

**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 25<sup>th</sup> day of July, 2013, and commencing at 10:09 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road, Batavia, New York.

**Participating were:**

Cattaraugus  
Cayuga  
Chautauqua  
Erie  
Genesee  
Livingston  
Monroe  
Niagara  
Orleans  
Oswego  
Schuyler  
Seneca  
Steuben  
Wayne  
Wyoming

Richard E. Haberer  
Paul W. Lattimore, Jr.  
Roger E. Ruckman  
Beverly A. Mazur  
Richard E. Siebert  
Thomas P. Wamp  
Richard D. Bianchi  
Scott Kiedrowski  
Marcia B. Tuohey  
Ronald B. Darrow  
Philip C. Smith  
Richard L. Ricci  
John E. Clifford  
Ken Lauderdale  
James A. Foley

**Absent:**

M. Garner  
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; Barbara Mruczek, Deputy Comptroller; Sean Schiano, Director of Branch Operations; William R. White, Vice President - Administration; EJ Merriman, Manager of Branch Operations; Steve Haigh, Internal Auditor; Cindy DeCarlo, Controller; Jim Haas, Communication Manager; Ryan Hasenauer, Director of Marketing-WROTb and Video Gaming and Mark Wolf, Director of Video Gaming. Also attending was Jim Krencik, Daily News Reporter

In the absence of Mr. Wojtaszek, Secretary to the Board, a roll of the membership of the Board having been called, Mr. Nolan, 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 meeting of June 28, 2013. There being none, the motion to approve the minutes was made by Mr. Kiedrowski and seconded by Mr. Wamp. The motion was carried 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, July 25, 2013 at approximately 2:40 p.m. and the following business was considered.

The Corporation's progress securing financing on the Batavia Downs Casino capital project was summarized. All necessary paperwork was submitted to the Comptroller's Office and the NYS Gaming Commission last week. On July 23<sup>rd</sup> the Comptroller's Office submitted twenty questions to respond within the next few days. The Bank of Castile's loan will be in the amount of approximately \$8 million. Approximately \$34 million will be used to pay construction vendors. The remaining \$4.6 million will be used to refinance the current existing debt of the Corporation with the Bank of Castile. The First Niagara Bank loan will be close shortly.

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

5. **Personnel Committee Report:**

Committee Chairperson Wamp reported the Personnel Committee met on Wednesday, July 25, 2013 at 1:30 p.m.

a. Mr. White briefed the Committee with the six-month review of Megan Glor who has been assigned additional duties since retirement of the Director of Real Estate and Property Management. It has been concluded that she will continue the responsibilities. In six more months a second review will be conducted.

b. The Committee was provided a summary of the recent NYS Voluntary Defined Contribution Plan effective July 1, 2013 by Mr. White. If an employee is hired after 7/1/13 and earns over \$75,000 they may contribute 3.6% to the Plan and the employer will contribute 8% of their earnings.

c. Ms. Tuohey inquired about the status of the direct deposit program in regards to the savings from printing, along with the percentage of employees using this program which was about 80%. Mr. Siebert inquired if this was negotiated with the Union. Mr. White said that this was a non-negotiable item and cannot be enforced.

**5. Personnel Committee Report (continued):**

d. A partial Quarterly Labor Analysis report was presented by Mr. Nolan. A power point presentation will be forwarded to the Directors for review. A complete corporate analysis will be presented at the August Committee meeting.

**6. Legislative Committee:**

Committee Chairman Scott Kiedrowski reported that the Legislative Committee met on Wednesday, July 24, 2013 at approximately 3:55 p.m. Nick Antenicci from Wilson Elser Moskowitz Edelman & Dicker, LLP and Paul Tokasz from Patricia Lynch Associates were available via telephone conference.

a. The activities in Albany were minimal due to the Senate and Assembly Houses not being in session at this time.

b. The Seneca Memorandum of Understanding was discussed. The Memorandum has not been signed.

c. On August 13 & 14 the Albany Law School will be sponsoring the Saratoga Institute on Gaming Law Conference. Messrs. Kane and Wojtaszek will be attending.

**7. Insurance Committee:**

Director Lattimore reported that the Insurance Committee did not meet.

**8. Advertising Committee:**

Chairman Clifford reported that the Committee met on Wednesday, July 24, 2013 at 1:55 p.m.

a. The events and advertisements were recapped by Mr. Hasenauer.

b. Mr. Haight provided previews of some of the upcoming OTB & Live Racing events.

c. The July "Collect and Win" promotion was reviewed as well as a preview of the August drawings to be held.

d. The Darien Lake concerts involvement was recapped by Mr. Hasenauer. Ms. Tuohey provided comments from her attendance at the Brad Paisley concert.

**8. Advertising Committee (continued):**

- e. Graphic samples from the graphics staff were displayed.
- f. Mr. Ricci requested that the department look at more use of direct mail in their marketing campaigns.

**9. Audit Committee:**

Chairman Bianchi reported to the Board that the Audit Committee did not meet.

**10. Batavia Downs Committee:**

Chairman Lattimore reported to the Board that the Batavia Downs Committee met on Wednesday, July 24, 2013 at approximately 3:00 p.m.

- a. The monthly Status Report with gaming statistics was provided to the Committee by Mr. Mark Wolf.
- b. Ms. DeCarlo provided gaming information from the month of May.
- c. Mr. Tom Balk provided an update to the Committee regarding the construction project. A brief question and answer session followed.
- d. Mr. Kane informed the Committee of the sewer line/CAFO requirements.
- e. On July 16<sup>th</sup> the representatives New York Gaming Commission were on-site. A short tour of the facility and the renovations was conducted.
- f. Ms. Megan Glor provided the results of the mailer bid which was held on July 18, 2013. After review of the 18 bids, staff recommended the award of the bid to Applied Business Systems, Inc. of Batavia. Mr. Lattimore inquired the length of the contract. Mr. Kane confirmed that it is a one year contract with a one year option by both parties.

A motion to waive the rules was made by Mr. Siebert and seconded by Ms. Tuohey. Ayes: 17; Nays: 0; Absent: 2; Bassett, Garner. The motion was carried by voice vote.

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

A motion was made by Ms. Tuohey and seconded by Mr. Clifford to amend the resolution to read "at an estimated expense of \$56,517.60" as originally requested. A voice vote was taken. Ayes: 15; Nays: 0; Absent: 2; Bassett, Garner. The motion was carried.

A motion was made by Mr. Lattimore and seconded by Mr. Kiedrowski to award the contract to Applied Business Systems, Inc as amended at the estimated cost of \$56,517.60. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2; Bassett, Garner. The motion was carried. **(See Resolution # 61-2013)**

g. On July 16<sup>th</sup> a scheduled and approved power shutdown was conducted. The new transformer was installed and power was resumed earlier than scheduled successfully.

h. NYS Gaming Surveillance/Security conference will be held on July 30, 2013.

**11. Branch Operations Committee:**

Vice Chairperson Mazur reported that the Committee met on Thursday, July 25, 2013 at 9:30 a.m.

a. Messrs. Sean Schiano and Edward Merriman informed the Committee of the pending EZ Bet applications. EZ Bet promotions were recapped and future events were noted.

b. Messrs. Ryan Hasenauer and Jim Haas provided information regarding the rewards program that is averaging about \$10,000 a month in customer returns, about 2/3 going to Batavia Bets and the remainder to Dial-A-Bet. Year to date Batavia Bets has \$2.5 million in handle. Notation was made that there are 12 new export partners.

c. Mr. Schiano informed the Committee that a letter has been sent to the owner of The Corner Tavern for their appraisal. This must be done before July 31, 2013 or the deal will be negated.

d. A potential new location has been located for the McKinley branch. The sale contract for the \$2.3 million has been signed.

e. Mr. Schiano noted that the financing of State Street OTB is in the final stages.

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

f. Messrs. Schiano and Haas updated the Committee on the Ricoh operations. Six locations are being tested.

g. Mr. Schiano informed the Committee that a long standing issue regarding the Wehrle Drive HVAC is now in need of repair due to standing water and mold. A purchase order estimated in the amount of \$25,000 is being requested for approval.

A motion to waive the rules was made by Mr. Lattimore and seconded by Mr. Wamp. Ayes: 17; Nays: 0; Absent: 2; Bassett, Garner. The motion was carried by voice vote.

A motion was then made by Mr. Clifford and seconded by Ms. Tuohey to execute the purchase order not to exceed the amount of \$25,000 to Northeast Mechanical for the repair at the Wehrle Drive branch. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2, Bassett and Garner. The motion passed. **(See Resolution # 62-2013).**

**12. Resolutions:**

61-2013	Applied Business--Mailers
62-2013	Northeast Mechanical—Wehrle HVAC Repair

**13. Unfinished Business:**

There was nothing to report.

**14. New Business:**

Chairman Bianchi announced that the Breast Cancer Coalition of Rochester Fund Raiser will be held tonight which several Directors have sponsored.

The next Committee and Board meetings will be held on August 21 and August 22, 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 10:34 a.m.

Respectfully submitted,

---

dmf