

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 23rd day of May 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:

Buffalo	Michelle Parmer-Garner
Cayuga	Paul W. Lattimore
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
Rochester	Dennis Bassett
Steuben	John E. Clifford
Wayne	Ken Lauderdale
Wyoming	Susan May

Absent:

R. Haberer
P. Barnes
R. Ricci

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; Mark Wolf, General Manager of Gaming; James Haas, Communications/Mutuels Manager; Sean Schiano, Director of Branch Operations; Edward Merriman, Manager of Branch Operations; Jake Rak, Controller WROTBC Operations; Megan Glor, Director of Purchasing/Real Estate; 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 Director Clifford 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 April 25, 2019. There being none, a motion was made by Director Darrow and seconded by Director Hendrickson to approve the April 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 Barb Wojcicki for a set of Kentucky Derby glasses.

Mr. Kiedrowski informed the Board of a thank you note from Kara Richenberg, TVFCU Community Relations Coordinator for Batavia Downs sponsoring the 2019 FVFCU Jr. Banking Scholarship 5k/10k.

Mr. Kiedrowski informed the Board of a thank you note from Sue Underwood, Executive Director, Genesee Cancer Assistance, Inc. for the donation of brownie and cake mixes for their annual Genesee Cancer Assistance Spaghetti Dinner held on April 11, 2019.

Mr. Kiedrowski informed the Board of a thank you note from Grace Denniston, Corresponding Secretary of the Cobblestone Society & Museum for the stay and play donation for their fundraising dinner.

3. **Officers' Reports:**

There were no Officers reports.

4. **Personnel Committee Report:**

Committee Chairman Wamp called the meeting to order at 1:35 p.m. on Wednesday, May 22, 2019 and the following items were discussed:

4. **Personnel Committee Report continued:**

Mr. Henry F. Wojtaszek, President & CEO informed the Committee that staff will be making a proposal in the coming months to discuss the vacant position Administrative Assistant – Purchasing – Real Estate that remains open. Mr. Wamp requested the job description showing any job consolidations.

Mr. William R. White, Vice President - Administration informed the Committee of staff's request to eliminate the Buffalo Regional Office Manager's job due to the retirement of the current employee there effective May 31, 2019. A motion was made by Committee Chairman Wamp to eliminate this position, seconded by Director May and passed unanimously.

Mr. White and Mr. Sean Schiano, Director of Branch Operations explained the new job description and title change for the proposed new OTB Office Manager. This position will be filled by the current Rochester Office Manager Ms. Dina Pane. This new position would be effective June 3, 2019 with one time raise of \$6,000 prorated for the rest of 2019. A motion was made by Committee Chairman Wamp, seconded by Director Lauderdale and carried unanimously.

Mr. White described changes to the Compendium for the new proposed job reporting for Purchasing to report to the Chief Financial Officer. A motion was made Committee Chairman Wamp of the Director May and passed unanimously.

Mr. Wojtaszek explained the need for additional Gaming Floor positions to be added to the Compendium. Staff believes this would only require part-time and substitute positions.

Mr. Michael P. Nolan, Chief Operating Officer explained the need for additional positions in the Environmental Services Department. Staff believes these would only require substitute positions only.

Mr. Wojtaszek led a discussion for a Resolution on the need for representation by Connors LLP due to unfounded allegations that have been subject to media attention.

Upon motion by Director Wamp and seconded by Director Winter a roll call vote was taken. The motion passed to engage in representation with

4. **Personnel Committee Report continued:**

Connors LLP for the additional amount not to exceed \$35,000.00. Ayes: 13; Nays: 1 Clifford; Absent: 3; Haberer, Barnes, Ricci. (See Resolution #59-2019)

The Personnel Committee meeting was adjourned at 2:05 p.m.

5. **Finance Committee Report:**

Committee Chairman Lauderdale, called the meeting to order at 2:05 p.m. on Wednesday, May 22, 2019 and the following business was discussed.

Mr. Peter VanPutte, Director of TBG Commercial Capital Partners, LLC, reviewed the report provided by Commercial Capital Partners, who were engaged to provide an opinion of WROTB's current SWAP agreement, and its compliance with Western Regional Off-Track Betting Corporation's (WROTB) Interest Rate Swap Policy. The report confirmed that the SWAP agreement is compliant with WROTB's swap policy. The notional amount as of 12/31/18 is \$14,700,255, and compliant with risk limits.

Upon motion by Committee Chairman Lauderdale and seconded by Director Clifford a voice vote was taken. The motion passed to approve the SWAP agreement. Ayes: 14; Nays: 0; Absent: 3; Haberer, Barnes, Ricci.

Mrs. Jacquelyne Leach, Chief Financial Officer provided a brief overview of the proposed investment policy, and compared differences between the current policy and the new investment policy. The policy was reviewed and discussed among the committee.

Upon motion by Committee Chairman Lauderdale and seconded by Director Winter a voice vote was taken. The motion passed to approve the proposed corporate investment policy. Ayes: 14; Nays: 0; Absent: 3; Haberer, Barnes, Ricci.

Mrs. Leach reviewed the April 2019 Chief Financial Officer Reports with Committee members. Mrs. Leach discussed the results of operations for branches and Batavia Downs. The Corporation will distribute \$80,144.00 in surcharge to member municipalities for April and had operational earnings of \$389,827.00. April was a strong month for the Corporation with earnings 60% higher than projected in the 2019 Operating Plan.

5. Finance Committee Report continued:

Mrs. Leach also reviewed the April 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 Committee members, highlighting Batavia Downs Gaming performance in April 2019 as compared to April 2018.

Mr. Wojtaszek, informed the Committee of the Resolution needed in response to the negative media attention the Corporation has received in past months, Resolution #58-2019 welcomes the NYS Comptroller's Office to perform an audit of Western's operations. It was requested that if approved by the Board, a copy of this Resolution be sent out to each member municipality's legislative body.

Upon motion by Committee Chairman Lauderdale, and seconded by Director Siebert, Parmer-Garner, Lattimore, Hendrickson, Mazur, Wamp, Bianchi, Winter, Morgan, Darrow, Bassett, Clifford, and May. A roll call vote was taken. The motion passed to welcome the NYS Comptroller's Office to perform an Audit of Western's operations. Ayes: 14; Nays: 0; Absent: 3; Haberer, Barnes, Ricci. (See Resolution #58-2019)

The Finance Committee meeting adjourned at 2:55 p.m.

6. Advertising Committee Report:

Committee Chairperson Clifford reported the Advertising Committee meeting was held on Wednesday, May 22, 2019 at 2:55 p.m. and the following business was discussed.

Mr. Todd Haight, General Manager Live Racing delivered a presentation of events surrounding the Kentucky Derby and Preakness Stakes. The Derby was the best ever for WROTBC. All Derby related parties were well attended and patrons enjoyed themselves. Pictures of the festivities were shown. The interest in the Preakness was low due to the Derby winner not racing.

Upcoming OTB events the handicapping contest, Belmont Stakes and Queen's Plate were previewed.

6. **Advertising Committee Report continued:**

Mr. Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming showcased the new live racing website that will go live soon. He also reviewed photos of the recent events like the Dingus Day and Live Wrestling.

Mr. Hasenauer informed the Committee of the Resolution needed to enter in an agreement with the Riviera Theatre for the 2019 season.

Upon motion by Committee Chairman Clifford and seconded by Director Lauderdale. A roll call vote was taken. The motion passed to enter into an agreement with the Riviera Theatre for the 2019 season in the amount not to exceed \$15,000.00. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #48-2019)

Mr. Hasenauer informed the Committee of the Resolution needed to purchase a Chevy Cruise from Ken Barrett Chevy to be given away as a gaming floor prize fully reimbursed to Western from the NYS Gaming Commission Lapsed Prize Fund.

Upon motion by Committee Chairman Clifford and seconded by Director May. A roll call vote was taken. The motion passed to purchase a Chevy Cruise from Barrett Chevy in the amount not to exceed \$30,000.00. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #50-2019)

Mr. Hasenauer informed the Committee of the Resolution needed to authorize an expenditure to purchase food and beverage at the KeyBank Center during various events.

Upon motion by Committee Chairman Clifford and seconded by Director May. A roll call vote was taken. The motion passed to authorize an expenditure to purchase food and beverage at the KeyBank Center during various events in the amount not to exceed \$75,000.00. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #52-2019)

Mr. Hasenauer informed the Committee of the Resolution needed to enter into an agreement with Mark It Smart to purchase promotional items to be given away to patrons of Batavia Downs Gaming.

6. **Advertising Committee Report continued:**

Upon motion by Committee Chairman Clifford and seconded by Director Hendrickson. A roll call vote was taken. The motion passed to enter into an agreement with Mark It Smart in the amount not to exceed the items set forth below.

- Bedding, Blankets, Sheets, Comforters and Pillow in the amount of \$56,200.00
- Three (3) Quart Casserole Dishes in the amount of \$14,999.00;
- Round Glass Food Storage Containers in the amount of \$10,458.00;
- Two (2) Quart Casserole Dishes in the amount of \$10,359.00; and
- Rectangular Glass Food Storage Containers in the amount of \$10,836.00

Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #53-2019)

Mr. Hasenauer informed the Committee of the Resolution needed to advertise with Facebook and Instagram during the 2019 year.

Upon motion by Committee Chairman Clifford and seconded by Director Wamp. A roll call vote was taken. The motion passed to advertise and promote with Facebook and Instagram during the 2019 year in the amount not to exceed \$15,000.00. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #54-2019)

Mr. Hasenauer informed the Committee of the Resolution needed to purchase the William Ryan Group, Inc. App during the 2019 year.

Upon motion by Committee Chairman Clifford and seconded by Director May. A roll call vote was taken. The motion passed to purchase the William Ryan Group, Inc. App during the 2019 year in the amount not to exceed \$15,000.00. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #56-2019)

Mr. Hasenauer informed the Committee of the Resolution needed for the extension of the marketing and advertising agreement with Growth Marketing of New York LLC. beginning June 1, 2019 through December 31, 2019 in the amount not to exceed \$60,000.00

6. **Advertising Committee Report continued:**

Upon motion by Committee Chairman Clifford and seconded by Director May. A roll call vote was taken. The motion passed to extend the marketing and advertising agreement with Growth Marketing of New York LLC. in the amount not to exceed \$60,000.00. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #60-2019)

A discussion on the subject of the agreement with Growth Marketing was had by several directors regarding the procurement policy and the advice of General Counsel.

At the end of the Advertising Committee meeting, Director Clifford informed the board and staff that he had tendered his resignation and that a replacement from Steuben County will be forthcoming, and he will serve until that replacement is ready.

The Advertising meeting adjourned at 3:39pm

7. **Legislative Committee Report:**

Committee Chairman Hendrickson reported that the Legislative Committee meeting was held on Thursday, May 22, 2019 at 9:12 a.m. and the following business was discussed.

Mr. Patrick McCarthy of Mercury and Mr. Wojtaszek discussed the sports betting issue still ongoing in Albany. A hearing was held recently on this matter where a representative from Suffolk spoke for all OTB corporations. Mr. Wojtaszek and Mr. McCarthy believe that the OTBs and Racinos are still very much alive to have the "affiliate" language reintroduced prior to the end of this session.

Mr. Wojtaszek also discussed the Kmart issue and the extra cost associated with leasing or buying the grounds. A discussion came to the conclusion to table this matter for a few months as expansion is not necessary at this time.

The Legislative Committee meeting adjourned at 9:27 a.m.

8. **Insurance Committee Report:**

Mr. Wojtaszek reported the Insurance Committee meeting was held on Thursday, May 23, 2019 and the following business was discussed.

Mr. Wojtaszek informed the Board of the Resolution needed for the surety bond provided by AmWins Brokerage of New York, Inc.

Upon motion to waive the rules by Director Morgan and seconded by Director Lauderdale, a voice vote was taken. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. The motion passed.

Upon motion by Director Lauderdale and seconded by Director Morgan. A roll call vote was taken. The motion passed to authorize the purchase the surety bond at a cost of \$45,000 from AmWins Brokerage of New York, Inc. in the amount of \$45,000.00. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #62-2019)

Mr. Wojtaszek informed the Committee of the Resolution needed for Western to enter into a settlement agreement discontinuing the lawsuit by Western making a settlement payment to Commercial Insurance Consultants, Inc. of \$15,000.00.

Upon motion by Director Lattimore and seconded by Director Darrow. A roll call vote was taken. The motion passed for Western to enter into a settlement agreement with Commercial Insurance Consultants, Inc. and as such, to pay Commercial Insurance Consultants, Inc. the amount of \$15,000.00 as full settlement of this lawsuit. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #49-2019)

Upon motion to waive the rules by Director Morgan and seconded by Director Wamp, a voice vote was taken. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. The motion passed.

Mr. Wojtaszek informed the Committee of the Resolution needed for the renewal proposal from Garland Insurance & Financial Services to provide Western with Commercial Insurance coverage for a one (1) year term from June 1, 2019 through June 1, 2020.

8. **Insurance Committee Report continued:**

Upon motion to waive the rules by Director Morgan and seconded by Director Wamp, a voice vote was taken. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. The motion passed.

Upon motion by Director Morgan and seconded by Director Mazur. A roll call vote was taken. The motion passed to for the renewal proposal from Garland Insurance & Financial Services to provide Western with Commercial Insurance coverage for a one (1) year term from June 1, 2019 through June 1, 2020 for the renewal premium of \$654,789.00 plus the cost of adding Officer and Director coverage. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #61-2019)

The Insurance Committee meeting was adjourned 9:20 a.m.

9. **Audit Committee Report:**

Committee Chairman Bassett reported that the Audit Committee was held on Wednesday, May 22, 2019 at 4:30 and the following business was discussed.

Committee Chairman Bassett informed the Board that Mr. Hasenauer has been assigned as Chief Communications Officer.

Committee Chairman Bassett informed Committee of the previously approved corporate policy regarding the inspection and copying of records under Article 6 of the NYS Public Officers Law that the policy be amended by replacing the term Assistant General Counsel with Accountant, as well as to replace the term Comptroller with Chief Financial Officer.

Upon motion by Committee Chairman Bassett and seconded by Director Hendrickson. A roll call vote was taken. The motion passed to amend the previously approved corporate policy by replacing the term Assistant General Counsel with Accountant, as well as to replace the term Comptroller with Chief Financial Officer. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #51-2019)

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

Committee Chairman Morgan reported the Batavia Downs Operations Committee meeting was held on Wednesday, May 22, 2019 at 4 p.m. and the following business was discussed.

Mark Wolf, General Manager of Gaming provided gaming statistics.

Mr. Haight, provided a live racing recap. He informed the Committee that the track will be surveyed to finalize re-surfacing.

Mr. Nolan updated the Committee that the Town of Batavia has come up with a plan that includes a canopy over the cross walk. The rubberized brick crosswalk has gone out to bid and the opening is on May 29. A National Grid Rebate for lighting is also being reviewed.

Mr. Nolan updated the Committee that the Capital Project is nearly complete. The doors in 34 Rush are scheduled to be installed tomorrow. The kitchen equipment will be the last to install.

Mr. Wojtaszek updated the Committee of the upcoming 2019 Batavia Downs Concert Series. He informed the Committee that ticket sales and sponsorships are both progressing.

Mr. Haight informed the Committee of the Resolution needed for Race Secretary, Joseph Zambito. Western will pay Zambito for the services listed an amount not to exceed \$33,675.00 as follows:

Race Secretary	\$320.00 per diem
Public Announcer	\$175.00 per diem
Stall Supervisor	\$1,500.00 per year

Upon motion by Committee Chairman Morgan and seconded by Director Lauderdale. A roll call vote was taken. The motion passed to agrees to retain the services of Zambito as Race Secretary, Public Address Announcer and Stall Supervisor along the above terms and conditions for the 2019 live race season. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #46-2019)

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

Mr. Wojtaszek informed the Committee of the Resolution needed for authorization to enter into a series of separate agreements with the various nationally known performers who will provide the entertainment at the 2019 Summer Concert Series at its Batavia Downs in the amount not to exceed \$274,500.00.

Upon motion by Committee Chairman Morgan and seconded by Director Clifford. A roll call vote was taken. The motion passed authorizing to enter into a series of separate agreements with the various nationally known performers who will provide the entertainment at the 2019 Summer Concert Series at its Batavia Downs in the amount not to exceed \$274,500.00. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #57-2019)

The Batavia Downs Committee meeting adjourned at 4:25p.m.

11. **Branch Operations Committee Report:**

Committee Chairperson Mazur reported the Branch Committee meeting was held on May 22, 2019 at 9:30 a.m. and the following business was discussed.

Mr. Edward Merriman, Manager of Branch Operations showed the Committee photos of the work done by the new owner of concessions at the Military Road Branch in Niagara Falls. Mr. Merriman also spoke of the work done by skilled maintenance staff to prepare the branches for the Derby and Preakness.

Mr. Schiano informed the Committee that Batavia Bets was down \$97,000 or almost 10% in April. Through May 19th it was up \$2,600. The Derby was down \$9,000 or 4%. The Preakness was down \$17,000 or 10.6%. Year to date Batavia Bets is up over \$154,000 or 4%.

Mr. Schiano informed the Committee that he submitted the application for Robbie's Bar and Grill in Hilton, and is waiting on Finger Lakes approval to submit other Monroe County applicant.

11. Branch Operations Committee Report continued:

Mr. Schiano informed the Committee that it was our best ever Kentucky Derby, and second best day ever; Preakness was down due to no Triple Crown and first nice day of spring, but OTB still handled over \$1.1 million for the day.

Mr. Schiano informed the Committee of the Resolution needed for additional Daily Racing Forms from the Daily Racing Form.

Upon motion by Committee Chairperson Mazur and seconded by Director Bassett. A roll call vote was taken. The motion passed to purchase additional daily racing forms from the Daily Racing Form in the amount not to exceed \$22,000.00. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #47-2019)

Mr. Schiano informed the Committee of the Resolution needed for the Delaware Property Damage. The repairs to the building will be completed by Building Solutions and paid by Allstate Insurance Company.

Upon motion by Committee Chairperson Mazur and seconded by Director Hendrickson. A roll call vote was taken. The motion passed to authorize building Solutions to repair the Delaware property in the amount of \$25,714.53 which shall be paid for by Allstate Insurance Company. Ayes: 14; Nays: 0; Absent: Haberer, Barnes, Ricci. (See Resolution #55-2019)

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

12. Resolutions:

**Resolution #46-2019 Race Secretary
Resolution #47-2019 Daily Racing Form
Resolution #48-2019 Riviera Theatre
Resolution #49-2019 Settlement
Resolution #50-2019 Ken Barrett Chevy
Resolution #51-2019 Policy Change
Resolution #52-2019 KeyBank Center
Resolution #53-2019 Mark It Smart**

Resolution #54-2019 Facebook & Instagram
Resolution #55-2019 Delaware Property Damage
Resolution #56-2019 William Ryan Group, Inc.

12. Resolutions continued:

Resolution #57-2019 2019 Concert Performers
Resolution #58-2019 NYS Comptroller
Resolution #59-2019 Connors, LLC
Resolution #60-2019 Growth Marketing of New York, LLC
Resolution #61-2019 Garland Insurance
Resolution #62-2019 AmWins Brokerage of New York Inc.

13. Unfinished Business:

Director Hendrickson suggested that a PowerPoint presentation of a step by step progress of our facility be created to be used for various purposes including being sent to county legislative members. Mr. Wojtaszek replied there is a presentation that staff is building on and it will be ready by Legislative day.

14. New Business:

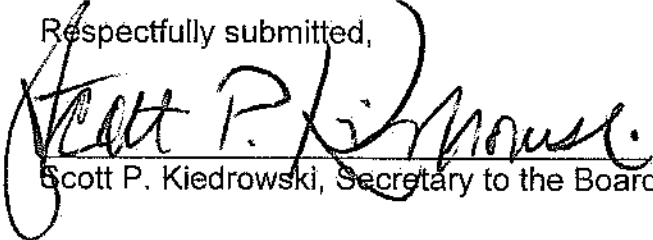
Chairman Bianchi reiterated to members and staff that Director Clifford announced his resignation. Chairman Bianchi stated he will remain until Steuben County replaces Director Clifford. Chairman Bianchi stated he will be missed on this Board and wished Director Clifford well in his future endeavors.

The next Committee and Board meetings are scheduled for June 26 & 27 respectively.

15. **Adjournment:**

Director Clifford made a motion to adjourn which Director Wamp seconded.
The meeting was adjourned at 10:50 a.m.

Respectfully submitted,



Scott P. Kiedrowski, Secretary to the Board

/pma