

**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 28th day of May 2015, and commencing at 11:09 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

**Participating were:**

Cattaraugus	Richard E. Haberer
Chautauqua	Allan Hendrickson
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Orleans	Edward F. Morgan
Oswego	Ronald B. Darrow
Rochester	Dennis Bassett
Schulyer	Philip C. Barnes
Seneca	Richard L. Ricci
Steuben	John E. Clifford
Wayne	Kenneth Lauderdale
Wyoming	Susan May

**Absent:**

Paul Lattimore, Jr.  
Scott Kiedrowski  
Maurice Garner

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; Henry F. Wojtaszek, General Counsel; Jacquelyne Leach, Comptroller; Barbara Mruzek, Deputy Controller; Mark Wolf, Director of Video Gaming; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Cindy DeCarlo, Controller; Sean Schiano, Director of Branch Operations; EJ Merriman, Manager of Branch Operations; James Haas, Communications/Mutuels Manager; Gayle Ashbery, Director of Purchasing; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist, Jim Krencik, Batavia Daily News, Mike Pettinella, Buffalo News.

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

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

Chairman Bianchi then asked Director May 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 April 23, 2015. There being none, a motion was made by Mr. Haberer and seconded by Mr. Hendrickson to approve the April minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

Mr. Wojtaszek informed the Board of a letter of thanks from the Elma Seniors for their visit to our facility.

Mr. Wojtaszek informed the Board of two articles in the Batavia Daily News Signature Dish honors for 34 Rush on April 25, 2015 and for Fortune's on May 9, 2015.

Mr. Wojtaszek informed the Board of the notice of support for the Genesee County Chamber of Commerce for the hotel development at Batavia Downs Gaming.

3. **Officers' Reports:**

There were no Officer's Reports.

4. **Finance Committee Report:**

Committee Chairman Mr. Lauderdale reported that the Finance Committee meeting was held on Wednesday, May 27, 2015 at 2:02 p.m. and the following business was considered.

Mrs. Leach presented the April 2015 Comptroller's Report to the Committee. This was provided for informational purposes only.

Mrs. Leach updated the Committee on the First Niagara Bank financing for the Batavia Downs Gaming capital expansion project. The Corporation will receive its final construction draw from First Niagara Bank no later than May 31, 2015. The loan payments to First Niagara Bank will begin in July 2015. This was provided for informational purposes only.

Upon motion by Mr. Darrow and seconded by Mr. Wamp, the Finance Committee meeting adjourned at 2:29 p.m.

**5. Personnel Committee Report:**

Committee Chairman Mr. Wamp reported the Personnel Committee meeting was held on Wednesday, May 27, 2015 at 1:45 p.m. the following business was discussed.

Mr. White informed the Committee that the gaming negotiations have gone to impasse and we are awaiting a Mediator to set up a date. Mr. White mentioned that this Mediator is non-binding. Mr. White and Mr. Kane further explained that the two Branch contracts are being held up by the Supervisory unit.

Mr. White informed the Committee that Manager training sessions held at Genesee Community College went very well. The cost of all training is being covered by a grant procured by Annie Lawrence.

Mr. Kane informed the Committee of a few minor staffing changes due to resignation or retirement with a majority of the duties having been absorbed by current staff. Mr. White explained that these changes are all a net savings to the Corporation.

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

**6. Legislative Committee Report:**

Chairman Mr. Siebert reported the Legislative Committee met on Wednesday, May 27, 2015 at 4:00 p.m.

Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP and Mr. Paul Tokasz from Patricia Lynch Associates and Mr. Richard Winter from Richardson Management were available via telephone conference.

Mr. Siebert informed the Board that there were ongoing discussions regarding bill #6946 for wagering on Palm Sunday.

Mr. Siebert informed the Board of efforts with the New York Gaming Association to increase the capital awards account from 4% to 5%, and also to increase our Marketing by 1%.

Mr. Siebert informed the Board of efforts to ease restrictions on EZ Bet locations in Erie County.

The Legislative Committee meeting was adjourned at 4:15 p.m.

**7. Insurance Committee Report:**

Committee Chairman Mr. Ricci reported the Insurance Committee met on Thursday May 28, 2015 at 9:50 a.m.

The Committee entered into executive session at 9:55 a.m. and came out of executive session at 11:00 a.m.

Mr. Kane informed the Board that Staff recommended the following:

- a) Terminate the present contract with Commercial Insurance Consultant, effective today May 28, 2015.
- b) Not renew the existing brokerage contract with Marsh & McLellan which terminates on May 31, 2015.
- c) Designate Nelson Financial Services as Western's broker of record at a fee of \$48,500 for all policies with the exception of Workers Compensation.
- d) Accept all Insurance renewal quotes for June 1, 2015 – May 31, 2016 received with the exception of Workers Compensation proposal.
- e) Authorize staff to investigate possibility of one month extension of existing New York State Insurance Fund policy, investigate as to whether New York State Insurance Fund received timely notice of intent to insure with a private party, and if answers to questions deem such as appropriate, staff is authorized to renew Workers Compensation with the New York State Insurance Fund at the price quoted.

Upon motion by Mr. Siebert and seconded by Mr. Ricci to except the staff recommendations a voice vote was taken Ayes 13; Nays 1, Clifford; absent Garner, Lattimore, Kiedrowski. The motion carried.

**8. Advertising Committee Report:**

Committee Chairman Mr. Clifford reported the Advertising and Promotions Committee met on Wednesday, May 27, 2015 at 2:30 p.m.

Chairman Mr. Clifford informed the Board that Director of Marketing, Mr. Hasenauer presented past and upcoming events including the Kentucky Derby where the corporation had its 2<sup>nd</sup> highest handle ever and highest payout ever. The Preakness, Belmont and the June 13, Handicapping Contest were also discussed.

**8. Advertising Committee Report continued:**

Recent and upcoming events including the Golf Tournament, NY Problem Gaming Seminar and Genesee Chamber Volunteer Meeting and Taste at the Track were shown along with print ads from the Graphics Department.

Mr. Hasenauer recapped the 10<sup>th</sup> Anniversary drawings surrounding May's promotions. June's Lapsed Prize promotion involving 2 local businesses giving away Cash, Lawnmowers and Hot Tubs. The Dinosaur themed Collect and Win Promotion was also discussed.

Director Haberer asked about the Free Play given for the Handicapping Contest. Directors Clifford and Morgan asked about promotions related to Flag Day. Director Lauderdale asked about the Collect and Win promotion and the quantity of the various pieces.

The Advertising and Promotions Committee meeting adjourned at 2:59p.m.

**9. Audit Committee Report:**

The Audit Committee did not meet.

**10. Batavia Downs Operations Committee Report:**

Committee Chairman Mr. Morgan reported the Batavia Downs Committee met Wednesday May 27, 2015 at 3p.m. the following business was discussed.

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

Chairman Mr. Morgan informed the Board that the cover of NYGA Annual Report was decorated with a photo of Batavia Downs.

Chairman Mr. Morgan informed the Committee that there are continued discussions regarding an impact study for the closing of Park Road.

Chairman Mr. Morgan informed the Committee of the May 14, 2015 bid opening from GCA, Inc. the only vendor submitted, for the five day service agreement of the GCA full service kiosk.

**10. Batavia Downs Operations Committee Report:**

Upon motion by Chairman Mr. Morgan and seconded by Mr. Bassett a roll call vote was taken Ayes: 14; Nays 0; Absent: 3; Garner, Lattimore, Kiedrowski. The motion carried to approve the 5-day service agreement of the GCA full service kiosk. (**Resolution # 04-2015**).

The Batavia Downs Committee then adjourned.

**11. Branch Operations Committee Report:**

Chairperson Mazur reported that the Committee met on Thursday, May 28, 2015 at 9:28 a.m. and the following items were discussed.

Mr. Merriman informed the Committee that summer help is working on branches in different areas. Maintenance has installed a number of flat screen T.V.'s from the closed ITW or other closed branches. He informed the Committee that the new ATM installations should begin next week.

Mr. Haas informed the Committee that Batavia Bets was up \$200,000 in April and already up \$40,000 with a few more days in the month remaining. Year to date Batavia Bets is already up 35% and there were over 600 new accounts in May.

Mr. Schiano informed the Committee that the Cobber's E-Z Bet on May 23, 2015 due to the change in ownership. He also said that the Derby was up 8.5% from last year in the E-Z Bet locations and up 7.4% for the Preakness. May 2015 will be the best E-Z Bet ever, topping \$500,000. The previous month was \$312,000 which was in October of 2014. Director Wamp asked what was the cause of this rise in business? Mr. Schiano mentioned that there are four (4) outstanding locations and the presence of Jessalyn Gates at each location at least once a month has been very effective.

Mr. Schiano informed the Committee that there was a strong Derby and solid Preakness, even though there was a short field of horses. He is hoping for a strong field of horses that would bring about an excellent finish to the Triple Crown.

Mr. Schiano explained the particulars in the possible contract for a new concessionaire for Military Road.

**11. Branch Operations Committee Report continued:**

Ms. Gates informed the Committee about the first ever “Bike Night” at the Phoenix Branch location. She mentioned there were 16 vendors and over 150 new customers on site. Mr. Schiano said that the night business was up over \$4,000 from the previous week and the night handle<sup>3</sup> was 22% of the entire night handle in Western’s system.

Mr. Kane informed the Committee that NYRA will begin negotiating for all New York State OTB’s beginning in October

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

**12. Unfinished Business:**

Mr. Siebert asked staff to explore the possibility of a microphone system for the head table during the Board meetings. Mr. Morgan asked to have name plates for each Board member.

**13. New Business:**

Mr. Kane noted that he and Mr. Wojtaszek will be traveling to the Saratoga Hilton, in Saratoga Springs for the August 11<sup>th</sup> and 12<sup>th</sup> Albany Law School conference for Gaming and Racing Law. The conference was open to as many as six Directors if interested.

Mr. Kane asked for Board permission for Mark Wolf, General Manager of Gaming, Michael P. Nolan, Executive Vice President / COO and Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming to attend out of state travel to the G2E Conference in Las Vegas NV on September 28<sup>th</sup>-October 1, 2015

Upon motion by Mr. Darrow and seconded by Mr. Morgan a voice vote was taken and the motion carried unanimously for travel permission.

The next Committee and Board meetings will be held on June 27 and 28, 2015 respectively.

Chairman Bianchi informed the Board that Mr. Morgan is the Chairman of the Batavia Downs Committee and Mr. Ricci is the Chairman of the Insurance Committee.

**14. Adjournment:**

Mr. Darrow made a motion to adjourn which Mr. Siebert seconded. The meeting was adjourned at 11:27 a.m.

Respectfully submitted,

*Henry F. W. Storz*

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Secretary to the Board

HFW/pma