

**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 22<sup>nd</sup> day of August, 2013, and commencing at 10:11 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road, Batavia, New York.

**Participating were:**

City of Buffalo  
Cattaraugus  
Cayuga  
Chautauqua  
Erie  
Livingston  
Monroe  
Niagara  
Orleans  
City of Rochester  
Schuyler  
Seneca  
Steuben  
Wayne  
Wyoming

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

**Absent:**

R. Siebert  
R. Darrow

constituting the Directors of all participating municipalities.

Also participating were: Michael D. Kane, President & Chief Executive Officer; Michael Nolan, Executive Vice President/COO; Jacquelyne Leach, Comptroller; Barbara Mruczek, Deputy Comptroller; 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 Carla Marshall, Intern, Guest of Maurice Garner.

Secretary to the Board, Mr. Wojtaszek, called for a roll call of the membership of the Board. Having been called, Mr. Wojtaszek declared a quorum present.

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 July 25, 2013. There being none, the motion to approve the minutes was made by Mr. Garner and seconded by Mr. Rickman. 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, August 21, 2013 at 2:52 p.m. and the following business was considered.

a. Mr. Kane advised the Committee that our Great Plains software operating system requires an upgrade to the 2013 version. This change necessitates that twenty-nine of the personal computers (PCs) staff uses to access the software requires an upgrade as well. The best pricing available is off the state contract with P & J Computers. The cost for the twenty-nine computers is \$21,199. Staff requests authorization to purchase these computers at the above cost from P & J computers. (Resolution #63-2013 attached.)

Upon motion by Mr. Wamp and seconded by Mr. Ricci, the Finance committee approved the purchase of twenty-nine PCs off state contract through P & J Computers in the amount of \$21,199.

b. Mr. Kane reviewed details of the Corporation's interest swap policy for the Board's understanding. The policy states that the Corporation "should" conduct interest swap transactions with a partner having an "A" or better rating. First Niagara Bank, the Corporation's SWAP Partner in the proposed funding plan for the Capital Awards Project, has a rating of "BBB+" from Standard & Poor's Ratings Services, a "Baa 1" rating from Moody's and a "BBB-" rating from Fitch, which are below the A rating specified in the policy.

As per the recommendation of WROTB's interest swap advisor, Mr. Robert Fuller, and also based on mitigating circumstances regarding the availability of appropriate funding sources for the Corporation, Staff requests the Board's approval to move forward with the financing plan as proposed, with the variance from the Corporation's interest swap policy as noted above. Upon motion by Mr. Wamp and seconded by Mr. Smith, the Finance Committee approved the Corporation moving forward with the financing plan and the requested variance to the Corporation's Swap Policy.

A motion was made by Mr. Lauderdale and seconded by Mr. Lattimore to move forward with the financing plan and approve the variance. A voice vote was taken. Ayes: 14; Nays: 0; Abstain: 1 Tuohey; Absent: 2; Siebert, Darrow. The motion was carried.

**4. Finance Committee Report(continued):**

- c. Mrs. Leach provided the June 2013 Comptroller's report.

Upon motion by Mr. Wamp and seconded by Mr. Bianchi, the Finance committee meeting adjourned at 3:10 p.m.

**5. Personnel Committee Report:**

Committee Chairperson Wamp reported the Personnel Committee met on Wednesday, August 21, 2013 at 1:30 p.m.

- a. Mr. Kane informed the Committee that a favorable decision was made for the Corporation in the case of Rosario vs. WROTBC. The case has been going on for six years. The judge ruled that we do not have to pay any damages.
- b. Mr. Kane updated the Committee informing them that the present Union, SEIU Local 200United has filed action with PERB to decertify and that there will be conference calls for three collective bargaining units on September 4, 2013 with PERB and that the Union is looking to join the UPSEU Union which is not international. The SEIU Local 200United is international.
- c. Mr. White informed the Committee that beginning the last week of August, Customer Service; Harassment/Emergency Response training will begin for all employees and is mandatory. Any employees that attended Harassment/Emergency Response training in 2012 will not have to attend. All employees will be obligated to attend Customer Service training.

At 1:45 p.m. the Committee entered Executive Session. A motion was made by Mr. Wamp and seconded by Mr. Clifford. They resumed normal session at 2:10 p.m. A motion was made by Mr. Foley to adjourn and seconded by Mr. Bianchi.

**6. Legislative Committee:**

Committee Chairman Scott Kiedrowski reported that the Legislative Committee met on Wednesday, August 20, 2013 at approximately 3:30 p.m. Mr. Nick Antenicci from Wilson Elser, Moskowitz, Edelman & Dicker, LLP, Mr. Paul Tokasz from Patricia Lynch Associates, and Mr. Rick Winter from Richardson Management 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.

**6. Legislative Committee(continued):**

b. On August 13 & 14 the Albany Law School sponsored the Saratoga Institute on Gaming Law Conference. Messrs. Kane and Wojtaszek attended. A summary was provided.

**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, August 21, 2013 at 2:45 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 which included the upcoming Weiner Dog Races on August 25th.

c. Mr. Hasenauer recapped August's promotions and previewed September's Double Car giveaway. A review of the Bally Player Tracking system implementation was mentioned where Mr. Hasenauer thanked Bill Windahl, Arna Tygart and Lindsay Matikosh for their hard work on this project.

d. Director Bassett asked about the total cost of the rebranding effort given that all instances of "casino" had to change to gaming." A discussion was held on the matter prior to meeting adjournment.

e. Staff displayed graphic samples to the Directors.

**9. Audit Committee:**

Chairman Bassett 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, August 21, 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 July.
- c. Mr. Kane provided an update to the Committee regarding the construction project. A brief question and answer session followed. A revised opening date of October 4<sup>th</sup> was provided to the Members.

**11. Branch Operations Committee:**

Chairperson Garner reported that the Committee met on Thursday, August 22, 2013 at 9:30 a.m.

- a. Mr. Edward Merriman recapped the EZ Bet promotions as well as future events.
- b. Mr. Merriman informed the Committee that we presently have 26 E-Z Bets up and running with 2 more approved and to open during the month of September. At that point we will have a total of 27 with the closing of Chili Country Club.
- c. On a cost saving measure we will be moving equipment from Chili Country Club's closing to the newest E-Z Bet in Macedon called Carey Lake. Also mentioned was Eddy's #1 Club whose paperwork is in Albany awaiting approval.

After discussion regarding the Newark Tavern property, a motion was then made by Mr. Garner and seconded by Mr. Lauderdale to list the sale of the Newark Tavern property. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2, Siebert and Darrow. The motion carried.

**12. Resolutions:**

63-2013 P & J Computers Purchase 29 Computers

**13. Unfinished Business:**

There was nothing to report.

**14. New Business:**

The next Committee and Board meetings will be held on September 18 and September 19, 2013 respectively.

**15. Adjournment:**

A motion was made by Mr. Foley and seconded by Mr. Ruckman to adjourn the meeting. The meeting was adjourned at 10:27 a.m.

Respectfully submitted,

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Henry Wojtaszek  
Secretary to the Board

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