

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 July 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:

Buffalo	Michelle Parmer-Garner
Cattaraugus	Richard E. Haberer
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

Absent:

Paul Lattimore

constituting the Directors of all participating municipalities.

Also participating were: Michael P. Nolan, Chief Operating Officer; Scott Kiedrowski, Vice President Operations; William R. White, Vice President – Administration; Jacquelyne Leach, Chief Financial Officer; Mark Gabriele, Associate Counsel; Barb Mruzek, Comptroller WROTBC Operations; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Cindy DeCarlo, Controller BDG Operations; Todd Haight, General Manager Live Racing; James Haas, Gayle Ashbery, Director of Purchasing; Edward Merriman, Manager of Branch Operations.

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 Edward Merriman 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 June 28, 2018. There being none, a motion was made by Director May and seconded by Director Hendrickson to approve the June minutes as submitted. The minutes were approved unanimously by a voice vote.

2. Communications:

Mr. Scott P. Kiedrowski, Vice-President Operations informed the Board of a notice of thanks from the Rotary Club of Batavia for allowing the use of tables and chairs for the annual Father's Day Fly-in Breakfast.

3. Officers' Reports:

There were no Officers reports.

4. Personnel Committee Report:

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, July 26, 2018 at 1:00 p.m. and the following business was discussed.

Sean Schiano, Director of Branch Operations informed the Committee that the Gaming raises and retro are done. Branch contracts will be voted on prior to the August Board meeting.

William R. White, Vice President - Administration informed the Committee that we are fully compliant with this decision. All A-Shop employees no longer have dues taken out and we are informing the Union of any new employees in a timely manner. There was a conversation about employees opting out. Mr. White and Mr. Schiano made it clear that employees would need to contact their Union if they wished to opt out.

Ryan Hasenauer, Director of Marketing-WROT & Video Gaming informed the Committee of the Vegas Marketing Conference attended by Ms. Lindsay Matikosh and the promotional ideas she brought back.

4. Personnel Committee Report Continued:

He also mentioned the Canadian Gaming Conference held in Niagara Falls that a number of Gaming and Food and Beverage employees attended.

Mr. White informed the Committee that Mr. Kiedrowski is now in charge of Lucky Treasures Shop, Live Racing and Brian Leavy, Stock Clerk. This change still needs to be adopted in the Compendium, Organizational Chart and approved by the Gaming Commission.

The Personnel meeting adjourned at 1:18 p.m.

5. Finance Committee Report:

Committee Chairman Lauderdale, called the meeting of the Finance Committee to order at 1:21 p.m. on Wednesday, July 25, 2018 and the following business was discussed.

Jacquelyne Leach, Chief Financial Officer reviewed the June 2018 Chief Financial Officer Report with Committee members and provided explanations for several variances to 2017 and Plan. June produced surcharge of \$105,616, and Operational Earnings of \$322,198, a strong month for the corporation. Mrs. Leach stated surcharge for the month of June (\$105,610) and 2018 2nd quarter earnings (\$912,653) totaling \$1,018,263 will be mailed to member municipalities next week.

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

Cindy DeCarlo, Controller BD Operations reviewed the June Batavia Downs results of Operations, and provided information on credits played, net win and free play.

This was provided for informational purposes.

The Finance Committee meeting adjourned at 1:45 p.m.

6. Advertising Committee Report:

Committee Chairman Clifford reported the Advertising Committee meeting was held on Wednesday, July 26, 2018 at 1:45 p.m. and the following business was discussed.

Todd Haight, General Manager Live Racing delivered a presentation of past an upcoming OTB and Live Racing events including the Breast Cancer Coalition of Rochester Night. Director Lauderdale moved that the board would sponsor a race, it was seconded and passed without opposition. The live racing schedule was shown with some modifications due to concert and MMA events.

Mr. Hasenauer recapped some major concert numbers, all of which showed increased attendance and expenditures by guests at our food and beverage outlets.

Pictures from the wrestling event were shown, many local families appreciated that an affordable local event took place at the downs.

A new promotion for September was previewed as well as a list of upcoming events.

A discussion took place on the concerts in which Director Siebert praised the hard work done by all Batavia Downs Staff in putting on the events.

The Advertising and Promotions Committee meeting was then adjourned at 2:15 p.m.

7. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, July 25, 2018 at 2:50 p.m. and the following business was discussed.

Michael P. Nolan, Chief Operating Officer updated the Committee about a conference call where Mr. Jeff Gural, owner of Tioga as well as Meadowlands in New Jersey, resigned Tioga from NYGA due to differences with members about sports betting.

7. Legislative Committee Report Continued:

He is looking to start his own group to promote sports betting with the four casinos and OTBs in New York State. His main targets were Saratoga Harness and Delaware North tracks, Buffalo and Finger Lakes.

Mr. Nolan also mentioned that Officers have been personally attending numerous fund raisers to support our local elected officials at no cost to the Corporation.

Mr. Nolan also discussed the Grant Projects he is working on with the Wladis Group. They have provided paperwork to assist in retrieving the \$180,000 grant for the paddock work as well as assisted in writing a new grant for new tinted windows in the Clubhouse and a new Food and Beverage storage area totaling \$687,000.

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

8. Insurance Committee Report:

The Insurance Committee did not meet.

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 Wednesday, July 26, 2018 at 2:45 p.m. and the following business was discussed.

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

Mr. Haight, reported Live Racing updates.

10. Batavia Downs Operations Committee Report Continued:

Mr. Nolan informed the committee that the OGS permits were received also contractors insurance and bonds have been submitted and that a meeting was held last week. The project will begin mid-August. He anticipates that the project will be done by January 1.

Mr. Nolan informed the committee that the paddock project is complete and under budget. He informed the Board that Mr. Bruce Tubin complemented on the renovations and thanked all for a job well done.

Director Siebert asked where we stand with security with weapons on site. Mr. Nolan stated a letter has been sent to Chris Palmer of the NYS Gaming Commission.

The Batavia Downs Committee adjourned at 2:43 p.m.

11. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday July 26, 2018 at 9:30 a.m. and the following business was discussed.

Edward Merriman, Manager of Branch Operations informed the Committee that maintenance is patching parking lots where needed, as well as continuing summer property work of painting curbs, parking bumpers and lighting bases. Staff is also doing grounds work on bushes and trees where needed.

James Haas, Communications/Mutuels Manager reported that Batavia Bets was up \$85,000 in June or 8.5%, so far in July Batavia Bets is up \$27,000 or almost 4%. Year to date we are up over \$675,000 or 12.5%.

Mr. Schiano informed the Committee that we will have to pull our application for Stroh's E-Z Bet until mileage law is changed due to Buffalo refusing to approve the application. Ms. Jessalyn Gates has been on the road searching for possible locations in Cattaraugus County, Oswego County and Monroe County. TC Hooligans has opened at their new location.

The Branch Committee meeting adjourned at 9:39 a.m.

12. Resolutions:

There were no resolutions.

13. Unfinished Business:

There was no unfinished business.

14. New Business:

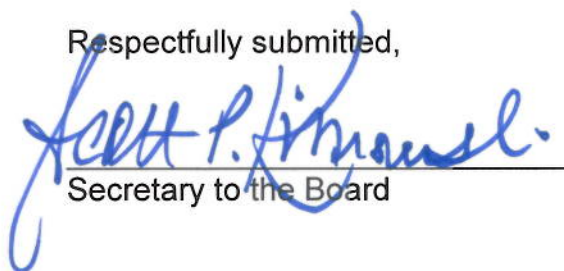
The next Committee and Board meetings are scheduled for August 22 and 23 respectively.

Mr. Kiedrowski reminded the Board of the upcoming Legislative Night at the Races which will be held on Wednesday, August 22, 2018.

15. Adjournment:

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

Respectfully submitted,


Secretary to the Board

/pma