

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

BOARD OF DIRECTORS MEETING

April 24, 2025

10:30 a.m.

Batavia, New York

AGENDA

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Approval of Previous Minutes
5. Presidents Report
6. Finance Committee Report
7. Personnel Committee Report
8. Advertising Committee Report
9. Legal Committee Report
10. Legislative Committee Report
11. Batavia Downs Operations Committee Report
12. Insurance Committee Report
13. Audit Committee Report
14. Branch Operations Committee Report
15. New Business

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

Finance Committee Meeting
Wednesday – April 23, 2025
3:00 p.m.
Batavia, New York

Michael Horton, Chairman
Vincent Horrigan, Vice Chairman
Edward Morgan, Member
Paul Bartow, Member

Dennis Bassett, Member
Elliott Winter, Member
Terrance Baxter, Member
Kyle Black, Member

AGENDA

1. Executive Session

- a. Executive session for the discussion of the legal, medical, financial, credit or employment history of a particular person or corporation or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

2. 2024 Corporate Investment Report

- Z. Elliott

3. Chief Financial Officer Report & BDG Financials - March – 2025

- Z. Elliott

4. Regional VGM Numbers - March

- Z. Elliott

WESTERN REGIONAL OFF-TRACK BETTING
CORPORATION



MARCH 2025
FINANCIAL REPORT

WESTERN REGIONAL OFF-TRACK BETTING - SUMMARY OF CFO'S REPORT - ACTUAL RESULTS:

Operational Results - March 2025	March 2025	March 2024	March Plan
Total Handle	\$3,521,533	\$3,701,286	\$3,347,549
\$ Variance		(179,753)	173,984
% Variance		-5%	5%
VGM Net Win	\$8,589,371	\$7,878,387	\$7,963,477
\$ Variance		710,984	625,894
% Variance		9%	8%
Revenue net of Statutories	\$ 5,129,372	\$ 4,948,836	\$ 4,693,823
Operating Expenses	3,111,305	3,401,976	3,543,962
Earnings and Surcharge	2,018,067	1,546,860	1,149,861
Surcharge	49,967	46,421	42,697
Operational Earnings (Losses)	\$ 1,968,100	\$ 1,500,439	\$ 1,107,164
\$ Variance		467,661	860,936
% Variance		31%	78%

* Earnings are distributed on a quarterly basis

Segment Performance:	March 2025	March 2024	March Plan
BRANCH Earnings from Operations	\$ 134,163	\$ 342,935	\$ 44,080
Less: G&A Allocation	40,290	181,397	186,644
Earnings (Losses) net of G&A Allocation	\$ 93,873	\$ 161,538	\$ (142,564)
\$ Variance		(67,665)	236,437
% Variance		-42%	166%
BATAVIA DOWNS Earnings from Operations	\$ 1,968,237	\$ 1,762,161	\$ 1,685,230
Less: G&A Allocation	94,010	423,260	435,502
Earnings net of G&A Allocation	\$ 1,874,227	\$ 1,338,901	\$ 1,249,728
\$ Variance		535,326	624,499
% Variance		40%	50%
GENERAL AND ADMINISTRATIVE expense	\$ 134,300	\$ 604,657	\$ 622,145
\$ Variance		(470,357)	(487,845)
% Variance		-78%	-78%

Net Cash Distributions to Municipalities:	March 2025	March 2024	March Plan
SURCHARGE	\$ 49,967	\$ 46,421	\$ 42,697
\$ Variance		3,546	7,270
% Variance		8%	17%

Year to Date Surcharge and Net Revenue	March 2025	March 2024	March Plan
SURCHARGE	\$ 118,354	\$ 118,880	\$ 119,954
\$ Variance		(526)	(1,600)
% Variance		0%	-1%
NET EARNINGS AVAILABLE FOR DISTRIBUTION	\$ 2,837,237	\$ 1,980,231	\$ 1,599,253
\$ Variance		857,006	1,237,984
% Variance		43%	77%
TOTAL	\$ 2,955,591	\$ 2,099,111	\$ 1,719,207

CFO'S REPORT - March 2025

SUMMARY - WESTERN REGIONAL OTB CORPORATION - ALL LOCATIONS/DEPARTMENTS: ROUNDED

	2025 March	2024 March	2025 March Plan	2025 Year To Date	2024 Year To Date	2025 Operating Plan YTD
HANDLE (includes Live)	\$3,522,000	\$3,702,000	\$3,347,000	\$9,436,000	\$9,997,000	\$9,405,000
\$ Variance		(180,000)	175,000		(581,000)	31,000
% Variance		-5%	5%		-6%	0%
VGM Net Win	\$8,589,000	\$7,878,000	\$7,963,000	\$22,515,000	\$20,826,000	\$21,154,000
\$ Variance		711,000	626,000		1,689,000	1,361,000
% Variance		9%	8%		8%	6%
Revenue and Expense:						
Operating Revenue	9,829,000	9,317,000	9,040,000	25,369,000	23,782,000	23,955,000
\$ Variance		512,000	789,000		1,587,000	1,414,000
% Variance		5%	9%		7%	6%
Less: Statutory Expenses	4,700,000	4,368,000	4,346,000	12,367,000	11,582,000	11,608,000
\$ Variance		332,000	354,000		785,000	759,000
% Variance		8%	8%		7%	7%
Revenue before Operating Expenses	5,129,000	4,949,000	4,694,000	13,002,000	12,200,000	12,347,000
\$ Variance		180,000	435,000		802,000	655,000
% Variance		4%	9%		7%	5%
Less: Operating Expenses	3,111,000	3,402,000	3,544,000	10,047,000	10,101,000	10,628,000
\$ Variance		(291,000)	(433,000)		(54,000)	(581,000)
% Variance		-9%	-12%		-1%	-5%
Retained Surcharge/Net earnings	2,018,000	1,547,000	1,150,000	2,955,000	2,099,000	1,719,000
\$ Variance		471,000	868,000		856,000	1,236,000
% Variance		30%	75%		41%	72%
Retained Surcharge	50,000	46,000	43,000	118,000	119,000	120,000
\$ Variance		4,000	7,000		(1,000)	(2,000)
% Variance		9%	16%		-1%	-2%
Net Earnings(Losses) from Operations	1,968,000	1,500,000	1,107,000	2,837,000	1,980,000	1,599,000
\$ Variance		468,000	861,000		857,000	1,238,000
% Variance		31%	78%		43%	77%

	Operational Earnings	Earnings allocated to CAF	Distributable Earnings	2024 Year To Date	2025 Operating Plan YTD
1st Qtr. Operational Earnings*	\$2,837,237	\$91,322	\$2,745,915	\$1,884,642	\$1,599,253
\$ Variance				861,273	1,146,662
% Variance				46%	72%
Total YTD	\$2,837,237	\$91,322	\$2,745,915	\$1,884,642	\$1,599,253
\$ Variance				861,273	1,146,662
% Variance				46%	72%

* Available for Distribution

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

PERSONNEL COMMITTEE MEETING

Wednesday, March 26, 2025

3:30 p.m.

Batavia, New York

Elliott Winter, Chairperson
Vincent Horrigan, Vice-Chairperson
Mark Burr, Member
Patricia Marini, Member

Dennis Bassett, Member
Edward Morgan, Member
Susan May, Member

AGENDA

1. Executive Session

- a. Executive session for the discussion of the legal, medical, financial, credit or employment history of a particular person or corporation or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

2. Branch Union Contract Approval

- D. Fleming
- S. Casey

3. Corporate Policy

- D. Fleming

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

ADVERTISING & PROMOTIONS COMMITTEE

Wednesday – April 23, 2025

4:00 p.m.

Batavia, New York

Susan May – Chairperson
James Wilmot – Vice Chairperson
Dennis Bassett – Member
Edward Morgan – Member

Terrance Baxter - Member
Crystal Rodriguez-Dabney – Member
Elliott Winter – Member
Timothy Callan – Member

AGENDA

1. Executive Session
 - a. Executive session for the discussion of the legal, medical, financial, credit or employment history of a particular person or corporation or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.
2. Gaming/Branch Marketing Update - R. Hasenauer
3. Resolution 36-2025
 - Audio Images Sound & Lighting - R. Hasenauer

RESOLUTION # 36-2025

WHEREAS, the Western Regional Off-Track Betting Corporation ("Western") is the owner and operator of Batavia Downs Gaming and Hotel located at 8315 Park Road, Batavia, New York which holds an annual summer concert series at that location; and

WHEREAS, in order to hold the 2025 concert series, Western is required to provide sound systems, amplifiers, various other equipment and stagehands/laborers for the performers; and

WHEREAS, a public bid was held on April 14, 2025 for Audio Systems Rental and Services in which specifications were provided to three (3) firms and one (1) responding bid proposal was received, and

WHEREAS, staff recommends that the Board of Directors of Western accept the bid proposal received from Audio Images Sound & Lighting ("Audio"), 2 Tredeasy Avenue, Batavia, NY 14020 to provide such equipment and services for the 2025 Concert Series in an amount not to exceed \$100,000.00 ; and

RESOLVED, that the Board of Directors of Western accepts the bid for Audio Systems Rental and Services from Audio in an amount not to exceed \$100,000.00; and

BE IT FURTHER RESOLVED, that an officer of Western is authorized to execute an agreement that reflects the Board's actions.

Dated: April 24, 2025
Batavia, New York

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

LEGAL COMMITTEE MEETING

Wednesday, April 23, 2025

4:15 p.m.

Batavia, New York

Members Attending

Crystal Rodriguez-Dabney-Chairperson

Vincent Horrigan - Member

Charles Zambito- Vice-Chairperson

AGENDA

1. Executive Session

- a. Executive session for the discussion of the legal, medical, financial, credit or employment history of a particular person or corporation or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

2. Resolution 37-2025

-Legal Services / Employee Retention Credit RFP

- J. Owens

RESOLUTION #37-2025

WHEREAS, the Western Regional Off- Track Betting Corporation "Western" requires legal representation pursuant to a pending United States Tax Court matter; and

WHEREAS, legal ads for Legal Services were placed in three (3) surrounding area newspapers and requests for proposals were sent to two (2) firms; and

WHEREAS, Western received one (1) proposal to provide the required legal representation and upon review of an evaluation committee, it is recommended the proposal agreement received from Lippes Mathias LLP, 50 Fountain Plaza, Buffalo, NY be approved under a hybrid arrangement of two components: (1) an hourly rate that is capped at \$200,000.00 and (2) a contingency fee of \$250,000.00 for successful resolution of the United States Tax Court matter; and

WHEREAS, it is recommended that the Board of Directors of Western approve the agreement with Lippes Mathias LLP under these terms; and now

THEREFORE BE IT RESOLVED, that the Board of Directors of Western approves the proposed agreement for legal representation under the context of two components, a capped hourly rate of \$200,000.00 and contingency fee of \$250,000.00 for successful resolution, and

BE IT FURTHER RESOLVED, that an officer of Western is authorized to execute all documents as necessary in furtherance of the Board's approval and consent.

Dated: April 24, 2025
Batavia, New York

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

INSURANCE COMMITTEE **Wednesday, April 23, 2025** **4:30 p.m.**

Vince Horrigan – Chairperson
Mark Burr – Vice-Chairperson
Dennis Bassett – Member

James Wilmot - Member
Edward Morgan - Member
Tim Callan - Member
Patricia Marini – Member

1. Executive Session

- a. Executive session for the discussion of the legal, medical, financial, credit or employment history of a particular person or corporation or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

2. Resolution 35-2025

- Lawley Inc.

- M. Glor
- Z. Elliott

3. Resolution 38-2025

- Alterity Group

- M. Glor
- Z. Elliott

RESOLUTION - #35-2025

WHEREAS, it is the corporate responsibility of the Western Regional Off-Track Betting Corporation ("Western") to operate its various locations including its Batavia Downs Gaming location in a safe and efficient manner, while providing the best experience available to our patrons and employees; and

WHEREAS, Western is required to annually secure its video lottery gaming license surety bond in the amount of \$650,000.00, as required by New York State Gaming Commission Rules and Regulations in accordance with NYCRR Title 9, Executive Part 5103.5, the calculation of such bond requires a minimum coverage of 5 days of estimated average daily net win less an amount equal to the vendor's fee; and

WHEREAS, in May 2024, the RFP process was completed with three responses to provide Western with a broker of record for insurance coverages as needed. Upon board approval per Resolution 39-2024, Lawley Inc., ("Lawley") 361 Delaware Avenue, Buffalo, NY was selected as Broker of Record for a three (3) year term from June 1, 2024 through May 31, 2027; and

WHEREAS, Lawley Inc. recommends that Western obtain the required video lottery gaming license surety bond in the calculated amount of \$650,000.00 to be secured through Philadelphia Insurance Co. Group and payable to Lawley as broker at the annual cost of \$29,250.00 for the term 5/1/25 through 4/30/26; and now therefore

BE IT RESOLVED, that Western's Board of Directors hereby accepts to obtain the required video lottery gaming license surety bond in the amount of \$650,000.00 to be secured through Philadelphia Insurance Co. Group and payable to Lawley as broker at a cost of \$29,250.00; and

BE IT FURTHER RESOLVED, that an officer of Western is authorized to execute an agreement that reflects the Board's actions.

Respectfully submitted,

Dated: April 24, 2025
Batavia, New York

RESOLUTION # 38-2025

WHEREAS, it is the responsibility of Western Regional Off-Track Betting Corporation ("Western") to operate its business in a manner that is both efficient and economically practical; and

WHEREAS, Western self-insures its Workers' Compensation exposures, requiring ongoing professional oversight and expertise, and has sent out a Request for Proposals to three (3) firms, with two (2) firms responding and;

WHEREAS, since 2019, Alterity Group has provided comprehensive oversight for Western's self-insured Workers' Compensation program, developing deep familiarity with Western's operations and regulatory requirements. This established relationship has been cost-effective, will minimize transition costs, and ensure continuity of service; and

WHEREAS, a designated review committee unanimously recommends to accept the proposal received from Alterity Group to provide these consulting services for an initial three (3) year term at a fixed annual cost of Thirty-Seven Thousand Five Hundred Dollars (\$37,500)—a structure that remains more affordable than the alternative hourly proposal, while providing budgetary predictability—with the option for Western to renew for up to two (2) additional one (1) year periods, subject to a possible fee adjustment not to exceed five percent (5%) annually; and

WHEREAS, staff recommends that the Board of Directors of Western approve the agreement with Alterity Group under these terms; now, therefore, be it

RESOLVED, that the Board of Directors of Western approves the proposed agreement for Workers' Compensation Consulting Services with Alterity Group for an initial three (3) year term at an annual amount of \$37,500, with the option for two (2) additional one-year renewals subject to a maximum increase of five percent (5%) per renewal; and be it further

RESOLVED, that an officer of Western is authorized to execute all documents as necessary in furtherance of the Board's approval and consent.

Dated: April 24, 2025
Batavia, New York

Explanatory Note:

Since 2019, Alterity Group (formerly Self-Funding, Inc.) has served as Western's Workers' Compensation consultant, consistently delivering cost-effective services, comprehensive claims oversight, and regulatory support. Their fixed-fee model is more affordable than the alternative hourly proposal, provides budgetary predictability, and avoids transition disruptions. Continuing with Alterity ensures the most seamless and financially prudent path forward for Western's self-insured Workers' Compensation plan.

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

BRANCH OPERATIONS COMMITTEE MEETING

Thursday, April 24, 2025

9:00 a.m.

Batavia, New York

Mark Burr, Chairperson
Crystal Rodriguez-Dabney, Vice-Chairperson
Edward Morgan - Member
Patricia Marini, Member

Dennis Bassett, Member
Mark Bombardo, Member
Michael Horton, Member

AGENDA

1. Executive Session

- a. Executive session for the discussion of the legal, medical, financial, credit or employment history of a particular person or corporation or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

2. EZ Bet Update

- D. Pane

3. Batavia Bets

- D. Pane

4. Branch Update

- D. Pane

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

BATAVIA DOWNS OPERATIONS COMMITTEE

Thursday – April 24, 2025

9:15 a.m.

Batavia, New York

Edward Morgan - Chairperson
Charles Zambito - Vice-Chairperson
Dennis Bassett - Member
Kyle Black – Member

Paul Bartow – Member
Michael Horton - Member
Mark Bombardo - Member
Patricia Marini – Member

AGENDA

1. Executive Session

- a. Executive session for the discussion of the legal, medical, financial, credit or employment history of a particular person or corporation or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

2. Gaming Floor Update

- S. Schiano

3. Resolution 39-2025

- Crosby Brownlie, Inc

- S. Kiedrowski

RESOLUTION # 39- 2025

WHEREAS, the Western Regional Off-Track Betting Corporation ("Western") is the owner and operator of Batavia Downs Gaming and Hotel located at 8315 Park Road, Batavia, New York and it is the responsibility of Western to maintain the physical condition of its facility; and

WHEREAS, the Board of Directors and staff see as a fundamental duty the well-being of its patrons and employees who visit and use this facility; and

WHEREAS, the current boiler system which heats the 200,000 square foot facility consisting of five (5) boilers and building controls system has reached its age of use at twenty-three (23) years with two (2) boilers inoperable and deemed unrepairable; and

WHEREAS, the New York State Gaming Commission has approved Western to replace the five (5) boilers and the building controls system as a capital project in the amount of \$1.5 million dollars; and

WHEREAS, Western published legal ads in three (3) newspapers and bid information and specifications could be obtained from the web-based Avalon Document Services platform, and were obtained by four (4) companies; and

WHEREAS, a public bid opening was held on April 15, 2025, for the replacement of the five (5) boilers and the building controls system, and two (2) bid proposals were received; and

WHEREAS, Wendel Companies "Wendel", as engineer for said project and an evaluation committee, recommends the award for this project be made to Crosby-Brownlie Inc., "Crosby" 100 Nassau Street, Rochester, NY, the lowest responsible bidder in the amount of \$1,294,815.00; which is \$240,185.00 less in comparison with the second bid received; and now

THEREFORE BE IT RESOLVED, that the Board of Directors of Western award the contract for the replacement of five (5) boilers and the building controls system to Crosby in the amount of \$1,294,815.00; and

BE IT FURTHER RESOLVED, that an officer of Western is authorized to execute an agreement that reflects the Board's actions.

Dated: April 24, 2025
Batavia, New York

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

AUDIT COMMITTEE Thursday, April 24, 2025 10:00 a.m. Batavia, New York

Charles Zambito, Chairperson
Timothy Callan, Vice-Chairperson
Dennis Bassett, Member
Edward Morgan, Member

Vincent Horrigan, Member
Crystal Rodriguez-Dabney, Member
James Wilmot, Member
Paul Bartow, Member

AGENDA

1. Executive Session

- a. Executive session for the discussion of the medical, financial, credit or employment history of a particular person or corporation or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

2. Audited Financial Statements - The Bonadio Group

Mr. Randy Shepard