

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 28st day of June 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
Schuyler	Philip C. Barnes
Seneca	Richard Ricci
Steuben	John E. Clifford
Wayne	Ken Lauderdale
Wyoming	Susan May

Absent:

Paul Lattimore
Dennis Bassett

constituting the Directors of all participating municipalities.

Also participating were: Henry Wojtaszek, President & CEO; Michael P. Nolan, Chief Operating Officer; Scott Kiedrowski, Vice President Operations; William R. White, Vice President – Administration; Jacquelyne Leach, Chief Financial Officer; 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; 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 Director May 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 May 31, 2018. There being none, a motion was made by Director Clifford and seconded by Director Wamp to approve the May 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 Boy Scouts of America for the donation for the Boy power Dinner.

Mr. Kiedrowski informed the Board of a notice of thanks from Margaret Sutherland for the donation for her campaign for cancer research for the Leukemia & Lymphoma Society.

Mr. Kiedrowski informed the Board of a notice of thanks from the Holler Family for the donation for their cancer fund basket raffle.

3. Officers' Reports:

Michael P. Nolan, Chief Operating Officer informed the Board that he visited the Veteran's home in Batavia and presented them with concert tickets to LeAnn Womack that will be held at Batavia Downs on August 10, 2018.

4. Personnel Committee Report:

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, June 27, 2018 at 1:10 p.m. and the following business was discussed.

William R. White, Vice President – Administration informed the Committee that the Gaming rank and file approved the agreed upon positions of the four (4) year contract with a .35 cent a year raise.

Mr. White informed the Committee that the latest training session was completed this week, involving fifty-five (55) employees, which included Branch employees. He added that the surveys that were returned were

4. **Personnel Committee Report continued:**

95% positive. The next training topic will be Conflict Resolution and will begin in the late summer or early fall.

Sean Schiano, Director of Branch Operations informed the Committee that he attended a Labor Law Conference that included great topics to help us prepare for Unemployment, Division of Human Rights, as well as Equal Employment Opportunity Commission responses and defenses. He recommended that we continue to utilize this conference as it is very helpful in preparing and presenting our cases.

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 1:20 p.m. on Wednesday June 27, 2018 and the following business was discussed.

Jacquelyne Leach, Chief Financial Officer stated a public bid was held on June 19, 2018 for cleaning services for the OTB Branches in Monroe County and that two bids were received.

After review of the bids, Staff recommends the Board's approval to reject all bids and extend our one year contract with Jordan Scott Cleaning in the amount of \$5,000 per month.

Upon motion by Committee Chairman Lauderdale and seconded by Director Hendrickson to waive the rules pertaining to the Monroe County cleaning services a voice vote was taken. Ayes: 15; Nays: 0; Absent: 2; Lattimore, Bassett. The motion passed unanimously by voice vote.

Upon motion made by Committee Chairman Lauderdale and seconded by Director Hendrickson to approve the contract with Jordan Scott Cleaning in the amount of \$5,000 a month not to exceed \$60,000 a roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2; Lattimore, Bassett. The motion was approved. **(See Resolution #30-2018).**

5. Finance Committee Report continued:

Mrs. Leach reviewed the May 2018 Chief Financial Officer Report with Committee members. May produced surcharge of \$133,852.00, and operational earnings of \$313,834.00, a strong month for the corporation.

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

Ms. Cindy DeCarlo, Controller BDG Operations reviewed the May Batavia Downs results of Operations and Mr. Kiedrowski provided information on Food and Beverage Operations. Staff also provided information on credits played, net win and free play.

This was provided for informational purposes only.

The Finance Committee meeting adjourned at 1:59 p.m.

6. Advertising Committee Report:

Chairman Clifford reported the Advertising Committee meeting was held on Wednesday, June 27, 2018 at 2:00 p.m. and the following business was discussed.

Mr. Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist delivered a presentation of past and upcoming OTB and Live Racing events including the Handicapping Contest on Saturday, June 2nd, the Belmont Stakes party and large events at various tracks this summer.

Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming recapped the "Bourbon Fest", "Eddy Money" concert and the "Throw Down at the Downs", MMA event. All were very successful in driving new traffic to the gaming floor and Food and Beverage outlets.

Staff members who participated in the Buffalo Corporate Challenge were recognized including Kim Vona who finished first in the women's division. Batavia Downs staff will compete in the upcoming GLOW Corporate Challenge in Batavia on August 2nd.

6. Advertising Committee Report continued:

Previews of upcoming events including Wrestling and indoor Tribute concerts were shown.

Director Siebert asked about the price of drink tickets for the concert series, Director Lauderdale asked about the success of the RV show and Director Clifford spoke about the success of the Batavia Downs Golf Tournament.

The Advertising and Promotions Committee adjourned at 2:17 p.m.

7. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, June 27, 2018 at 2:20 p.m. and the following business was discussed.

Mr. Wojtaszek informed the Committee on the lack of any movement in Albany in regards to the Vendor Bill as well as any new Sports Betting legislation. Both of these items are still active and could still be acted on this year. Mr. Wojtaszek also touted the efforts of the Mercury Group as did Mr. Nolan. With the lack of any activity in Albany Mr. Wojtaszek suggested a three (3) month reduction in monthly pay to Mercury from \$12,000 to \$6,000 monthly.

Upon motion made by Committee Chairman Barnes and seconded by Director Ricci to approve the reduction in monthly pay from \$12,000 to \$6,000 to Mercury Public Affairs, LLC. A voice vote was taken. Ayes: 15; Nays: 0; Absent: 2; Lattimore, Bassett. The motion was approved.

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, June 27, 2018 at 2:45 p.m. and the following business was discussed.

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

Mr. Todd Haight, General Manager Live Racing reported Live Racing updates.

Mr. Haight presented the Resolution needed for Days Inn of Batavia, NY to provide the Grooms Quarters which is required by Western to provide living accommodations for up to 16 grooms employed by owners and trainers of harness horses participating at Batavia Downs 2018 Live Racing meet.

Upon motion made by Committee Chairman Morgan and seconded by Director May a roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2; Lattimore, Bassett. The motion was approved to accept the Days Inn as the Grooms Quarters for owners and trainers provided by Western in an amount not to exceed \$32,120.00. **(See Resolution #27-2018)**

Upon motion by Committee Chairman Morgan and seconded by Director Barnes to waive the rules pertaining to the resolution for Mariacher Thomas, LLC. for an extension of twenty-four (24) months with the existing agreement, a voice vote was taken. Ayes: 15; Nays: 0; Absent: 2; Lattimore, Bassett. The motion passed unanimously.

Mr. Wojtaszek presented to the Board Resolution needed to extend the existing agreement with Mariacher Thomas, LLC. for the extension of the existing agreement for a twenty-four (24) month term at an annual rate of \$160,000.00.

10. Batavia Downs Operations Committee Report continued:

Upon motion made by Committee Chairman Morgan and seconded by Director Siebert a roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2; Lattimore, Bassett. The motion was approved to accept the twenty-four (24) month extension of the existing agreement with Mariacher Thomas LLC. in the amount of \$160,000.00 annually. **(See Resolution #28-2018)**

Upon motion made by Committee Chairman Morgan seconded by Director Hendrickson that the Resolution #29-2018 for Audio Images Sound & Lighting for the stage used for the 2018 Concert series has been tabled until next month, a voice vote was taken. Ayes: 15; Nays: 0; Absent: 2; Lattimore, Bassett. The motion passed.

Upon motion by Committee Chairman Morgan and seconded by Director Lauderdale to waive the rules pertaining to the resolution needed for paving rehabilitation by Barre Stone LLC. a voice vote was taken. Ayes: 15; Nays: 0; Absent: 2; Lattimore, Bassett. The motion passed unanimously by voice vote.

Mr. Nolan informed the Board of the Resolution needed for the proposal submitted by Barre Stone LLC for paving rehabilitation in the amount not to exceed \$114,400.00.

Upon motion made by Committee Chairman Morgan and seconded by Director Lauderdale a roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2; Lattimore, Bassett. The motion was approved to accept the proposal submitted by Barre Stone Inc. for the paving rehabilitation in the amount not to exceed \$114,400.00. **(See Resolution #31-2018)**

Mr. Scott Kiedrowski, Vice-President Operations and Mr. Ryan Hasenauer discussed the Phoenix Hospitality Group with the Committee.

The Batavia Downs Committee adjourned at 3:43 p.m.

11. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday June 27, 2018 at 9:30 a.m. and the following business was discussed.

Mr. Edward Merriman, Manager of Branch Operations informed the Committee that the maintenance continues to replace old T.V.'s at the Wehrle Branch. Rochester maintenance is cleaning up outside areas. Mr. Merriman added that this was the third best Belmont ever at \$894,000 and 12th best overall Belmont day.

Mr. Schiano informed the Committee that this year's Triple Crown race days were the third best ever totaling \$3,771,000.

Mr. Schiano informed the Committee that May was the best month ever for Batavia Bets handling \$1,347,732 up \$119,000 or 9.7%.

Belmont handle was over \$139,000 up \$20,000 or 17%. June month to date, we are at \$905,287 up 5.4%, year to date Batavia Bets is just over \$5 million in handle, up \$591,000 or over 13%.

Mr. Schiano let the Committee know that TC Hooligans in Rochester, Monroe County is back open this week or next week at the latest and we are planning a grand "reopening" party to coincide with the Saratoga meet and/or our Live Race meet. Ms. Jessalyn Gates is working on paperwork for the new owner of Harry's in Waterloo, Seneca County.

12. Resolutions:

#26-2018 Transit Road Sale
#27-2018 Grooms Quarters Days Inn
#28-2018 Mariacher Thomas LLC.
#30-2018 Monroe County Cleaning
#31-2018 Barre Stone Inc.

13. Unfinished Business:

There was no unfinished business.

14. New Business:

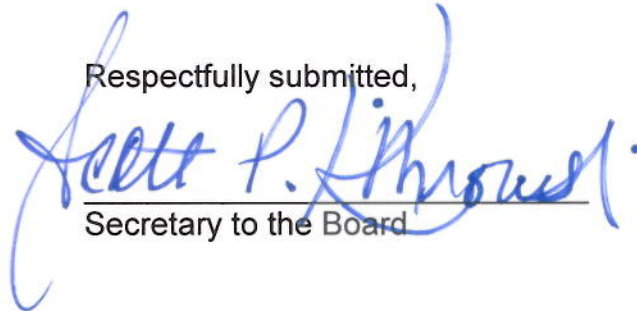
The next Committee and Board meetings are scheduled for July 25 and 26 respectively.

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 Haberer made a motion to adjourn which Director Barnes seconded. The meeting was adjourned at 10:25 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Scott P. Linn". The signature is written in a cursive style and is positioned above a horizontal line.

Secretary to the Board

/pma