

**WESTERN REGIONAL OFF-TRACK BETTING CORPORATION**

Minutes of the regular meeting and regular meeting of Board of Directors of the Western Regional Off-Track Betting Corporation, held on the 23<sup>rd</sup> day of May, 2013, and commencing at 10:15 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
Niagara	Scott Kiedrowski
Orleans	Marcia B. Tuohey
Oswego	Ronald B. Darrow
Schuyler	Philip C. Smith
Seneca	Richard L. Ricci
Steuben	John E. Clifford
Wayne	Ken Lauderdale
Wyoming	James A. Foley

**Absent:**

D. Bassett

constituting the Directors of all participating municipalities.

Also participating were: Michael D. Kane, President & Chief Executive Officer; Michael Nolan, Executive Vice President/COO; Henry F. Wojtaszek, General Counsel and Secretary; Jacquelyne A. Leach, Comptroller; Barbara Mruczek, Deputy Comptroller; Steven J. Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; William R. White, Vice President - Administration; Todd Haight, General Manager of Live Racing; Cindy DeCarlo, Controller; Gayle Ashbery, Director of Purchasing; Ryan Hasenauer, Director of Marketing-WROTB and Video Gaming and Mark Wolf, Director of Video Gaming.

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

Chairman Bianchi then asked Director Tuohey 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 meetings of April 25, 2013. There being none, a motion was made by Mr. Lauderdale and seconded by Mr. Garner to approve the April minutes as submitted. The minutes were approved unanimously by a voice vote.

**2. Communications:** There were no Communications.

**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, May 22, 2013 at 2:34 p.m. and the following business was considered.

a. A financing update was provided by Mrs. Leach on the Corporation's progress securing financing for the Batavia Downs Casino capital project.

Mr. Rick Ganci, Financial Advisor from Capital Markets Advisors and Mr. Robert Fuller, Interest Swap Advisor of Capital Markets Management discussed interest rate swaps to be used on conjunction with the financing with the Committee.

The group discussed the First Niagara loan and the interest rate swap proposed.

b. Mrs. Leach provided the April 2013 Comptroller's report.

**5. Personnel Committee Report:**

Committee Chairperson Wamp reported the Personnel Committee met on Wednesday, May 22, 2013 at 1:30 p.m.

a. The Committee entered into executive session at 1:35 and reconvened at 2:33 p.m. and then adjourned.

**6. Legislative Committee:**

Committee Chairman Scott Kiedrowski reported that the Legislative Committee met on Wednesday, May 22, 2013 at 4:30 p.m. Lisa Marrello from Wilson Elser Moskowitz Edelman & Dicker, LLP and Paul Tokasz from Patricia Lynch Associates were available via telephone conference.

a. The Lobbyists provided information from various meetings in Albany relevant to Batavia Downs racing and gaming matters.

b. Mr. Mike Kane will be attending a meeting in Albany regarding ADW legislation on May 29<sup>th</sup>. A summary of the meeting will be provided at the next Committee meeting.

c. Mr. Kane informed the Committee that the Agreement with Patricia Lynch will expire on June 30, 2013. A new agreement has been proposed with no changes at a monthly rate of \$3,000 for representation in Albany and locally. This was approved by the Committee.

A motion was then made by Mr. Siebert and seconded by Mr. Ruckman to enter into an agreement with Patricia Lynch Associates for representation with legislative matters for the next year with an option of termination with a thirty day notice payable at the amount of \$36,000 each or a monthly rate of \$3,000 each. A roll call vote was taken. Ayes: 14; Nays: 1, Clifford; Abstain: 1, Garner Absent: 1, Bassett. The motion passed. **(See Resolution # 44-2013).**

**7. Insurance Committee:**

Director Lattimore reported that the Insurance Committee met on Wednesday, May 22, 2013 at approximately 4:50 p.m. to discuss the renewal of the insurance plan for the Corporation.

Mr. Tim McMullen, President of Commercial Insurance Consultants, Inc., presented the necessary coverage for the need of WROTBC regarding the Property Casualty Insurance plan. Mr. McMullen answered questions that the Committee had.

A motion was then made by Mr. Lattimore and seconded by Mr. Ruckman to accept the quotation from Property Casualty Insurance as appended to the resolution. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 53-2013).**

**8. Advertising Committee:**

Chairman Clifford reported that the Committee met on Wednesday, May 22, 2013 at 4:15 p.m.

- a. The Kentucky Derby and Preakness events and ads were recapped by Messrs. Hasenauer and Haight. It was noted that BataviaBets has new signups.
- b. The May promotions including the BDC anniversary drawings and Mystery vouchers were recapped.
- c. For the month of June a car and a cruise giveaway are planned. A free play giveaway for the top players will be promoted. A commitment of \$28,000 was secured from Bally slot machine manufacturer to be used for the top players.
- d. Director Siebert commended the staff for the contributions to a local charity event. On June 8<sup>th</sup> there will be a local parade with anticipated participation from BD.

**9. Audit Committee:**

Vice Chairman Haberer noted that the items needed to be discussed were addressed at the Personnel Committee meeting. Therefore, the Audit Committee did not meet.

**10. Batavia Downs Committee:**

Chairman Lattimore reported to the Board that the Batavia Downs Committee met on Wednesday, May 22, 2013 at approximately 4:00 p.m.

- a. The monthly Status Report with gaming statistics was provided to the Committee by Ms. Cindy DeCarlo.
- b. Mr. Mark Wolf provided Gaming information from the month of April and a summary of the month of May.
- c. Preparations for the 2013 Racing Season were provided by Mr. Todd Haight.

**10. Batavia Downs Committee (continued):**

d. Mr. Tom Balk informed the Committee of the progress of Park Road and the Construction Project. The Committee was pleased with the reports.

d. Mr. Kane reported that there will be accessibility changes from the parking lot to Batavia Downs via an addition crossing area.

e. The Committee was provided bid results for machine bases and carousels by Mr. Mark Wolf. A public bid was held on May 17, 2013.

A motion was then made by Mr. Lattimore and seconded by Mr. Garner to purchase the gaming bases, etc. from Innovative Casino Products under the Capital Awards Program in the amount of \$121,211.17. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 45-2013).**

f. Mr. Kane informed the Committee of the need to award bids for the Capital Project Phase 6A. Mr. Tom Fraser of Fraser Engineering has reviewed the bids and has submitted his recommendations for the items.

Chairman Lattimore informed the Committee that Resolutions 46, 47, 48, 49, 50, 51, and 52 require the rules to be waived and consider doing so in one motion.

A motion was made by Mr. Lattimore and seconded by Mr. Siebert to waive the rules for motions 46 thru 52. A voice vote passed the motion unanimously.

g. Mr. Kane informed the Board that a bid was opened on May 20, 2013 for general construction of miscellaneous work under the Capital Awards Program for Phase 6A. The Officers and Staff recommend the award for general construction to Whitney East of Rochester, NY in the amount of \$125,400.00 with a 10% contingency per appended bid sheet.

A motion was made by Mr. Garner and seconded by Mr. Lattimore to award the bid to Whitney East in the amount of \$125,400.00 with a 10% contingency. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 46-2013).**

i. Mr. Kane informed the Board that a bid was opened on May 20, 2013 for plumbing work for Phase 6A. The Officers and Staff recommend the award for plumbing work to Leo J. Roth of Rochester, NY in the amount of \$178,000.00 with a 10% contingency per appended bid sheet.

**10. Batavia Downs Committee (continued):**

A motion was made by Mr. Lattimore and seconded by Mr. Siebert to award the bid to Leo J. Roth in the amount of \$178,000.00 with a 10% contingency. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 47-2013).**

k. The Board was informed by Mr. Kane that a public bid was held on May 20, 2013 for labor and materials for mechanical (HVAC) under the Capital Awards Program for Phase 6A. The Officers and Staff recommend the award for HVAC work to Leo J. Roth of Rochester, NY in the amount of \$327,800.00 with a 10% contingency per appended bid sheet.

A motion was made by Mr. Lattimore and seconded by Mr. Darrow to award the bid to Leo J. Roth in the amount of \$327,800.00 with a 10% contingency. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 48-2013).**

l. The Board was informed by Mr. Kane that a public bid was held on May 20, 2013 for labor and materials for installation of fire protection under the Capital Awards Program for Phase 6A. The Officers and Staff recommend the award for necessary fire protection to Allied Fire Protection Systems, Inc. of Falconer, NY in the amount of \$7,150.00 with a 10% contingency per appended bid sheet.

A motion was made by Mr. Lattimore and seconded by Mr. Haberer to award the bid to Leo J. Roth in the amount of \$7,150.00 with a 10% contingency. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 49-2013).**

m. The Board was informed by Mr. Kane that a public bid was held on May 20, 2013 for electrical and fire alarms under the Capital Awards Program for Phase 6A. The Officers and Staff recommend the award for installation of electrical and fire alarms to Hewitt Young of Rochester, NY in the amount of \$86,000.00 with a 10% contingency per appended bid sheet.

A motion was made by Mr. Lattimore and seconded by Mr. Foley to award the bid to Hewitt Young in the amount of \$86,000.00 with a 10% contingency. A roll call vote was taken. Ayes: 15; Nays: 1, Clifford; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 50-2013).**

**10. Batavia Downs Committee (continued):**

n. The Board was informed by Mr. Kane that a public bid was held on May 20, 2013 for flooring under the Capital Awards Program for Phase 6A. The Officers and Staff recommend the award for purchase and installation of flooring to Corporate Floors U.S.A. of Rochester, NY in the amount of \$98,446.00 with a 10% contingency per appended bid sheet.

A motion was made by Mr. Lattimore and seconded by Mr. Ruckman to award the bid to Corporate Floors U.S.A. in the amount of \$98,446.00 with a 10% contingency. A roll call vote was taken. Ayes: 14; Nays: 2, Clifford, Lauderdale; Absent: 1, Bassett. The motion passed. **(See Resolution # 51-2013).**

o. Mr. Kane informed the Committee of the retirement of Mr. Fran Mruczek, Track Superintendent. With the upcoming 2013 Live Racing season, preparations are needed to prepare the track for racing. A need for a Trackman who will be able to maintain the track in racing condition is required.

A motion was made by Mr. Lattimore and seconded by Mr. Garner to approve the consultant agreement for Mr. Fran Mruczek as a trackman as noted. A voice vote was taken. Ayes: 16; Nays: 0, Absent: 1, Bassett. The motion passed. **(See Resolution # 52-2013).**

**11. Branch Operations Committee:**

Chairman Maurice Garner reported that the Committee met on May 23, 2013 at 9:30 a.m.

a. An E-Z Bet update was provided by Mr. Sean Schiano

b. Mr. Ryan Hasenauer provided the Members of the Committee with the progress of BataviaBets. A report of the rewards program and the website upgrade was provided.

c. General Counsel Wojtaszek informed the Committee of the sale of Newark OTB.

d. General Counsel Wojtaszek informed the Committee of the status of the sale of State Street OTB.

e. Mr. Schiano discussed the McKinley property with the Committee.

**11. Branch Operations Committee (continued):**

f. Mr. Schiano informed the Committee that a concessionaire for the Auburn branch has been addressed.

A motion was made by Mr. Garner and seconded by Mr. Darrow to enter into an agreement with Mr. Osman A. Elhamahmy as the concessionaire for the Auburn branch.

g. The Committee was informed by Mr. Schiano that a potential lease/concession at the Military Road branch is still being sought.

h. The RICOH printers are continued to be installed at branches.

h. There was discussion regarding the Triple Crown.

**12. Resolutions:**

44-2013	Renewal of Patricia Lynch Assoc. Agreement Renewal
45-2013	Purchase Gaming Bases/Panels
46-2013	Cap Improvement Phase 6A General Construction
47-2013	Cap Improvement Phase 6A Misc Plumbing Work
48-2013	Cap Improvement Phase 6A HVAC
49-2013	Cap Improvement Phase 6A Fire Protection
50-2013	Cap Improvement Phase 6A Elec & Fire Alarms
51-2013	Cap Improvement Phase 6A Flooring
52-2013	Consultant Agreement for Track Man
53-2013	Commercial Insurance Consultants Renewal

**13. Unfinished Business:**

Mr. Kane informed the Board that after conversation with NYS Gaming Commission, they have with the change of policy whereby off-site non-licensed employees will now be allowed to participate in video gaming at WROTBC.

**14. New Business:**

Chairman Bianchi congratulated Ms. Tuohey as being named 2013 New York State Senate Woman of Distinction by Senator George Maziarz.



**14. New Business (continued):**

Mr. Haight announced that the Breast Cancer Coalition of Rochester Fund Raiser will be held on July 24, 2013.

Mr. Kane informed the Board the 2013 Global Symposium on Racing and Gaming will be held on December 9 thru December 12, 2013 in Tuscon, Arizona.

The next Committee and Board meetings will be held on June 26 and June 27, 2013 respectively.

**15. Adjournment:**

A motion was made by Mr. Lattimore and seconded by Ms. Tuohey to adjourn the meeting. The meeting was adjourned at 10:47 a.m.

Respectfully submitted,

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Secretary to the Board