

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 August 2014, and commencing at 10:15 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

Participating were:

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|-------------|------------------------|
| Cattaraugus | Richard E. Haberer |
| Cayuga | Paul W. Lattimore, Jr. |
| Chautauqua | Roger E. Ruckman |
| Erie | Beverly A. Mazur |
| Livingston | Thomas P. Wamp |
| Monroe | Richard D. Bianchi |
| Oswego | Ronald B. Darrow |
| Seneca | Richard L. Ricci |
| Steuben | John E. Clifford |
| Wayne | Kenneth Lauderdale |
| Wyoming | James A. Foley |

Absent:

M. Garner
R. Siebert
D. Bassett
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; William R. White, Vice President – Administration; Jacquelyne A. Leach, Comptroller; Mark Wolf, Director of Video Gaming; Steven J. Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Gayle Ashbery, Director of Purchasing; James Haas, Communications/ Mutuels Manager.

A roll of the membership of the Board having been called, Mr. Nolan 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 Haberer 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 August 28, 2014. There being none, a motion was made by Mr. Haberer and seconded by Mr. Lauderdale to approve the August 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, August 27, 2014 at 2:35 p.m. and the following business was considered.

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

Mrs. Leach reported that due to the efforts of staff and Western insurance consultant the Corporation will be receiving a minimum credit of \$83,000 to be applied to Worker's Compensation premiums in 2014 and 2015.

Mrs. Leach also reported that the auditors from the NYS Comptroller's Office have completed their fieldwork at Western Regional OTB and are now conducting fieldwork at the other NYS OTB's. The OSC draft audit reports for Western specific and the NYS OTB's collectively will be available in January 2015.

Upon motion by Mr. Darrow and seconded by Mr. Bianchi, the Finance Committee meeting adjourned at 2:45 p.m.

5. Personnel Committee Report:

Committee Chairman Thomas Wamp reported the Personnel Committee meeting was held on Wednesday, August 27, 2014 at 1:30p.m.

Mr. Kane informed the Committee that staff is recommending Andrew Fedele for the position of Director of Surveillance at \$57,500.

Upon motion by Mr. Wamp seconded by Mr. Haberer a voice vote was taken. Ayes: 12; Nays 0; Absent: 4, Garner, Siebert, Bassett, and Smith. The motion passed.

Mr. White informed the Committee that he is in contact with the Union and negotiations will commence by October 1, 2014.

Upon motion by Mr. Wamp and seconded by Mr. Haberer, the Personnel Committee meeting adjourned at 1:45 pm.

6. Legislative Committee Report:

Committee Chairman Mr. Kiedrowski reported the Legislative Committee met on Wednesday, August 27, 2014.

Mr. Kiedrowski reported this is a slow time in Albany.

The Legislative Committee was adjourned.

7. Insurance Committee Report:

Committee Chairman Mr. Lattimore reported the Insurance Committee met on Wednesday, August 27, 2014 at 4:00 p.m.

Mr. Lattimore informed the Board of the status of the Worker's Compensation update.

Mr. Lattimore noted the Risk Management Program instituted by Insurer to assist Western in this area.

The Insurance meeting was adjourned.

8. Advertising Committee Report:

Committee Chairman John Clifford reported the Advertising and Promotions Committee met on Wednesday, August 27, 2014 at 2:00 p.m.

Director of Marketing, Ryan Hasenauer, and General Manager of Live Racing, Todd Haight, presented events for OTB and recapped the Wiener Dog Races / Family Fun Day. Director Wamp gave praise for the great work that Group Sales have done with recent groups on Wednesdays.

Mr. Hasenauer recapped August promotions and previewed September's Car Drawing. He also informed the Committee of the upcoming sports card and autograph show.

An executive session was held during the open session.

The Advertising and Promotions Committee adjourned at 2:30 p.m.

9. Audit Committee Report:

Committee Chairman Richard Haberer reported the Audit Committee met on Wednesday August 27, 2014 at 4:10 p.m.

Mr. Haigh provided a summary of the 2nd quarter Gaming Audit to all Board members.

The Audit Committee adjourned at 4:20 p.m.

10. Batavia Downs Committee Report:

Chairman Paul Lattimore reported the Batavia Downs Committee met on Wednesday, August 27, 2014 at approximately 3:00 p.m.

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

10. Batavia Downs Committee Report Continued:

Mr. Kane provided details of awards project status and noted that many offices have been relocated.

Mr. Nolan presented the request for purchase of tile for the Capital awards project from Tandus Centiva US, LLC. The company is a State contract vendor and provided the tile for the previous phase of the project. The cost of the tile is \$ 69,565.03.

Upon motion by Mr. Lattimore seconded by Mr. Wamp, to accept the tile purchase from Centiva Us, LLC, in the amount of \$69,565.03. A roll call vote was taken. Ayes: 12; Nays 0; Absent: 4, Garner, Siebert, Bassett, and Smith. The motion passed. **(See Resolution #33-2014).**

Mr. Wojtaszek noted that he was attempting to schedule a meeting with Mr. Ed Burns, Counsel for the NYS Gaming Commission to discuss promotional restrictions ordered by the Commission.

Mr. Haas presented proposals for updated and enhanced WiFi and phone systems for Batavia Downs. He pointed out the need for these upgrades due to existing systems age and difficulty in servicing maintenance. He recommended that Western contract with RelCom to provide a MiTel phone system from NYS contract at a cost not to exceed \$105,105.

Upon motion by Mr. Lattimore seconded by Mr. Foley, to accept the State Contract provider of the WiFi system in the amount not to exceed \$105,105. A roll call vote was taken. Ayes: 12; Nays 0; Absent: 4, Garner, Siebert, Bassett, and Smith. The motion passed. **(See Resolution #35-2014).**

Mr. Haas also recommended that the Western Contract with RelCom to provide a Ruckus WiFi system from NYS contract at a cost not to exceed \$76,350.

Upon motion by Mr. Lattimore seconded by Mr. Darrow, to accept the State Contract provider of the Ruckus WiFi system in the amount not to exceed \$76,350. A roll call vote was taken. Ayes: 12; Nays 0; Absent: 4, Garner, Siebert, Bassett, and Smith. The motion passed. **(See Resolution #34-2014).**

11. **Branch Operations Committee Report:**

Chairperson Maurice Garner reported that the Committee met on Thursday, August 28, 2014 at 9:35 a.m.

Mr. Schiano informed the Committee we are working on our first ever OTB Poker Run to benefit the Monroe County Veteran's Corp. The Oaks in Corning, Stueben County was just approved and we will be tentatively opening in mid-October. The Wadsworth Grill in Livingston County has been re-submitted as well. Mr. Schiano and Ms. Gates also showed the Committee the new system for reconciling E-Z Bets.

Mr. Schiano informed the Committee that we are continuing to watch branches staff and handle numbers. Recently the Hornell Branch closed on Sunday's and the Olean Branch was closed on Tuesday's.

Mr. Schiano informed the Committee of the new NYSEERDA effort for energy savings with RTU units that we are looking into. This would mainly be at locations that have concessionaires that have a higher energy usage.

Mr. Haas informed the Committee that Batavia Bets handle was \$250,000 from the previous year. Year to date Batavia Bets has almost matched last year's total. Dial-A-Bet is down about 30% but both locations together are higher in handle than last year when combined.

Mr. Wojtaszek informed the Committee that the Pine Avenue and Main Street locations are up for sale for the next 45 days at \$58,000 and \$110,000 respectively. If no offers are made within 45 days, both locations will be put up for auction. The Mohawk sale is being discussed with the buyer and Cimminelli the previous owner over a small egress that is still in question. Mr. Wojtaszek still believes it will sell soon. Mr. Wojtaszek is still in negotiations for the Newark sale as well but believes we should be able to come to a sale price in the next two weeks.

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

12. **Unfinished Business:**

No unfinished business.

13. New Business:

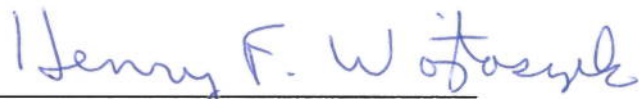
Mr. Bianchi reported to the Committee and Staff that Mr. Haberer is now a member of the Advertising and Promotions Committee, Mr. Clifford is now a member of the Batavia Downs Committee and Mr. Lauderdale is now a member of the Branch Operations Committee.

The next Committee and Board meetings will be held on September 24 and 25, 2014 respectively.

14. Adjournment:

Mr. Lauderdale made a motion to adjourn which Mr. Ruckman seconded. The meeting was adjourned at 10:33 a.m.

Respectfully submitted,



Secretary to the Board