

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 6th day of December 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:

City of 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
City of Rochester	Dennis Bassett
Schuyler	Philip C. Barnes
Seneca	Richard Ricci
Wyoming	Susan May

Absent:

John Clifford
Paul Lattimore
Ken Lauderdale

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 General Counsel; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Gayle Ashbery, Director of Purchasing; James Haas, Communications/Mutuels Manager; Edward Merriman, Manager of Branch 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 Director Bassett 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 October 25, 2018. There being none, a motion was made by Director May and seconded by Director Hendrickson to approve the October 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 for the donation from Batavia Downs to the Down Syndrome Parent Support Group.

Mr. Kiedrowski informed the Committee of a thank you note for the donation from Batavia Downs from the Boys & Girls Club of Eden-Lake Shore.

3. **Officers' Reports:**

There were no Officers reports.

4. **Personnel Committee Report:**

Chairperson Wamp called the meeting to order at 12:02 p.m. and the following items were discussed:

Mr. William R. White, Vice President - Administration mentioned that he and Mr. Sean Schiano, Director of Branch Operations will be attending a Labor Law Seminar in New York City on Monday, December 10, 2018.

Mr. White informed the Committee that all Union Branch retro pay has been calculated and paid. The total was less than the amount Mrs. Jacquelyne Leach, Chief Financial Officer had accrued monthly to cover the retro pay.

Mr. White informed the Committee that all the Employee Evaluations have been submitted for 2018. Any Director who wishes to review these Evaluations can contact Mr. White.

4. **Personnel Committee Report continued:**

Mr. White informed the Committee on the revised Sexual Harassment Policy based on the New York State minimums. A motion was made to adopt the Sexual Harassment Policy as presented by Director Haberer, seconded by Director May and passed unanimously.

A motion was made by Director Ricci to enter into Executive Session at 12:15 p.m. and came out at 12:25 p.m.

Committee Chairman Wamp summarized a proposal for 2019 wage adjustments for corporate non-union employees. A motion was made by Director May, seconded by Director Winter to approve the proposal and carried unanimously.

The Personnel Committee meeting adjourned at 12:31 p.m.

5. **Finance Committee Report:**

Member of the Finance Committee, Director Darrow, called the meeting of the Finance Committee to order at 12:40 p.m. on Wednesday, December 5, 2018 and the following business was discussed.

The Resolution was presented to the Committee for the purchase of office supplies, janitorial supplies, paper products and water from W.B. Mason Co, Inc.

Upon motion made by Committee member Darrow and seconded by Director Winter a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Clifford, Lauderdale. The motion was approved to award the purchases to W.B. Mason Co. Inc. not to exceed \$200,000.00. (**See Resolution #48-2018**).

Mrs. Jacquelyne Leach, Chief Financial Officer reviewed the October Batavia Downs results of Gaming Operations, and provided information on credits played, net win and free play, food and beverage, and other statistics.

5. **Finance Committee Report continued:**

Mrs. Leach reviewed the October 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. October produced surcharge of \$78,233, and Operational Earnings of \$14,091, a good month for the corporation. Mrs. Leach updated the Board that hard copies of the CFO Report will be mailed one (1) week before the Finance Committee meeting starting in January 2019.

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

Mrs. Leach presented the 2019 Final Operating Plan to the Committee highlighting Plan assumptions and certain revenues and expenses. The Final Operating Plan is presented as a fluid working document. Its purpose is to facilitate discussion amongst WROTBC management and the Board of Directors. The Plan projects surcharge revenues available to municipalities in the amount of \$1,013,500 and annualized operational earnings of \$316,500. Motion was made by Chairman Lauderdale, seconded by Mr. Winter, and carried unanimously to accept the 2019 Operating Plan, as presented.

The Finance Committee meeting adjourned at 1:10 p.m.

6. **Advertising Committee Report:**

Committee Vice-Chairperson May reported the Advertising Committee meeting was held on Wednesday, December 5, 2018 at 1:10 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 Breeder's Cup, Customer Appreciation Night, Free Play Frenzy.

6. Advertising Committee Report:

Mr. Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming recapped recent events like the Johnny Cash Tribute show and Nerds Gone Wild. Batavia Downs Staff recently donated 100 Turkeys to the Food Bank of Western New York during an event put on by the Sabres.

Mr. Hasenauer previewed upcoming major events as well as the key points of 2019's Marketing Plan to more efficiently use resources, expand our events and reactivate dormant customers.

The Advertising meeting adjourned at 1:28 p.m.

7. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, December 5, 2018 at 2:15 p.m. and the following business was discussed.

Mr. Henry F. Wojtaszek, President & CEO discussed the Mercury update informing the Committee that he and Mr. Nolan are in weekly contact for budget inclusion for vendor fee and sports betting. The vendor fee looks like it has better chance to be in budget. Mr. Wojtaszek discussed possible issues with sports betting and the constitutionality of affiliates that is being discussed.

Mr. Michael P. Nolan, Chief Operating Officer introduced Mr. Mark Vladis and Ms. Leann West from Strategic Marketing who have helped us in the past with obtaining grants for onsite work and future possibilities were discussed.

The Legislative Committee meeting adjourned at 3:30 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, December 5, 2018 at 1:33 p.m. and the following business was discussed.

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

Mr. Haight and Mr. Wojtaszek informed the Committee there have been WNYHHA contract discussions with Mr. Bruce Tubin.

Mr. Nolan informed the Committee that all the Capital improvement projects are moving along. The Gatsby Bar could be finished as early as before Christmas. He and Mr. Wojtaszek discussed changes to the main cross walk that could include speed bumps for a safer entrance as well as slowing the traffic down even more.

Mr. Wojtaszek informed the Committee that the 2019 Batavia Downs Concert series will be announced in late January.

Mr. Kiedrowski informed the Committee of the supplemental Resolution needed for Tarantino's in the amount not to exceed \$10,000.00 for the remainder of the year.

Upon motion made by Committee Chairman Morgan and seconded by Director Winter a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Clifford, Lauderdale. The motion was approved for the Supplemental Resolution for Tarantino's not to exceed \$10,000.00. (See **Resolution #44-2018**).

Mr. Kiedrowski informed the Committee of the supplemental Resolution needed for Jacob Kern & Son's in the amount not to exceed \$20,000.00 for the remainder of the year.

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

Upon motion made by Committee Chairman Morgan and seconded by Director Hendrickson a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Clifford, Lauderdale. The motion was approved for the Supplemental Resolution needed for Jacob Kern & Son's in the amount not to exceed \$20,000.00. **(See Resolution #45-2018).**

Mr. Kiedrowski informed the Committee of the supplemental Resolution needed for Sanzo Beverage in the amount not to exceed \$30,000.00 for the remainder of the year.

Upon motion made by Committee Chairman Morgan and seconded by Director Winter a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Clifford, Lauderdale. The motion was approved for the Supplemental Resolution needed for Sanzo Beverage in the amount not to exceed \$30,000.00. **(See Resolution #46-2018).**

Mr. Kiedrowski informed the Committee of the Resolution needed for 2019 Food & Beverage Vendors in the amount not to exceed \$2,650,000.00. (See attached delineated list).

Upon motion made by Committee member Darrow and seconded by Director Winter a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Clifford, Lauderdale. The motion was approved to award the purchases to the Food & Beverage Vendors in the attached delineated list not to exceed \$2,650,000.00. **(See Resolution #47-2018).**

Mr. Kiedrowski informed the Committee of the Resolution needed for BR Johnson LLC. in the amount not to exceed \$17,850.00 as part of the Capital Awards project for the Capital Project Paddock room folding door.

Upon motion made by Committee member Darrow and seconded by Director Winter a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Clifford, Lauderdale. The motion was approved to award the bid to BR Johnson LLC. in the amount not to exceed \$17,850.00. **(See Resolution #49-2018).**

Mr. Wojtaszek informed the Committee of the Paddock Room name change and that the replacement name will be Park Place. He informed the Committee that the signage outside of the room should be complete in the next couple months.

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

The Batavia Downs Committee meeting adjourned at 2:10 p.m.

11. **Branch Operations Committee Report:**

Committee Chairperson Mazur reported that the Committee met on Thursday December 6, 2018 at 9:32 a.m. and the following business was discussed.

Mr. Edward Merriman, Manager of Branch Operations updated the Committee on the TV upgrades at the Auburn Branch as well as the use of the new plow truck for Rochester maintenance and the floors that were done at Military, French and Marway Branches.

Mr. Mark Gabriele, Associate General Counsel informed the Committee that the Transit buyer backed out and there has already been new interest shown. He also informed the Committee that we hope to close sale at Seneca Falls by the end of the year.

Mr. Sean Schiano, Director of Branch Operations informed the Committee of a possible new E-Z Bet in Niagara Falls that is completing paperwork.

Mr. James Haas, Communications/Mutuels Manager informed the Committee that Batavia Bets was up \$33,000 or 4% in October, \$94,000 or 10% in November, and \$1.2 million or 12% year to date.

Mr. Schiano informed the Committee about the upcoming Branch and E-Z Bet visits for the Holiday season.

The Branch Committee meeting was adjourned at 9:45 a.m.

12. **Resolutions:**

**Resolution #44-2018 Tarantino's Supplemental
Resolution #45-2018 Jacob Kern & Son's Supplemental
Resolution #46-2018 Sanzo Beverage Supplemental
Resolution #47-2018 Food & Beverage Various Vendors 2019
Resolution #48-2019 W.B. Mason Co. Inc.
Resolution #49-2018 BR Johnson, LLC.**

13. **Unfinished Business:**

There was no unfinished business.

14. **New Business:**

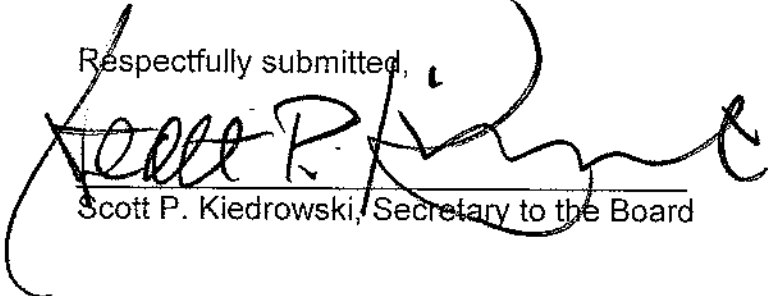
Chairman Bianchi and Director Siebert wished everyone a safe and Merry Christmas!

The next Committee and Board meetings are scheduled for January 16th and 17th respectively.

15. **Adjournment:**

Director Winter made a motion to adjourn which Director Morgan seconded. The meeting was adjourned at 10:22 a.m.

Respectfully submitted,



Scott P. Kiedrowski, Secretary to the Board

/pma