

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 28th day of February 2019, and commencing at 10:07 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

Participating were:

|             |                    |
|-------------|--------------------|
| Cattaraugus | Richard E. Haberer |
| Cayuga      | Paul W. Lattimore  |
| Chautauqua  | Allan Hendrickson  |
| Erie        | Beverly A. Mazur   |
| Genesee     | Richard E. Siebert |
| Livingston  | Thomas P. Wamp     |
| 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:

M. Parmer-Garner  
R. Bianchi  
D. Bassett  
J. Clifford

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; Cindy DeCarlo, Controller BDG Operations; James Haas, Communications/Mutuels Manager; Sean Schiano, Director of Branch Operations; Edward Merriman, Manager of Branch Operations; Jake Rak, Controller WROTB Operations; Brian Quinn, The Daily News.

A roll of the membership of the Board having been called, Mr. Kiedrowski declared a quorum present.

Vice-Chairman Barnes proceeded to conduct the meeting following the published Agenda for this regular meeting.

Vice-Chairman Barnes then asked Director Mazur to lead the assemblage in the Pledge of Allegiance.

1. **Approval of Previous Minutes:**

Vice-Chairman Barnes called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of January 17, 2019. There being none, a motion was made by Director Morgan and seconded by Director Lauderdale to approve the January 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 Julie McIntyre for the memorable New Year's Eve Party held at Batavia Downs Gaming & Hotel.

3. **Officers' Reports:**

There were no Officers reports.

4. **Personnel Committee Report:**

Committee Chairman Wamp called the meeting to order on Wednesday, February 27, 2019 at 1:10 p.m. and the following business was discussed.

A discussion was held concerning the retirement of Gayle Ashbery, Director of Purchasing on March 29, 2019 and how this position would be replaced. Mr. William R. White, Vice President - Administration and Mr. Michael P. Nolan, Chief Operating Officer will provide Job Descriptions for the March meeting with plans for revamping the Department to cover all needs.

Mr. White informed the Committee regarding the Sexual Harassment Training that will start in March for all employees as well as the Board of Directors. The Officers and the Board of Directors will be the first group trained on Wednesday, March 27, 2019 beginning at noon. Mr. Sean Schiano, Director of Branch Operations and Mr. White spoke briefly about the Labor Law Conference that they attended.

A motion was made by Director Haberer at 1:15 p.m., seconded by Director May to enter into Executive Session. The Committee came out of Executive Session and the meeting was adjourned at 1:25 p.m.

5. **Finance Committee Report:**

Committee Chairman Lauderdale, called the meeting to order at 1:50 p.m. on Wednesday, February 27, 2019 and the following business was discussed.

Mrs. Jacquelyne Leach, Chief Financial Officer reviewed the December 2018 Chief Financial Officer Reports with Committee members, providing an overall summary of the month and explanations for several large variances, both revenues and expenses. The corporation paid out \$1,081,000 in surcharge in 2018 and \$1,157,000 in operational earnings for year 2018. She also provided explanation about the year-end non-cash items and a brief overview of January results. Overall 2018 was a much stronger year for the corporation than 2017, in terms of day to day operational performance.

Mrs. Leach also reviewed the December 2018 and January 2019 Batavia Downs 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 December 2018 as compared to December 2017.

Mrs. Leach handed out Member Municipality Net Revenue Summaries highlighting historical distributions to participating municipalities. These are for informational purposes only and are meant to be distributed amongst your municipality representatives.

The Finance Committee meeting adjourned at 2:15 p.m.

6. **Advertising Committee Report:**

Committee Vice-Chairperson May reported the Advertising Committee meeting was held on Wednesday, February 27, 2019 at 2:20 p.m. and the following business was discussed.

Mr. Todd Haight, General Manager Live Racing delivered a presentation of past and upcoming OTB events including early Kentucky Derby Prep Races. The battle of the branches will commence in the next few weeks.

6. **Advertising Committee Report:**

Customers of OTB have over \$300,000 in outstanding uncashed tickets and must cash them by March 31<sup>st</sup> of this year.

Mr. Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming, recapped recent events like the Million Dollar Dice Roll, the Soul Brother's indoor concert, & the very successful sports card expo and previewed all of 2019's upcoming events.

Mr. Hasenauer presented to the committee a Resolution needed to enter into an agreement with the Genesee Valley Pennysaver, a sole source provider for local advertising and promotions.

Upon motion by Committee Vice-Chairperson May and seconded by Director Lauderdale, a roll call vote was taken. Ayes: 13; Nays: 0; Absent 4; Parmer-Garner, Bianchi, Bassett, Clifford. The motion was approved to enter into an agreement with the Genesee Valley Pennysaver in the amount not to exceed \$25,000.00 (**See Resolution #13-2019**)

The Committee entered into Executive Session to discuss a marketing matter, and then adjourned at 2:40pm.

7. **Legislative Committee Report:**

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, February 27, 2019 at 3:30 p.m. and the following business was discussed.

Mr. Patrick McCarthy, Mercury Public Affairs, LLC updated the Committee on the budget talks. There will be an Opinion Editorial in the Sunday Albany paper written by Mr. Henry F. Wojtaszek, President & CEO to push our goals. There are two press conferences scheduled using Mr. Thurman Thomas as well. Mr. McCarthy believes we are well positioned with Addabo in the Senate, but still have some challenges in the Assembly.

The Legislative Committee meeting adjourned at 4:05 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 meeting was held on Wednesday, February 27, 2019 at 3:00 p.m. and the following business was discussed.

Mr. Mark Wolf, General Manager of Gaming provided Gaming statistics.

Mr. Haight provided a Live Racing recap.

Mr. Nolan updated the Committee of the recent Capital Awards Projects including the Gatsby opening, the progress of the Fortunes extension which should be completed in 2 weeks, and also the 34 Rush Kitchen which should be completed by April 1, 2019

Mr. Nolan informed the Committee of the Resolution needed for Sherwin Williams in the amount not to exceed \$40,000.00 for the purchase of various painting and construction projects.

Upon motion made by Committee Chairman Morgan and seconded by Director Siebert a roll call vote was taken. Ayes: 12; Nays: 0; Abstain: 1; Darrow; Absent: 4; Parmer-Garner, Bianchi, Bassett, Clifford. The motion was approved to award the purchases to Sherwin Williams not to exceed \$40,000.00. **(See Resolution #11-2019).**

Mr. Nolan informed the Committee of the Resolution amendment needed for Paddock Capital Project with the lowest bidder being Guadabri Inc. dba Secor Building Solutions in the amount of \$90,490.00

Upon motion made by Committee Chairman Morgan and seconded by Director Winter a roll call vote was taken. Ayes: 13; Nays: 0; Absent: 4; Parmer-Garner, Bianchi, Bassett, Clifford. The motion was approved to accept the amended resolution from Guadabri Inc. dba Secor Building Solutions not to exceed \$40,000.00. **(See Resolution #14-2018).**

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

Mr. Nolan informed the Committee of the approved two (2) year smoking waiver.

The Batavia Downs Committee meeting adjourned at 3:20p.m.

11. **Branch Operations Committee Report:**

Committee Chairperson Mazur reported the Branch Committee meeting was held on February 28, 2019 at 9:34 a.m. and the following business was discussed.

A Branch update was provided by Mr. Edward Merriman, Manager of Branch Operations. He reviewed work done by Rochester Maintenance at the Lyell and Marway Branches in Monroe County and the Newark Branch in Wayne County. Mr. Merriman reviewed the new door installed at the Military Branch, as well as new sub hires in Niagara County and Cayuga County.

Mr. James Haas, Communications/Mutuels Manager provided a Batavia Bets update stating the handle was over \$935,000 in January, up \$116,000 or 14%; month to date Batavia Bets is up 9% in February and year to date, up about \$183,000.

Mr. Mark Gabriele, Associate General Counsel informed the Committee that the Seneca Falls sale is finally complete. Transit has a buyer going through their due diligence.

Upon motion made by Committee Chairman Morgan and seconded by Director May a roll call vote was taken. Ayes: 13; Nays: 0; Absent: 4; Parmer-Garner, Bianchi, Bassett, Clifford. The motion was approved to accept the one (1) year lease at an annual rent of \$31,020.00. (See Resolution #14-2018).

A motion was made at 9:45 a.m. by Director Morgan to enter into Executive Session to discuss Branch Operation issues, seconded by Acting Chairman Barnes. A motion was made at 10:03 a.m. to exit the Executive Session by Director Hendrickson, seconded by Director Darrow.

The Branch Committee meeting adjourned at 10:05 a.m.

12. **Resolutions:**

Resolution #11-2019 Sherwin Williams  
Resolution #13-2019 Genesee Valley Penneysaver  
Resolution #14-2019 French Rd. Lease Extension  
Resolution #14-2018 Amended Gudabri Inc. dba Secor Building  
Solutions

13. **Unfinished Business:**

There was no unfinished business.

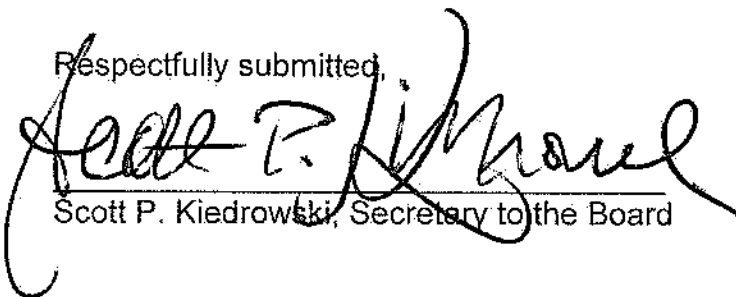
14. **New Business:**

The next Committee and Board meetings are scheduled for March 27<sup>th</sup>&  
28<sup>th</sup> respectively.

15. **Adjournment:**

Director Hendrickson made a motion to adjourn which Director Lauderdale  
seconded. The meeting was adjourned at 11:11 a.m.

Respectfully submitted,



Scott P. Kiedrowski, Secretary to the Board

/pma