Hendrickson seconded the nominations. Director Lattimore moved to close the request for nominations. A voice vote was taken; Ayes 16; Absent: 1; Parmer-Garner.
3. Newly elected Chairman Bianchi thanked the members of the Board. He asked if there were nominations from the floor for Vice-Chairman. Director Siebert nominated Director Barnes. Director Ricci seconded the nomination. A voice vote was taken; Ayes: 16; Absent: 1; Parmer-Garner.

Director Ricci thanked Director Wamp for serving as Vice-Chairman. Chairman Bianchi also thanked Director Wamp for all of his hard work serving as Vice-Chairman with his best interest in this corporation.

4. **Approval of Previous Minutes:**

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of November 20, 2017. There being none, a motion was made by Director Bassett and seconded by Director Morgan to approve the November minutes as submitted. The minutes were approved unanimously by a voice vote.

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of December 14, 2017. There being none, a motion was made by Director Morgan and seconded by Director Siebert to approve the December minutes as submitted. The minutes were approved unanimously by a voice vote.

5. **Communications:**

Mr. Scott P. Kiedrowski, Vice-President Operations informed the Board of a note of thanks from Jeffrey Allan of the Crossroads House in Batavia for the donation and support given through our employee jean fund.

Mr. Kiedrowski informed the Board of a note of thanks from the Genesee County office of the Aging for the donations given through our employee jean fund.

**5. Communications continued:**

Mr. Kiedrowski informed the Committee of a note of thanks from the BCCR of Rochester for the donation given through our employee jean fund.

Mr. Kiedrowski informed the Board of a note of thanks for the donation to the Victor Knights of Columbus Coats for Kids drive.

Mr. Michael P. Nolan, Chief Operating Officer thanked Patty Giammarva and Pauline Andrews for organizing the jean fund and donations throughout the year.

**6. Officers' Reports:**

There were no Officers reports.

**7. Finance Committee Report:**

Chairman Lauderdale, called the meeting of the Finance Committee to order at 3:36 p.m. on Wednesday January 17, 2018 and the following business was discussed.

Mrs. Jacquelyne Leach, Comptroller reviewed the November 2017 Comptroller's report with Committee members. The month of November generated surcharge of \$91,015.

Mrs. Leach reviewed the NYGA Weekly Numbers with the Committee members.

Mrs. Leach provided an overview of the 2018 Operating Plan.

The Finance Committee meeting adjourned at 3:54 p.m.

**8. Personnel Committee Report:**

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, January 17 at 1:10 p.m. and the following business was discussed.

**8. Personnel Committee Report Continued:**

Mr. Steven Haigh, Internal Auditor presented five (5) new updated policies for approval. After review of these policies, a motion was made by Director Wamp and seconded by Director Morgan. A voice vote was taken Ayes: 16; Nays: 0; the motion passed unanimously.

Mr. Haigh also updated the Committee on job classifications and salary ranges so that WROTB and Batavia Downs Gaming employees were uniform and asked members of the Board to review and a discussion will take place during the Personnel Committee meeting next month.

Mr. Henry Wojtaszek, President & CEO updated the Committee on the two (2) sessions of training, one for upper management and the second for staff. He also mentioned that we were able to videotape these sessions for use in training employees that were not able to attend these sessions.

Mr. Sean Schiano, Director of Branch Operations updated the Committee on the ongoing Union negotiations.

A motion was made at 1:35 p.m. by Director Haberer to enter into Executive Session, seconded by Vice-Chairperson Winter. The Committee came out of Executive Session and the meeting adjourned at 2:50 p.m.

**9. Legislative Committee Report:**

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, January 17, 2018 at 2:55 p.m. and the following business was discussed.

Mr. Patrick McCarthy from Mercury updated the Committee on the inclusion of some vendor relief in the current Governor's budget increasing the Vendor Fee to 37% up 2%, and ending the extra % Batavia Downs pays if we handle over \$50 million as well. A plan moving forward to keep relief was also discussed.

Mr. Michael Nolan, Chief Operating Officer and Mr. Wojtaszek updated the Committee on other possible legislation and Sports Betting, touching on Senator Bonacic's upcoming January 24 hearing on Sports Betting.

Mr. Wojtaszek informed the Committee that Mr. Michael Kane has accepted the position of Executive Director of the New York Gaming

**9. Legislative Committee Report continued:**

Association. Mr. Wojtaszek also mentioned that the association accepted two new members, Rivers and Jake's 58 both from Suffolk Off-Track Betting.

Mr. Nolan updated the Committee on signage that has been approved for the NYS Thruway, State DOT Routes 98 and 63, as well as the Town of Batavia putting pathway signs on two roads leading to Batavia Downs.

Mr. Wojtaszek and Chairman Barnes discussed the extension of the Strategic Specialists contract. This group assisted in attaining the \$180,000 grant for the upcoming paddock and has a number of ideas for further grants. A resolution to extend the contract will be voted on in the Batavia Downs Committee meeting.

The Legislative Committee meeting adjourned at 3:32 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 17, 2018 at 4:05 p.m. and the following business was discussed.

Mr. Todd Haight, General Manager Live Racing delivered a presentation of past and upcoming OTB and Live Racing Events including the road to the Kentucky Derby as well as information about OTB branches now accepting wagers on the Rainbow Pick 6 at Gulfstream.

Mr. Ryan Hasenauer, Director of Marketing showed picture from the New Year's Eve party which was attended by over 400 patrons. Staff received many compliments on the quality of food and the party's ambiance.

Mr. Hasenauer showed pictures of the "Rebranding" at Lucky Treasures Gift Shop. The store now features more items including those that hotel guests might want.

11. **Advertising Committee Report continued:**

A preview of possible upcoming events at Batavia Downs' Paddock Room were shown. A discussion was held by board members related to events.

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

12. **Audit Committee Report:**

The Audit Committee did not meet.

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

Committee Chairman Morgan reported the Batavia Downs Operations Committee met on Wednesday, January 17, 2018 at 4:09 p.m. and the following business was discussed.

Ms. Cindy DeCarlo, Controller, reported the figures and monthly status report of gaming statistics to the Committee.

Ms. DeCarlo, reported the figures for gaming financials.

Mr. Todd Haight provided Live Racing updates.

Mr. Wojtaszek informed the Committee that he and Mr. Michael Nolan, Chief Operating Officer met with Mr. Tom Fraser with regards to the Capital Awards project who will request to Mr. Chris Palmer of the New York State Gaming Commission to authorize New York State Office of General Services to be inspectors of this project.

Mr. Nolan informed the Committee that there have been two car charging stations placed outside of the valet area through a \$13,000 NYSRDA grant.

Mr. Wojtaszek informed the Committee of the Resolution needed for the extension of the already existing agreement dated January 1, 2015 for an additional one year January 1, 2018 thru December 31, 2018 with Mariacher Thomas, LLC. for spokesperson services for Thurman Thomas.

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

Upon motion made by Committee Chairman Morgan and seconded by Director Winter a roll call vote was taken. Ayes: 10; Nays: 6; Absent: 1; Parmer-Garner. The motion was approved to accept one year extension to the already existing agreement with Thomas Mariacher, LLC for the period January 1, 2018 through December 31, 2018. The motion carries. **(see Resolution #02-2018).**

Mr. Hasenauer informed the Committee of the Resolution needed for ordering from Amazon for a variety of items for Lucky's gift shop.

Upon motion made by Committee Chairman Morgan and seconded by Director Ricci a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Parmer-Garner. The motion was approved to accept ordering from Amazon not to exceed \$75,000 in 2018 calendar year. The motion carries. **(see Resolution #03-2018).**

Mr. Hasenauer informed the Committee of the Resolution needed for ordering from National Distributors for a variety of items for Lucky's gift shop.

Upon motion made by Committee Chairman Morgan and seconded by Director Ricci a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Parmer-Garner. The motion was approved to accept ordering from National Distributors not to exceed \$75,000 in 2018 calendar year. The motion carries. **(see Resolution #04-2018).**

Mr. Nolan informed the Committee of the Resolution needed for oil and propane from Reisdorf Oil & Propane.

Upon motion made by Committee Chairman Morgan and seconded by Director Siebert a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Parmer-Garner. The motion was approved to accept the purchase of oil and propane from Reisdorf Oil & Propane not to exceed \$45,000 for the 2018 calendar year. The motion carries. **(see Resolution #06-2018).**

Mr. Wojtaszek discussed the extension of the Strategic Development Specialist Contract with a Resolution needed. This group assisted in attaining the \$180,000 grant for the upcoming paddock and has a number of ideas for further grants.

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

Upon motion made by Director Barnes and seconded by Committee Chairman Morgan a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Parmer-Garner. The motion was approved to accept the extension with Strategic Development Specialist in the amount of \$5,000.00 month for four months, with the option of an additional two months. The motion carries. **(see Resolution #05-2018).**

The Batavia Downs Operations Committee meeting recessed at 4:55 p.m. and will reconvene in the morning.

The Batavia Downs Operations Committee meeting reconvened on January 18, 2018 9:15 a.m. and the following business was discussed.

Mr. Kiedrowski gave a presentation on Food & Beverage and how it correlates to the Phoenix Group's recent suggestions to increase profits and productivity while lowering food costs at an incremental pace.

Mr. Kiedrowski briefly touched on recent changes to internal controls as it relates to the Micros system as well as the addition of Avero system that operates simultaneously within Micros to track food costs, waste, and curb theft.

Mr. Kiedrowski informed the member that a weekly Food & Beverage and Events meeting is conducted to keep all staff working together and on the same page.

Committee Chairman Morgan adjourned the Batavia Downs Committee meeting at 9:35 a.m.

**14. Branch Operations Committee Report:**

Committee Chairperson Beverly Mazur reported that the Committee met on Thursday January 18, 2018 at 9:35 a.m. and the following business was discussed.

Mr. Edward Merriman, Manager of Branch Operations updated the Committee on the work done at the Empire, McKinley and Jefferson Road Branches.



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

Mr. Mark Gabriele, Associate Counsel, reported that there is still no movement on the sales of the either Transit Road or Seneca Falls property.

Mr. Gabriele added that the Verizon cell tower project at Clinton Street in Buffalo is proceeding. He also added that there have been issues with the HVAC project at Wehrle.

Mr. Sean Schiano, Director of Branch Operations updated the Committee on the closure of Mickey's E-Z Bet. He also informed the Committee that the new BenGo owners have submitted their application.

Mr. James Haas, Communications/Mutuels Manager informed the Committee that Batavia Bets was up almost \$64,000 or 9% in December and for the year was up over \$594,000 or 5.8%.

Mrs. Gayle Ashbery, Director of Purchasing presented a Resolution for the Daily Racing Forms. The Daily Racing Form is a single source provider, that offers racing information about history of past horse races, entries for daily races, and how to place bets.

Upon motion made by Committee Chairman Mazur and seconded by Director May a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Parmer-Garner. The motion was approved to accept The Daily Racing Form in the amount not to exceed \$40,000 for the 2018 calendar year. (**see Resolution #01-2018**).

The Branch Committee meeting adjourned at 9:54 a.m.

Director Wamp made a motion seconded by Director Morgan to enter into Executive Session at 10:26 am and came out of Executive Session at 11:10 a.m.

**15. Resolutions:**

- #01-2018 Daily Racing Form**
- #02-2018 Mariacher Thomas, LLC.**
- #03-2018 Amazon**
- #04-2018 National Distributers**
- #05-2018 Strategic Development Specialist**

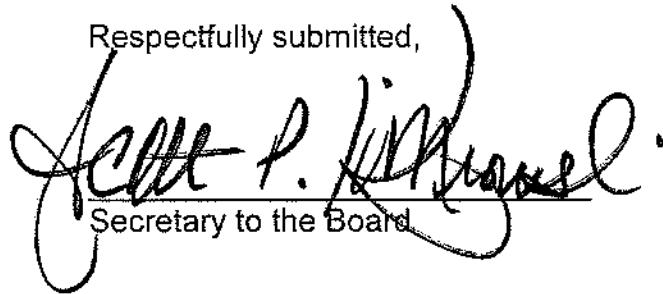
16. **New Business:**

The next Committee and Board meetings are scheduled for February 21 and 22, 2018 respectively.

17. **Adjournment:**

Director Haberer made a motion to adjourn which Director Lauderdale seconded. The meeting was adjourned at 11:12 a.m.

Respectfully submitted,



Secretary to the Board

/pma