

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 27th day of March 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
Niagara	Scott Kiedrowski
Orleans	Marcia B. Tuohey
Oswego	Ronald B. Darrow
Wayne	Kenneth Lauderdale
Wyoming	James A. Foley

Absent:

R. Bianchi
D. Bassett
R. Ricci
J. Clifford
P. Smith

constituting the Directors of all participating municipalities.

Also participating were: Michael D. Kane, President & Chief Executive Officer; Henry F. Wojtaszek, General Counsel; Jacquelyne A. Leach, Comptroller; Barbara Mruczek, Deputy Comptroller; Ryan Hasenauer, Director of Marketing-WROTB and Video Gaming & 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 a Steph Underhill, Marketing Graphics Specialist/Video Coordinator and Jim Krencik of the Daily News.

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

Vice-Chairman Thomas Wamp proceeded to conduct the meeting following the published Agenda for this regular meeting.

Vice-Chairman Wamp then asked Director Foley to lead the assemblage in the Pledge of Allegiance.

1. Approval of Previous Minutes:

Vice-Chairman Wamp called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of February 27, 2014. There being none, a motion was made by Mr. Ruckman and seconded by Mr. Haberer to approve the February minutes as submitted. The minutes were approved unanimously by a voice vote.

2. Communications:

Mr. Wojtaszek informed the Board of a letter of response from the Observer News from Director Ruckman.

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, March 26, 2014 at 1:45 p.m. and the following business was considered.

- a. Mr. James Haas advised the Board that staff has recommended a contract for various televisions for use at Batavia Downs Gaming and OTB Branches. The amount will not exceed a total of \$200,000 which is \$50,000 more than the most recent bid award in 2012, due to the Capital project at Batavia Downs.

Upon motion by Mr. Lauderdale seconded by Mr. Darrow, the Board awarded the bids to the lowest bidders, Stereo Advantage and Troxell Communications; a roll call vote was taken. Ayes: 12, Nays: 0, Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion to approve the resolution was carried unanimously. **(See Resolution # 10-2014)**

- b. Mrs. Gayle Ashbery advised the Board the corporation utilized a Pitney Bowes postage meter machine which provides an on-line service which includes necessary supplies. Staff recommends the approval of rental of the Pitney Bowes postage meter machine for 2014 in the amount of \$29,000.

4. Finance Committee Report Continued:

A motion was made by Mr. Lauderdale and seconded by Mr. Ruckman to approve the vendor Pitney Bowes postage meter machine for 2014 in the amount of \$29,000. A roll call vote was taken. Ayes: 12, Nays: 0, Absent: 5, Bianchi, Bassett Ricci, Smith, Clifford. The motion to approve the resolution was carried unanimously. (**See Resolution # 09-2014**).

- c. Mr. James Haas advised the Board that the staff has negotiated an extension of the existing 2014-2015 Finger Lakes Agreement with payments based on 2% of handle generated, as has been the case since 2010.

A motion was made by Mr. Lauderdale and seconded by Mr. Foley to authorize Mr. Kane to sign the 2014-2015 Finger Lakes Agreement. A roll call vote was taken. Ayes: 12, Nays: 0, Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion to approve the resolution was carried unanimously. (**See Resolution # 11-2014**).

- d. Mrs. Jackie Leach presented the February 2014 Comptroller's Report to the Committee for informational purposes only.

5. Personnel Committee Report:

No meeting was held.

6. Legislative Committee:

Chairman Kiedrowski reported the Legislative Committee met on Wednesday, March 26, 2014 at approximately 3:00 p.m.

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

7. Insurance Committee:

Chairman Lattimore reported the Insurance Committee met on Wednesday March 26, 2014 at approximately 3:30p.m.

- a. The consultant Mr. Timothy McMullen was invited in and discussed renewals.

8. Advertising Committee:

Committee Vice-Chairman Mr. Foley reported the Committee met on Wednesday, March 26, 2013 at 1:30 p.m.

- a. Mr. Foley reported that Ryan Hasenauer, Director of Marketing updated the Board regarding the March promotions including the \$100,000 Pot O Gold Progressive Drawing. April's promotion including a car giveaway was previewed. A recap of an "Oscar Viewing Party" was shown.
- b. Todd Haight, GM of Live Racing, recapped and previewed OTB events for March and April. Director Siebert asked Mr. Haight about running the Genesee County Races and a discussion was held about the merits of hosting such an event.

The Advertising and Promotions Committee adjourned at 1:42 p.m.

9. Audit Committee:

Chairman Haberer reported the Audit Committee met on Wednesday at approximately 4:00 p.m. There was a brief discussion given on the status of on-going audits.

10. Batavia Downs Committee:

Chairman Lattimore reported to the Board that the Batavia Downs Committee met on Wednesday, March 26, 2014 at approximately 2:30 p.m.

- 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 all of the resolutions pertaining to the Batavia Downs Committee by Mr. Lattimore and a second by Mr. Ruckman, a voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion was approved.

- b. Mr. Kane advised the Board that the staff has recommended additional purchases for renovation of the Main Facility be approved from Sherwin Williams in the amount of \$49,000. (**See Resolution # 08-2014**).

10. Batavia Downs Committee Continued:

A motion was made by Mr. Lattimore and seconded by Mr. Haberer to approve the additional purchases from Sherwin Williams. A roll call vote was taken. Ayes: 11, Nays: 0 Abstain: 1, Darrow, Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion to approve the resolution was carried unanimously. **(See Resolution # 08-2014).**

- c. Mr. Kane advised the Board that staff has recommended approving the contract for general construction of miscellaneous work on the Main Facility to Allied Builders, Inc. in the amount of \$2,787,000 with a 10% contingency.

Upon motion by Mr. Lattimore and a second by Mr. Darrow, a roll call vote was taken. Ayes: 12; Nays: 0; Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion to approve the resolution was approved. **(See Resolution # 12-2014).**

- d. Mr. Kane advised the Board that staff has recommended approving the contract for electrical work for Batavia Downs improvements to Suburban Electric in the amount of \$1,580,000 with a 10% contingency.

Upon motion by Mr. Lattimore and a second by Mr. Darrow, a roll call vote was taken. Ayes: 12; Nays: 0; Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion to approve the resolution was approved. **(See Resolution # 13-2014).**

- e. Mr. Kane advised the Board that staff recommended approving the contract for the installation of HVAC at the Main Facility to John W. Danforth Company in the amount of \$1,388,100 with a 10% contingency.

Upon motion by Mr. Lattimore and a second by Ms. Tuohey, a roll call vote was taken. Ayes: 12; Nays: 0; Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion to approve the resolution was approved. **(See Resolution # 14-2014).**

- f. Mr. Kane advised the Board that staff recommended approving the miscellaneous plumbing work on the Main Facility to MKS Plumbing Corporation in the amount of \$94,000 with a 10% contingency.

Upon motion by Mr. Lattimore and a second by Mr. Garner, a roll call vote was taken. Ayes: 12; Nays: 0; Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion to approve the resolution was approved. **(See Resolution # 15-2014).**

10. Batavia Downs Committee Continued:

g. Mr. Kane advised the Board that staff recommended approving the contract for the installation of fire protection at the Main Facility to Allied Fire Protection Systems, Inc. in the amount of \$158,560 with a 10% contingency.

Upon motion by Mr. Lattimore and a second by Mr. Ruckman, a roll call vote was taken. Ayes: 12; Nays: 0; Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion to approve the resolution was approved. (**See Resolution # 16-2014**).

11. Branch Operations Committee:

Chairman Garner reported that the Committee met on Thursday, March 27, 2014 at 9:27 a.m.

- a. Mr. Merriman informed the Committee that the Grand Opening at Carey Lake in Wayne County went well. Two more E-Z Bets have been approved and we hope to have opened by the Kentucky Derby – bringing our E-Z Bet total to 29.
- b. Mr. Wojtaszek and Mr. Schiano informed the Committee that the State Street sale is closed. The Corning building sale should close next week. More information was sent to the prospective buyer at Newark. We are waiting on a second offer on the East Mohawk property. The Jessie Street property should close in the near future as well and we are also looking to sell or auction the Pine Avenue and possible Main Street location.
- c. Mr. Haas informed the Committee that we are one year into to Ricoh project and everything is going well. The Batavia Bets is up \$200,000 in the month of February compared to last year and are already up \$150,000 in March from last year with only a few days left.
- d. Mr. Schiano informed the Committee that the Manager's Meeting is set in preparation of the Kentucky Derby. There are numerous promotions planned for the E-Z Bets and Branches. Just a reminder: Last year's Kentucky Derby was our 2nd best ever with a handle of \$2,365,726.
- e. Mr. Schiano informed the Committee that we had our first Grievance meeting with the new Union. Most of the grievances were settled amicably. There may be one arbitration due to a termination.

12. Resolutions:

08-2014	March 27, 2014	Sherwin Williams
09-2014	March 26, 2014	Pitney Bowes
10-2014	March 26, 2014	Troxell / Stereo Advantage
11-2014	March 26, 2014	Finger Lakes
12-2014	March 26, 2014	Allied Builders
13-2014	March 26, 2014	Suburban Electric
14-2014	March 26, 2014	John W. Danforth
15-2014	March 26, 2014	MKS Plumbing
16-2014	March 26, 2014	Allied Fire Protection Systems

13. Unfinished Business:

No unfinished business.

14. New Business:

Mr. Kane asked the Board to approve a request for out of state travel for Mark Wolf, Ryan Hasenauer and William Windahl for the Bally Empower Conference June 10-12, 2014.

Upon motion by Mr. Darrow and seconded by Mr. Ruckman, a voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion was approved.

Mr. Kane asked the Board to approve a request for out of state travel for Ryan Hasenauer and Lindsey Matikosh to attend the Raving Development Conference in Las Vegas for three days in July.

Upon motion by Mr. Siebert and seconded by Mr. Ruckman, a voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion was approved.

Mr. Kane asked the Board for permission to attend the East Coast Gaming Conference in Atlantic City on May 19 and 20, 2014.

Upon motion by Mr. Lauderdale and seconded by Mr. Ruckman, a voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Bianchi, Bassett, Ricci, Smith, Clifford. The motion was approved.

The motion was approved next Committee and Board meetings will be held on April 23 and April 24, 2014 respectively.

15. Adjournment:

Mr. Lauderdale made a motion to adjourn which was seconded by Mr. Garner.
The meeting was adjourned at 10:22 a.m.

Respectfully submitted,

Secretary to the Board

/pma

