

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 April 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. Gardner
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
Rochester	Dennis Bassett
Seneca	Richard L. Ricci
Steuben	John E. Clifford
Wayne	Kenneth Lauderdale
Wyoming	James A. Foley

Absent:

S. Kiedrowski
P. Smith

constituting the Directors of all participating municipalities.

Also participating were: Michael D. Kane, President & Chief Executive Officer; Michael P. Nolan, Executive Vice President/COO; Jacquelyne A. Leach, Comptroller; Barbara Mruzek, Deputy Comptroller; Ryan Hasenauer, Director of Marketing-WROT & Video Gaming; Steven J. Haigh, Internal Auditor; Edward Merriman, Manager of Branch Operations; 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 and Jim Krencik of the Daily News.

A roll of the membership of the Board having been called, Mr. White 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 Mazur 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 March 27, 2014. There being none, a motion was made by Mr. Haberer and seconded by Mr. Ruckman to approve the March 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, April 23, 2014 at 3:00 p.m. and the following business was considered.

- a. Mrs. Leach presented the Investment Report to the Board of Directors for discussion. She stated that in accordance with the Investment Policy and Guidelines of the Corporation adopted by the Board of Directors on March 27, 1986, the Corporation's 2013 Investment Report was submitted.

Upon motion by Mr. Haberer seconded by Mr. Ruckman, a voice vote was taken. Ayes: 15, Nays: 0, Absent: 2, Kiedrowski, Smith. The motion was approved.

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

The Finance Committee meeting adjourned at 3:13p.m.

5. Personnel Committee Report:

Committee Vice-Chairman Richard Ricci reported the Personnel Committee meeting was held on Wednesday, April 23, 2014 at 1:30p.m.

5. Personnel Committee Report Continued:

Mr. White asked for Committee approval to change the Personnel Policy regarding an employee resigning their position. All employees that are a Grade 7 and above, as well as the Graphics and Creative Design Manager, will be required to give a minimum of a 30 day notice. Failure to give the proper notice will result in forfeiture of vacation accrual. The Committee passed this unanimously.

Upon motion by Ms. Mazur seconded by Mr. Clifford, a voice vote was taken. Ayes: 15, Nays: 0, Absent: 2, Kiedrowski, Smith. The motion was approved.

Mr. White informed the Committee that Harassment & Discrimination training would be conducted on four dates in May and three in June. Directors are required to attend, as this is an annual training.

A motion was made by Vice-Chairperson Ricci to enter into Executive session to discuss personnel matters, seconded by Mr. Foley at 1:40 p.m. and returned to regular session at 2:05 p.m.

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

6. Legislative Committee:

Mr. Kane reported the Legislative Committee met on Wednesday, April 23, 2014 at approximately 4:25 p.m.

- a. Various issues were discussed with our consultants concerning Casino Gaming in Western NY.

7. Insurance Committee:

No meeting was held.

8. Advertising Committee:

Committee Chairman John Clifford reported the Advertising and Promotions Committee met on Wednesday, April 23, 2013 at 2:25p.m.

- a. Mr. Clifford reported Ryan Hasenauer, Director of Marketing recapped April's promotions including the car drawing. He also previewed the Anniversary Promotion for May 9, 2014. A preview of the Golf Tournament and Minor League Baseball nights was publicized. Mr. Hasenauer will help spread Derby information using new media partners.

8. Advertising Committee Continued:

Mr. Clifford reported Todd Haight, GM of Live Racing, previewed OTB and EZ Bet events for the Kentucky Derby and the rest of the Triple Crown. Mr. Haight will be on several radio stations to spread Derby information.

The Advertising and Promotions Committee adjourned at 2:50 p.m.

9. Audit Committee:

Committee Chairman Dennis Bassett reported the Audit Committee met on Wednesday, April 23, 2014 at approximately 4:38 p.m.

Mr. Bassett reported Mr. Craig Stevens from The Bonadio Group presented the 2013 Audited Financial Statements and the audit of the Marketing expenditures. Mr. Stevens reported the professional standards requirements and no changes were noted from the previous year.

Mr. Bassett reported the Presentation of the Management Discussion, Analysis and management responsibilities consist of, the auditor's responsibilities, and the opinion expressed on the financial statements.

Upon motion by Mr. Lauderdale and seconded by Mr. Bianchi, to accept the 2013 audited financial statements and marketing expenditure audit presented by Craig Stevens of the Bonadio Group, a voice vote was taken. Ayes: 15, Nays: 0, Absent: 2, Kiedrowski, Smith. The motion passed.

The Audit committee entered into executive session at 5:01p.m. and returned into regular session at 5:13 p.m.

Mr. Haigh reviewed a summary of the audit of accounts payable and construction contracts with the committee.

The Audit Committee adjourned at 5:23p.m.

10. Batavia Downs Committee:

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

10. Batavia Downs Committee Continued:

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

Upon motion to waive the rules for the resolution pertaining to the Batavia Downs Committee by Mr. Lattimore and a second by Mr. Foley, a voice vote was taken. Ayes: 15; Nays: 0; Absent: Kiedrowski, Smith. The motion was approved.

b. Mr. Kane advised the Board that staff recommended approving the water service with backflow prevention to John W. Danforth Company in the amount of \$23,000 with a 10% contingency. **(See Resolution # 17-2014).**

Upon motion by Mr. Lattimore seconded by Mr. Bassett, a roll call vote was taken. Ayes: 15, Nays: 0, Absent: 2, Kiedrowski, Smith. The motion was approved.

11. Branch Operations:

Chairman Maurice Garner reported that the Committee met on Thursday, April 24, 2014 at 9:30 a.m.

a. Mr. Merriman informed the Committee that the Rainbow Lanes EZ Bet in Cayuga County opened last week. The Wolcott Hotel in Wayne County opened April 23, 2014.

b. Mr. Schiano informed the Committee of the sale of the East Mohawk property for \$510,000. The closing for the sale of Corning property should be early next week.

c. Mr. Haas informed the Committee that CDI is being very uncooperative with the new rates for the contract. We are working with our OTB partners as well as NYRA to find the best deal possible.

d. Mr. Haas informed the Committee that Batavia Bets numbers are well above last year's numbers. Mr. Schiano informed the Committee that in the first quarter of 2014 the Company saved \$45,903.00 compared to the first quarter of 2013 in print shop costs.

e. Mr. Hasenauer informed the Committee of the preparations for the Kentucky Derby for radio, TV and print ads. The majority of the branches will receive volunteers from corporate staff.

11. Branch Operations Continued:

- f. Mr. Schiano informed the Committee that the Manager Meeting that was held on Monday, April 21, 2014 was well received and ended in a positive manner. He thanked Mr. White and Mrs. Lawrence for the Wellness Seminar.

The Branch Operations Committee meeting adjourned at 10:00 a.m.

12. Resolutions:

17-2014	April 24, 2014	Water service with backflow prevention John W. Danforth
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13. Unfinished Business:

No unfinished business.

14. New Business:

The next Committee and Board meetings will be held on May 21 and May 22, 2014 respectively.

15. Adjournment:

Mr. Garner made a motion to adjourn which was seconded by Mrs. Tuohey. The meeting was adjourned at 10:18 a.m.

Respectfully submitted,

Secretary to the Board

