

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 25th day of October 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:

City of Buffalo	Michelle Parmer-Garner	John Clifford
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	
Niagara	Elliott Winter	
Orleans	Edward F. Morgan	
Oswego	Ronald B. Darrow	
City of Rochester	Dennis Bassett	
Schuyler	Philip C. Barnes	
Seneca	Richard Ricci	
Wayne	Ken Lauderdale	
Wyoming	Susan May	

constituting the Directors of all participating municipalities.

Also participating were: Henry F. 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; Mark Gabriele, Associate General Counsel; Mark Wolf, General Manager of Gaming; Barb Mruczek, Controller WROTBC Operations; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Gayle Ashbery, Director of Purchasing; Edward Merriman, Manager of Branch Operations; Cindy DeCarlo, Controller BDG Operations; Jake Rak, Controller WROTBC 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 Sean Schiano 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 27, 2018. There being none, a motion was made by Director Siebert and seconded by Director Hendrickson to approve the September 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 thank you note from Jake and Ryan Luxemburg who sincerely appreciated the hospitality at the Sabres game they attended in the Batavia Downs suite.

Mr. Kiedrowski, Vice-President Operations recited several thank you notes to the Board of Directors. The notes all consisted of a thank you to Batavia Downs Gaming for a donation to the following:

- Noyes Takes Flight, Foundation for Noyes Health, Fundraiser
- The Chamber of Commerce Visitor Center, Mercy Flight Beacon of Hope Gala
- Journey Home, Golf Classic
- Independent Living of the Genesee Region, 5th Annual Taste of Independence
- The Brockport Foundation, Winter Gala
- Linda Rider Memorial Golf Tournament, Leroy Community Pool

3. **Officers' Reports:**

There were no Officers reports.

4. **Personnel Committee Report:**

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, October 24, 2018 at 1:05 p.m. and the following business was discussed.

Mr. Sean Schiano, Director of Branch Operations informed the Committee of the Branch Union Contract approval and that the two (2) Union Contracts were ratified in the Branches. The Supervisory Contract was ratified 12 to 7, the Non-Supervisory Contract was ratified 22 to 19.

4. Personnel Committee Report continued:

A motion was made by Director Siebert for approval for both Contracts, seconded by Director Hendrickson and passed unanimously.

Mr. William R. White, Vice President – Administration informed the Committee that he and Mr. Michael P. Nolan, Chief Operating Officer attended the New York State Council on Problem Gaming. He mentioned that only a few of the State Gaming facilities were represented and that their presence was much appreciated.

Mr. Wamp added that he held a meeting with Mr. Henry F. Wojtaszek, President & CEO and Mr. White to discuss merit and cost of living increases for 2019. He requested senior staff have a plan prepared for the next Board meeting.

The Personnel Committee meeting adjourned at 1:15 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, October 24, 2018 and the following business was discussed.

Award of Bid – Snowplowing Services – OTB Branches,
Erie Monroe & Niagara Counties

Mrs. Gayle Ashbery, Director of Purchasing advised the Committee that bids for snowplowing services were opened on October 11, 2018 for snowplowing services at four (4) branches in Erie County, four (4) branches in Monroe County, and three (3) branches in Niagara County for the 2018-2019 winter season. After review by staff, the following is recommended:

<u>Branch</u>	<u>Erie County:</u>	
	<u>Low Bidder</u> <u>Plow</u>	<u>Per Plow Price</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 \$250.00
Delaware	Brothers in Lawn	\$85.00 \$100.00

5. Finance Committee Report continued:

Upon motion made by Committee Chairman Lauderdale and seconded by Director Hendrickson a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Clifford. The motion was approved to award the Erie County Snowplowing contract to Brothers in Lawn not to exceed \$45,000.00. (See **Resolution #38-2018**).

Monroe County:

<u>Branch</u>	<u>Low Bidder</u> <u>Plow</u>	<u>Per Plow Price</u>	
		<u>Salt</u>	
Lyell	CPM Property	\$147.99	\$99.99
West Ridge	CPM Property	\$148.99	\$99.99
Jefferson	CPM Property	\$199.99	\$199.99

Staff will snowplow and salt Marway Circle OTB with our maintenance staff, as a trial for the future.

Upon motion made by Committee Chairman Lauderdale and seconded by Director Morgan a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Clifford. The motion was approved to award the Monroe County Snowplowing contract to CPM Property not to exceed \$15,000.00. (See **Resolution #39-2018**).

Niagara County:

<u>Branch</u>	<u>Low Bidder</u> <u>Plow</u>	<u>Per Plow Price</u>	
		<u>Salt</u>	
Military	Bill's Automotive	\$76.95	\$72.00
River	Bill's Automotive	\$65.50	\$72.00
Transit	Angelo's Snowplowing	\$110.00	\$40.00

Upon motion made by Committee Chairman Lauderdale and seconded by Director Hendrickson a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Clifford. The motion was approved to award the Niagara County Snowplowing contract Bill's Automotive for the Military Rd. and River Rd. locations not to exceed \$7,500.00. (See **Resolution #43-2018**).

5. **Finance Committee Report continued:**

Upon motion made by Committee Chairman Lauderdale and seconded by Director Hendrickson a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Clifford. The motion was approved to award the Niagara County Snowplowing contract Angelo's for Transit Rd. location not to exceed \$2,500.00. (See Resolution #40-2018).

Ms. Cindy DeCarlo, Controller BDG Operations reviewed the September Batavia Downs results of Operations, and provided information on credits played, net win and free play, food and beverage, and other statistics.

Mrs. Jacquelyne Leach, Chief Financial Officer reviewed the September 2018 Chief Financial Officer Report with Committee members, providing an overall summary of the month and explanations for several large variances, both revenues and expenses. There was a discussion of the corporation's general and administrative costs, and allocation of those costs to branches and Batavia Downs Gaming. September produced surcharge of \$77,640, and Operational Earnings of \$162,895, a good month for the corporation. 2018 3rd quarter earnings totaling \$244,779 will be mailed to member municipalities next week.

Mrs. Leach reviewed the NYGA Weekly Numbers with the Committee members, highlighting Batavia Downs Gaming performance in September 2018 as compared to September 2017.

Mrs. Leach presented the 2019 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.

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 on December 5th, 2018.

5. **Finance Committee Report continued:**

This was provided for informational purposes.

The Finance Committee meeting adjourned at 2:39 p.m.

6. **Advertising Committee Report:**

Committee Chairman Clifford reported the Advertising Committee meeting was held on Wednesday, October 25, 2018 at 2:45 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. The Breeder's Cup this year is November 2nd and 3rd.

Mr. Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming, recapped the Global Gaming Expo in Las Vegas which was attended by Mr. Wojtaszek, Mr. Kiedrowski, Mr. Mark Wolf, General Manager of Gaming, Director May and himself. The convention helped staff understand recent marketing and gaming trends and helped spur new ideas for improving our offerings.

Mr. Hasenauer recapped the recent sponsor brunch which was held to boost sponsorship of the outdoor concert series.

A new sponsorship of the Fishing Expo was discussed. The staff of this Expo has committed to coming two times a year with trade shows and banquets.

Pictures from recent concerts including Kiss This and the Appice Brothers were shown. Upcoming events including the Legends and Stars Sports Show were shown.

The meeting was then adjourned at around 3:10pm.

7. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, October 24, 2018 at 3:45 p.m. and the following business was discussed.

Mr. Wojtaszek discussed the weekly meetings with the Mercury Group, as well as the meeting he and Mr. Nolan had with Senator Tim Kennedy, the only Democrat West of Syracuse.

Mr. Wojtaszek also discussed the Albany visit he and Mr. Nolan had meeting with representatives from the Governor's office, Senate, and Assembly discussing the vendor fee, sports betting and OTB relieve in an attempt to get in the 2019 budget for all three entities.

Mr. Wojtaszek also mentioned that Mr. Rob Williams from the Governor's office reported that a third Arbitrator has been assigned to the Seneca Arbitration for the December hearing.

The Legislative Committee meeting adjourned at 3:56 p.m.

8. Insurance Committee Report:

Committee Chairman Ricci reported the Insurance Committee meeting was held on Wednesday, October 24, 2018 at 3:46 p.m. and the following business was discussed.

Mr. Wojtaszek informed the Committee of the medical insurance excess surplus money and suggested there be a way to return it to employees.

Mr. Wojtaszek reported that there are no new Workers Comp claims.

The Insurance Committee meeting adjourned at 3:50 p.m.

9. Audit Committee Report:

Committee Chairman Bassett reported the Audit Committee meeting was held on Wednesday, October 24, 2018 at 3:50 p.m. and the following business was discussed.

9. **Audit Committee Report:**

A Pre-Audit presentation was given by Mr. Craig Stevens of The Bonadio Group.

The Audit Committee meeting adjourned at 4:45 p.m.

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

Committee Chairman Morgan reported the Batavia Downs Operations Committee met Wednesday, October 24, 2018 at 3:12 p.m. and the following business was discussed.

Mr. Mark Wolf, General Manager of Gaming provided a gaming status update. He informed the Committee that Mr. Chris Palmer approved Thirty-one (31) games to be added to the gaming floor.

Mr. Haight provided a live racing update. Mr. Haight also informed the Committee that Batavia Downs Gaming & Hotel will be hosting the 2019 New York Sire Stakes Night of Champions with a cocktail reception and awards banquet that will be held on Sunday, December 2, 2018.

Mr. Wojtaszek informed the Committee that the Capital Award project is moving forward. He informed the Committee that the Genesee and Orleans and State Health Department did not issue a smoking waiver for the planned Cigar Lounge. Mr. Wojtaszek stated that he will further the effort for the waiver for one more week. Mr. Wojtaszek discussed that an option to move forward with the lounge to be utilized for events will continue and may be suitable for a sports betting lounge in the future.

Mr. Kiedrowski informed the Committee of the supplemental resolution needed for CH Wright to purchase additional beer products in the amount of \$50,000.00 for the remainder of the year.

Upon motion made by Committee Chairman Morgan and seconded by Director Ricci a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Clifford. The motion was approved to purchase additional beer products for the remainder of the year in the amount not to exceed \$50,000.00. (**See Resolution #41-2018**).

10. Batavia Downs Operations Committee Report continued:

Mr. Kiedrowski informed the Committee of the supplemental resolution needed for Hill & Markes to purchase additional products in the amount of \$8,000.00 for the remainder of the year.

Upon motion made by Committee Chairman Morgan and seconded by Director Wamp a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Clifford. The motion was approved to purchase additional products for the remainder of the year in the amount not to exceed \$8,000.00. (See **Resolution #42-2018**).

Mr. Wojtaszek informed the Committee that the Paddock room plan is in place to refresh the room with pocket doors and wainscot with a chair rail. He addressed the possibility of the name change from "Paddock Room" to "Park Place". He also discussed making the front of the building much sager with possible speed bumps. The subject of K-Mart closing was brought up.

Mr. Kiedrowski informed the Committee that the Batavia Downs Gaming & Hotel signage on the corner of Veteran's and Park Rd. which is town property within city limits, has been approved by the City of Batavia.

The Batavia Downs Committee meeting adjourned at 3:45 p.m.

11. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday October 25, 2018 at 9:30 a.m. and the following business was discussed.

Mr. Edward Merriman, Manager of Branch Operations provided a branch update to the Committee of the T.V. upgrades at the French Road and Jamestown Branches. He also mentioned the Military Road parking lot and the new substitute hires in Monroe and Cayuga counties.

Mr. James Haas, Communications/Mutuels Manager informed the Committee that Batavia Bets was up \$23,000 or 2.7% in September. Month to date in October we are down just over \$10,000 or 1.7%; year to date, Batavia Bets is up over \$1 million or 13%.

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

Mr. Mark Gabriele, Associate General Counsel provided a Real Estate update to the Committee that the Phase 1 study at Seneca Falls was completed on October 19th and he has ordered Title documents. He also informed the Committee that the Transit contract has been signed.

Mr. Schiano informed the Committee that all the outlying E-Z Bets have their new copier machines installed and have received training from Konica Minolta.

The Branch Committee meeting adjourned at 9:38 a.m.

12. **Resolutions:**

**Resolution #38-2018 Erie Co. Snowplowing Brothers in Lawn
Resolution #39-2018 Monroe Co. Snowplowing CPM Property
Resolution #40-2018 Niagara Co. Snowplowing Angelo's
Resolution #41-2018 CH Wright Supplemental
Resolution #42-2018 Hill & Markes Supplemental
Resolution #43-2018 Niagara Co. Snowplowing Bill's Automotive**

13. **Unfinished Business:**

There was no unfinished business.

14. **New Business:**

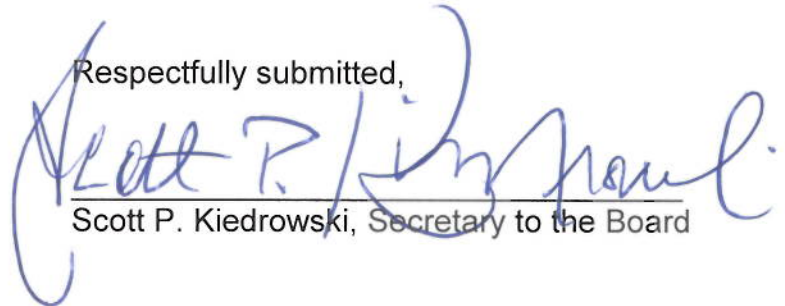
Chairman Bianchi and Director Siebert wished Ms. Barbara Mruzec a Happy Retirement and thanked her for her dedication and hard work at Batavia Downs.

The next Committee and Board meetings are scheduled for December 5th and 6th respectively.

15. **Adjournment:**

Director Lauderdale made a motion to adjourn which Director Hendrickson seconded. The meeting was adjourned at 10:36 a.m.

Respectfully submitted,



Scott P. Kiedrowski, Secretary to the Board

/pma