

**ORANGE COUNTY ECONOMIC DEVELOPMENT GAMING COMMITTEE
MINUTES**

**TUESDAY, MARCH 30, 2021
2:15 P.M.**

PRESENT: Kathy Stegenga, Chairwoman
Michael Amo, Katie Bonelli, Kevin W. Hines, James M. Kulisek,
Kevindaryán Luján, James D. O'Donnell, John S. Vero

ALSO

PRESENT: Leigh J. Benton, Legislator
Thomas Faggione, Legislator
Joseph J. Minuta, Legislator
Peter Tuohy, Legislator
Betsy N. Abraham, Legislative Counsel
Harold J. Porr, III., Deputy County Executive
Liz Delaney, Budget Analyst

Chairwoman Stegenga opened the meeting at 2:16 p.m. and asked everyone to stand for the Pledge of Allegiance. All committee members were present.

Ms. Stegenga stated that at their last meeting they received an update from Mr. Groth on Off-Track Betting (OTB) and they also received an update from Ms. Hablow and Ms. Slesinski. She noted that the figures were bleak. Mr. Groth informed them that they had betting in some of the bars but they were pulled out of the bars and the same for the horseracing.

Mr. Amo stated that there are other places around where people are sports betting throughout the state so he was unsure if it was a mandate. He thought they just shut down without checking in to see what they can do to provide Covid-19 safe environments. He questioned if Orange County wants to stay in the OTB business if they are getting no money from it and what is the advantage to Orange County. It is not mandatory. Westchester is not a member of Catskill OTB but they are one of the counties that could be and chose not to be a member.

Mr. Hines stated that they should have counsel research the scenario if they were to walk away, although it is premature now until they get to the end of the pandemic, but how much of the \$9 million is set aside for infrastructure and would Orange County be entitled or would it be referred back to the state. He added that he believed they were supporting themselves by dipping into the fund. He thought last time Mr. Groth came before them it was around \$12 million and when they heard from him last month it was down to \$9 million and that was a concern to him. Although they were told they cannot use that money for operating, they probably had no choice.

Ms. Stegenga agreed with what Mr. Hines mentioned. She received a follow up letter from Mr. Groth and they are using some of the money from other surplus areas since they

have no income coming in, or very minimal. He did not provide how much revenue they made last year since the pandemic so they do not know how much OTB actually brought in or what their operating budget is. She confirmed Mr. Amo's comments and added that many of the OTBs closed up by choice, not necessarily due to the pandemic.

Mr. Amo mentioned that the OTBs are not such revenue generators as they used to be because they are hard to maintain and people are not comfortable to go in especially with Covid-19. It seems that people are more into the advance deposit wagering (ADW). He stated that there are two bills, one from the Senate and one from the Assembly which is proposing mobile sports betting in New York. As of yesterday, according to articles in the media, the governor is not addressing this and it was not in the budget yet. Last he heard was that there was an 80% chance of sports betting next year, now it is down to 50/50. He mentioned that the state of New Jersey generates \$6.3 billion each year. In the proposed bill there was mention of putting up kiosks for OTBs. They should know within the next few days if the bill is put into the budget.

Mr. Kulisek asked if there was a cost affiliated with being part of the OTB.

Ms. Stegenga responded that there was no cost connected to being associated with the OTB.

Mr. Kulisek asked why would they withdraw if there is any kind of income from the OTB. Last year it was Covid restricted but why would they pull out now.

Ms. Stegenga responded that they were having a discussion on the status of OTB and where they are now, if they are benefiting, etc.

Mr. Hines clarified that no one suggested walking away but they should stake their claim to the \$9 million that is left. Last year it was \$12 million, this year it is \$9 million so they are bleeding money. Mr. Groth answered his questions last time they spoke and he was clear that they cannot survive under the current situation unless they get another revenue stream. He thought they should not pull out now but do the research so they are ready if the place goes belly up. He pointed out that prior to Covid, OTB was not making revenue for the county, they were making enough to pay their own salaries.

Mr. Amo commented that they should be prepared. There are four OTBs in the state of New York; Nassau, Suffolk on Long Island, Orange County and Catskill, and Capitol which goes north and all the way to the Canadian border, and western New York which is by Syracuse towards Buffalo. The difference is that western New York has Batavia Downs racetrack and VLT slot machines to boost their revenue so they are making a profit. Capitol is a little different because it has its own television station, it has its own casino with nice restaurants, you can play the horses and it is a nice location in Albany and they have an aggressive wagering platform. You can turn the television on and watch racing live across the county and bet on it.

Ms. Bonelli stated that they were not necessarily talking about leaving OTB but looking at their options. Something they need to do it is fill a vacancy on the board of directors to the Catskill Regional Off-Track Betting Corporation. They need to fill the vacancy with a strong person who will be their voice and report back to them. It would be good to get a consensus from the committee today and bring forward a name for the appointment. This

committee can only make a recommendation and then move it forward to the Rules, Enactments and Intergovernmental Relations Committee.

Mr. Vero made the motion to fill the Board of Directors vacancy to the Catskill Regional Off-Track Betting Corporation, seconded by Mr. Amo.

Ms. Stegenga stated that the name they put forward is Benjamin Ostrer. They had a discussion with him and he is interested. She felt he would be a great fit and added that he has a legal background which is great.

Mr. Amo commented that Mr. Ostrer would be a terrific fit.

Ms. Bonelli supported the nomination of Benjamin Ostrer. She stated that they have always been fortunate to have Michael Amo on the committee since he has an involved interest in this industry. Anyone he would recommend to fill a vacancy, she would thoroughly support.

Mr. Vero mentioned that he spoke with Mr. Ostrer on the phone the other day and he is definitely interested. He has known Mr. Ostrer for over thirty years and to have an attorney on the board is a good thing and he is a good fit.

Motion carried. All in favor.

On the motion of Mr. Amo, seconded by Mr. Vero, the meeting adjourned at 2:46 p.m.