

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 24th day of July 2014, 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	Maurice L. Garner
Cattaraugus	Richard E. Haberer
Cayuga	Paul W. Lattimore, Jr.
Chautauqua	Roger E. Ruckman
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Orleans	Marcia B. Tuohey
Oswego	Ronald B. Darrow
Seneca	Richard L. Ricci
Steuben	John E. Clifford
Wayne	Kenneth Lauderdale
Wyoming	James A. Foley

Absent:

D. Bassett
P. Smith
S. Kiedrowski

constituting the Directors of all participating municipalities.

Also participating were: Michael D. Kane, President & Chief Executive Officer; Michael P. Nolan, Executive Vice President/COO; William R. White, Vice President – Administration; Jacquelyne A. Leach, Comptroller; Barbara Mruczek, Deputy Comptroller; Mark Wolf, Director of Video Gaming; Steven J. Haigh, Internal Auditor; Edward Merriman, Manager of Branch Operations; Sean Schiano, Director of Branch Operations; Todd Haight, Director/General Manager of Live Racing/Branch Specialist; Cindy DeCarlo, Controller; Gayle Ashbery, Director of Purchasing; James Haas, Communications/ Mutuels Manager.

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

Chairman Richard Bianchi proceeded to conduct the meeting following the published Agenda for this regular meeting.

Chairman Bianchi then asked Director Ricci 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 June 26, 2014. There being none, a motion was made by Mr. Garner and seconded by Mr. Ruckman to approve the June minutes as submitted. The minutes were approved unanimously by a voice vote.

2. Communications:

Mr. Kane advised the Board of the Licensing Renewal procedure of the New York State Gaming Commission.

3. Officers' Reports:

There were no Officer's Reports.

4. Finance Committee Report:

Committee Chairman Ken Lauderdale reported that the Finance Committee meeting was held on Wednesday, July 24, 2014 at 2:30 p.m. and the following business was considered.

Mrs. Leach presented the June 2014 Comptroller's Report to the Committee. This was provided for informational purposes only.

Mrs. Leach informed the Committee the Office of the State Comptroller would be on site at Batavia Downs Gaming Beginning Thursday, July 24, 2014 to conduct an audit on WROTBC's financial performance for the period July 1, 2009 through June 30, 2014. This audit is being done at all the NYS OTB's. This was provided for informational purposes only

The Finance Committee meeting adjourned at 2:45 p.m.

5. Personnel Committee Report:

Committee Chairman Thomas Wamp reported the Personnel Committee meeting was held on Wednesday, July 23, 2014 at 1:30p.m.

5. Personnel Committee Report Continued:

Mr. Wamp informed the Board that the GCC and in house training program that the corporation conducted, have been completed with positive results.

Mr. Wamp informed the Board of the reorganization of the Food and Beverage Department which went into effect June 2014.

Mr. White informed the Board that the new union UPSEU negotiations are on hold until we receive their new position papers.
The Personnel Committee adjourned at 1:45 p.m.

6. Legislative Committee Report:

Committee Vice-Chairman Mr. Siebert reported the Legislative Committee met on Wednesday, July 23, 2014. Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP and Mr. Paul Tokasz from Patricia Lynch Associates, were available via telephone conference.

Various issues were discussed with our consultants.

Mr. Kane informed the Committee that the Governor signed the bill extending tax-free free play to 15% and allowing for flexible hours of operation.

Mr. Kane informed the Committee that discussions are ongoing with CDI.

The Legislative Committee was adjourned.

7. Insurance Committee Report:

Committee Chairman Mr. Lattimore reported the Insurance Committee met on Wednesday, July 23, 2014 at 4:00 p.m.

Mr. Lattimore informed the Board of the status of the Worker's Compensation update.

8. Advertising Committee Report:

Committee Chairman John Clifford reported the Advertising and Promotions Committee met on Wednesday, July 23, 2014 at 1:55 p.m.

Director of Marketing, Ryan Hasenauer, and General Manager of Live Racing, Todd Haight, presented events for OTB and for the upcoming race season.

Mr. Hasenauer recapped July's promotions. The Marketing convention in Las Vegas was also recapped. August cash Drawings were previewed.

The Advertising and Promotions Committee adjourned at 2:30 p.m.

9. Audit Committee Report:

Committee Chairman Richard Haberer reported the Audit Committee met on Wednesday July 23, 2014 at 4:13 p.m.

Mr. Haight informed the Committee of an update of recent audit work was reviewed which included the quarterly gaming audits. He also informed the Committee of the updates to the Minimum Internal Control Standards and Procedures that have been completed and approved by the Gaming Commission. Other audits progressing include the EZ Bet inventories, branch inventories and new assets associated with the completed Batavia Downs construction.

The Audit Committee adjourned at 4:20p.m.

10. Batavia Downs Committee Report:

Chairman Paul Lattimore reported the Batavia Downs Committee met on Wednesday, July 23, 2014 at approximately 3:00 p.m.

Mr. Lattimore reported the figures and monthly Status Report with gaming statistics was provided to the committee by Mr. Mark Wolf.

11. Branch Operations Committee Report:

Chairperson Maurice Garner reported that the Committee met on Thursday, July 24, 2014 at 9:31 a.m.

Mr. Merriman informed the Committee we are still holding at 27 E-Z bet facilities in total. Also mentioned was that Oaks in Steuben County's paperwork is still in Albany.

Mr. Haas informed the Committee that Batavia Bets handle has tripled on Batavia Downs opening night this year. Also mentioned was in the month of July we are projected to be up \$150,000 and year to date is expected to go from \$2.6 million to \$4.1 million dollars in overall handle.

Mr. Merriman informed the Committee of the closing of the Bullshead location on Mondays and Tuesdays beginning Monday, August 4, 2014. This is in an effort to keep the branch open. Earlier this month we closed the Olean location on Tuesdays. Per Director Lauderdale's request, we checked into closing nights at Newark. The Newark branch will remain open Friday and Saturday nights. Also noted was that 67% of the handle from Main Street has transferred to Military Road and River Road Locations. The recent armed robbery at the Lyell/Broad location was mentioned. Mr. Merriman informed the members that the Corporation is in contract with employee assistance programs to visit the employees affected by the incident.

The Branch Operations Committee meeting adjourned at 9:50 a.m.

12. Unfinished Business:

No unfinished business.

13. New Business:

The next Committee and Board meetings will be held on August 27 and 28, 2014 respectively.

14. Adjournment:

Mr. Haberer made a motion to adjourn which Ms. Tuohey seconded. The meeting was adjourned at 10:13 a.m.

Respectfully submitted,

Secretary to the Board

/pma

