

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 17th day of January 2019, 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
Schuyler	Philip C. Barnes
Seneca	Richard Ricci
Wayne	Ken Lauderdale
Wyoming	Susan May

Absent:

John Clifford
Paul Lattimore
Dennis Bassett

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; Steven Haigh, Internal Auditor; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Todd Haight, General Manager Live Racing; Gayle Ashbery, Director of Purchasing; James Haas, Communications/Mutuels Manager; Edward Merriman, Manager of Branch Operations; Brian Quinn, The 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 Gayle Ashbery to lead the assemblage in the Pledge of Allegiance.

1. Chairman Bianchi asked Director Wamp to proceed as temporary Chairman. Director Wamp continued to conduct the annual nomination proceeding for Chairman of the Board.
2. Director Wamp asked for nominations from the floor for the position of the Chairman of the Board of Directors. Director Ricci nominated Director Bianchi. Director May seconded the nominations. Director Wamp moved to close the request for nominations. A voice vote was taken; Ayes 14; Absent: 3; Clifford, Lattimore, Bassett.
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 Haberer seconded the nomination. A voice vote was taken; Ayes: 14; Absent: 3; Lattimore, Bassett, Clifford.

Newly elected Vice-Chairman Barnes thanked the members of the Board and looks forward to another year serving as Vice-Chairman.

4. **Approval of Previous Minutes:**

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of December 6, 2018. There being none, a motion was made by Director May and seconded by Director Hendrickson 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 thank you note from Melisande Bianchi for the continuous support of the Breast Cancer Coalition fundraiser.

6. **Officers' Reports:**

There were no Officers reports.

7. Personnel Committee Report:

Committee Chairman Wamp called the meeting to order on Wednesday, January 16, 2019 at 1:07 p.m. and the following business was discussed.

Mrs. Jacquelyne Leach, Chief Financial Officer informed the Committee of the one (1) year contract extension with the Deferred Compensation Company PenServ. Currently 200 employees use deferred compensation with a value in the plan of \$5.2 million dollars.

Upon motion made by Director Wamp and seconded by Director Lauderdale a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Bassett, Clifford. The motion was approved to except the one (1) year contract extension with PenServ. (**See Resolution #01-2019**).

Mr. William R. White, Vice President - Administration informed the Committee of Personnel Classification change in the salary ranges in the operating plan. The high end of the wage scale will have a 3% increase. Grade 1 starting salary will be minimum wage and Grade 2 starting salary will be minimum wage plus \$600.00.

A motion was made to enter into Executive Session by Director Haberer, seconded by Director May to enter into Executive Session at 1:20 p.m. and came out at 1:50 p.m.

Chairman Wamp discussed the refilling of the Director of Security position, due to the retirement of Mr. Daniel Maloney, which will be in March, 2019. Director Barnes made a motion to offer the position to Mr. Joseph A. Vacanti, Jr. with a second by Director Ricci. The motion passed by a majority vote of the Committee, with Directors Wamp and Haberer voting no. Director Bianchi then made a motion, with a second by Director Wamp, to set the annual salary at \$70,000, with a review of the salary structure in September, 2019. The motion was passed unanimously by the Committee.

The Personnel Committee meeting adjourned at 2:00 p.m.

8. Finance Committee Report:

Committee Chairman Lauderdale reported the Finance Committee was held on Wednesday, January 16, 2019 at 2:03 p.m. and the following business was discussed.

8. **Finance Committee Report continued:**

Mrs. Leach presented the Resolution needed for the cleaning service contract bid proposed for six (6) Erie and Niagara County branches to ABC Cleaning Service.

Upon motion made by Director Lauderdale and seconded by Director Winter a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Bassett, Clifford. The motion was approved to award cleaning service contract to ABC Cleaning Service not to exceed \$14,381.24. (**See Resolution #05-2019**).

Mrs. Leach reviewed the November 2018 Chief Financial Officer Report with the Committee members, providing an overall summary of the month. November produced surcharge of \$83,762.00.

Mrs. Leach reviewed the November Batavia Downs Financial results of operations, and provided information on credits played, net win and free play, food and beverage, and other statistics.

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

Mrs. Leach informed the Committee members of the financing for current capital awards project. She stated that the Corporation has received loan commitment approval of up to \$2.5 million dollars from The Bank of Castile for the current Batavia Downs Gaming Capital Awards project. Proceeds from the loans are anticipated to be received no later than mid-February 2019. Staff requests approval from the Board to approve a not to exceed \$2.5 million borrowing from the Bank of Castile for the current Batavia Downs Gaming Capital Project.

Upon motion by Committee Chairman Lauderdale and seconded by Director May a voice vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Bassett, Clifford. The motion passed to accept the 2.5 million borrowing from the Bank of Castile for the current Batavia Downs Capital Project.

8. Finance Committee Report continued:

Mrs. Leach presented the Resolution needed for the Self-Funding of its Workers Compensation Program. The Corporation is in the process of obtaining approval from the New York State Workers' Compensation Board to self-fund its workers compensation program.

Upon motion by Committee Chairman Lauderdale to waive the rules pertaining to the Self-Funding Workers Compensation Program, seconded by Director Hendrickson a voice vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Bassett, Clifford.

Upon motion made by Director Morgan and seconded by Director Barnes a voice vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Bassett, Clifford. The motion was approved to enter in to a Self-Funding of its Workers Compensation Program effective June 1, 2019 (**See Resolution #08-2019**).

The Finance Committee meeting adjourned at 2:30 p.m.

9. Advertising Committee Report:

Committee Vice-Chairperson May reported the Advertising Committee meeting was held on Wednesday, January 16, 2019 at 2:35 p.m. and the following business was discussed.

Mr. Todd Haight, General Manager Live Racing delivered a presentation of past an upcoming OTB and Live Racing events including the final nights of racing and the upcoming road to the Kentucky Derby.

Mr. Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming, recapped recent events like December's Car Drawing and New Year's Celebration as well as January's Psychic Fair.

Mr. Hasenauer presented to Committee members the Resolution for the Marketing's live voucher mailings for the following year from Zenger Group.

9. **Advertising Committee Report continued:**

Upon motion made by Director May and seconded by Director Morgan a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Bassett, Clifford. The motion was approved to award the contract with Zenger Group for live voucher mailing for the following year in the amount not to exceed \$70,000.00 (**See Resolution #07-2019**).

Mr. Hasenauer previewed upcoming major events including the Sports Card Expo featuring Buffalo Football Quarterback, Josh Allen.

A discussion was had with several directors about the upcoming show, the continuity program where various bedding items were being given away as well as the trivia Mondays inside of 34 Rush.

The Advertising Committee meeting adjourned at 2:53 p.m.

10. **Legislative Committee Report:**

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, January 16, 2019 at 3:30 p.m. and the following business was discussed.

Mr. Patrick McCarthy, Mercury Public Affairs, LLC discussed legislation in Albany that affects WROTBC and Batavia Downs Gaming.

Mr. Wojtaszek and Mr. Michael P. Nolan, Chief Operating Officer, discussed Sports betting legislation that may be up for discussion in the 2019 state budget. The NYS Gaming Commission will introduce Sports betting regulations for the four (4) Casinos in January 28th.

The Vendor Fee for Batavia Downs was included in the Governor's budget with a 2% increase and erases the \$50 million tax increase.

Mr. Wojtaszek and Mr. Nolan met with Strategic Development in Syracuse and discussed grant opportunities for 2019.

Management attended the Annual NYGA Legislative Conference along with Thurman Thomas in Albany last week.

10. Legislative Committee Report continued:

Mr. Wojtaszek presented the Resolution needed to approve the amendment of the original contract with Mercury Public Affairs, LLC.

Upon motion by Committee Chairman Barnes and seconded by Director Winter, a roll call vote was taken. Ayes: 14; Nays: 0; Absent 3; Lattimore, Bassett, Clifford. The motion was approved to amend the original contract dated September 29, 2017 extending it for six (6) months beginning January 1, 2019 until June 30, 2019. **(See Resolution #09-2019)**

The Legislative Committee meeting adjourned at 3:55 p.m.

11. Insurance Committee Report:

The Insurance Committee did not meet.

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 meeting was held on Wednesday, January 16, 2019 at 3:00 p.m. and the following business was discussed.

Ms. Cindy DeCarlo, Controller BDG Operations reported Gaming statistics.

Mr. Todd Haight, General Manager Live Racing presented a live racing recap of 2018.

Mr. Nolan updated the Capital Project to the Committee informing them that the Gatsby Bar at Fortunes is projected to open on Feb 8, 2018. The Fortunes dining expansion and the 34 Rush kitchen expansion are both moving forward.

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

Mr. Nolan informed the Committee of the Resolution needed for the purchase of uniforms and rugs from Cintas in the amount not to exceed \$50,000.00.

Upon motion made by Director Morgan and seconded by Director Winter a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Bassett, Clifford. The motion was approved to award the purchases to Cintas not to exceed \$50,000.00. **(See Resolution #02-2019).**

Mr. Nolan informed the Committee of the Resolution needed for Home Depot for various building and repair items from Home Depot not to exceed \$50,000.00.

Upon motion made by Director Morgan and seconded by Director Hendrickson a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Bassett, Clifford. The motion was approved to award the purchases to Home Depot not to exceed \$50,000.00. **(See Resolution #03-2019).**

Mr. Nolan informed the Committee of the Resolution #04-2019 needed for the purchase of oil and propane from Reisdorf Oil & Propane in the amount not to exceed \$50,000.00.

Upon motion made by Director Morgan and seconded by Director Haberer a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Bassett, Clifford. The motion was approved to award the purchases to Reisdorf Oil & Propane not to exceed \$50,000.00. **(See Resolution #04-2019).**

Mr. Nolan informed the Committee of the annual Dan Patch Awards Banquet. February 23 & 24, in Orlando Florida.

Mr. Wojtaszek informed the Committee of the GLOW Works with Hands Event. The event will be held at the Genesee County Fairgrounds on September 24, 2019 and will include 27 schools districts. A motion by Chairman Bianchi and seconded by Director Winter to donate \$5,000.00 and staff will work to incorporate an exhibit at the event.

The Batavia Downs Committee meeting adjourned at 3:25p.m.

14. Branch Operations Committee Report:

Committee Chairperson Mazur reported the Branch Committee meeting was held on January 17, 2019 at 9:32 a.m. and the following business was discussed.

Mr. Edward Merriman, Manager, Branch Operations gave a brief branch update to the Committee of the new T.V.'s at Marway and video wall that was built; a new custodian was hired to help employees. Mr. Merriman also showed pictures of the new two-sided billboard on our River Road property. He informed the Committee that maintenance did their best to cold patch the potholes at the McKinley Branch that is budgeted to be done this spring. There was a new skilled maintenance employee hired that started January 14th in the Buffalo office.

Mr. James Haas, Communications/Mutuels Manager reported that Batavia Bets handled \$883,000 in December, up 14%; halfway through January the handle is over \$422,000, up 16%. For the year 2018, Batavia Bets handled almost \$12.1 million, up over 12% from the previous year.

Mr. Merriman informed the Committee that the Niagara County E-Z Bet location has not returned their paperwork yet.

Mr. Mark Gabriele, Associate Counsel informed the Committee that all of the paperwork is complete for the Seneca Falls sale and that he is just waiting on the two banks that hold the loans. He also informed the Committee that Transit is back on the market but possible buyers have already visited the location.

A motion was made by Director Morgan on Transit Road to counter offer on Panera offer of the property, seconded by Director Hendrickson and carried unanimously.

Mr. Sean Schiano, Director of Branch Operations informed the Committee of the Resolution needed for the Daily Racing Form not to exceed \$40,000.00.

Upon motion made by Director Mazur and seconded by Director Parmer-Garner a roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3; Lattimore, Bassett, Clifford. The motion was approved to award the Daily Racing Form for the 2019 year not to exceed \$40,000.00. (**See Resolution #06-2019**).

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

The Branch Committee meeting adjourned at 9:47 a.m.

15. **Resolutions:**

Resolution #01-2019 Deferred Comp 457 Plan PenServ

Resolution #02-2019 Cintas

Resolution #03-2019 Home Depot

Resolution #04-2019 Reisdorf Oil & Propane

Resolution #05-2019 ABC Cleaning Erie & Niagara

Resolution #06-2019 Daily Racing Form

Resolution #07-2019 Zenger

Resolution #08-2019 Dist. Of Workers Comp Self-Funded Program

Resolution #09-2019 Mercury Public Affairs, LLC

Resolution #10-2019 The Bank of Castile

16. **Unfinished Business:**

There was no unfinished business.

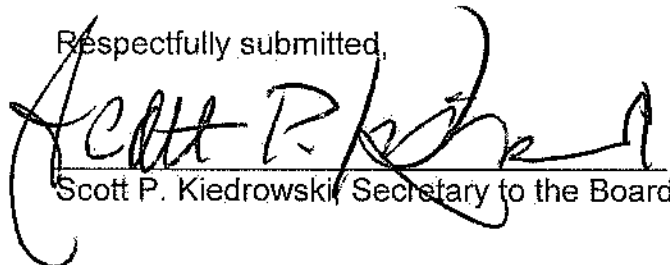
17. **New Business:**

The next Committee and Board meetings are scheduled for February 27th & 28th respectively.

18. **Adjournment:**

Director Haberer made a motion to adjourn which Director Barnes seconded. The meeting was adjourned at 10:37 a.m.

Respectfully submitted,



Scott P. Kiedrowski, Secretary to the Board