

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 19th day of September 2013, and commencing at 10:27 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road, Batavia, New York.

Participating were:

City of Buffalo	Maurice Garner
Cattaraugus	Richard E. Haberer
Chautauqua	Roger E. Ruckman
Erie	Beverly A. Mazur
Genesee	Richard Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Niagara	Scott Kiedrowski
Orleans	Marcia B. Tuohey
Oswego	Ronald Darrow
City of Rochester	Dennis Bassett
Schuyler	Philip C. Smith
Seneca	Richard L. Ricci
Steuben	John E. Clifford
Wayne	Ken Lauderdale
Wyoming	James A. Foley

Absent:

P. Lattimore

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; Sean Schiano, Director of Branch Operations, Steve Haigh, Internal Auditor; Cindy DeCarlo, Controller; Jim Haas, Communication Manager; Ryan Hasenauer, Director of Marketing-WROTB and Video Gaming; Gayle Ashbery, Director of Purchasing; Mark Wolf, Director of Video Gaming and Stephanie Underhill, Marketing Graphics Specialist. Also attending was Jim Krencik, Daily News Reporter.

Executive Vice President Michael Nolan called for a roll call of the membership of the Board. Having been called, Mr. Nolan declared a quorum present.

Chairman Bianchi then asked Director Smith 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 22, 2013. There being none, the motion to approve the minutes was made by Mr. Clifford and seconded by Mr. Darrow. 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, September 18, 2013 at 2:20 p.m. and the following business was considered.

- a. Mrs. Leach provided information regarding two resolutions which are in regards to the issuance of bonds for the financing of the capital expansion renovations. Resolution # 69-2013 supplements Resolution # 58-2013(passed June 2013). The new Resolution updates the various components of the financing with First Niagara Bank.

Reduces the amount of the Variable Rate Tax-Exempt and Taxable Revenue bond issuance from a maximum of \$23m down to a maximum of \$20m; eliminates the Capital Award Account Pledge Agreement and Control Account as security for the bonds. This allows as additional security for the bonds by granting First Niagara Bank a first priority security interest in the spillover account pursuant to the Spillover Account Pledge Agreement. It also authorizes Jackie Leach to execute (sign) all documents in connection with the issuance of the bonds.

A motion was made by Mr. Haberer and seconded by Mr. Darrow to waive the rules. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was carried.

Upon motion by Mr. Wamp and a second by Mr. Lauderdale, a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion approved. (See Resolution #69-2013)

- b. Mrs. Leach presented the supplement to the previously approved Bank of Castile financing resolution at the Finance Committee which approved the Resolution.

Reduces the dollar amount of the tax-exempt bond issuance from a maximum of \$10m down to a maximum of \$8m and authorizes fixed and variable rate bonds (the variable rate bond refers to the new money component which adjusts after 10 years to the then existing federal home loan bank rate.) Also adjusts the dollar amount of the refinance money component from \$5,250,000 to approximately \$4.5m.

4. Finance Committee Report (continued):

b. A motion was made by Mr. Garner and seconded by Mr. Haberer to waive the rules. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was carried.

Upon motion by Mr. Lauderdale and a second by Ms. Tuohey, a voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was approved. (See Resolution #70-2013)

c. The August 2013 Comptroller's report will be mailed at the end of September. The 2014 Preliminary Operating Plan is expected to be sent out in early October.

5. Personnel Committee Report:

Committee Chairperson Wamp reported the Personnel Committee met on Wednesday, September 18, 2013 at 1:30 p.m.

a. The Committee was provided an update of the Union situation. The election will take place sometime in the fall.

b. Mr. Kane informed the Board that on the situation with the 457 Plan. An RFP was issued deferred compensation. After reviewing the three RFPs, Staff recommends AXA because there are significantly more options for the employees to select.

Upon motion by Mr. Wamp and a second by Mr. Foley, a voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was approved.

c. Lastly, the Committee discussed the HRA Cards.

6. Legislative Committee:

Committee Chairman Scott Kiedrowski reported that the Legislative Committee met on Wednesday, September 18, 2013 at approximately 3:30 p.m. Mr. Nick Antenizzi 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.

6. Legislative Committee(continued):

- a. The activities in Albany were minimal due to the Senate and Assembly Houses not being in session at this time.
- b. On October 1, 2013 Messrs. Kane and Wojtaszek will be meeting with representatives of the Governor's office in New York City.

7. Insurance Committee:

Chairman Bassett noted that the Insurance Committee met on September 18, 2013 at approximately 4:00 p.m.

- a. Mr. Kane informed the Board that if the three separate insurance plans were combined into one proposed plan with Labor Management Health Funds, the current carrier, a savings of approximately \$273,000 will be saved from the considered plan. One minor change would be the co-pay to the employee would be an additional \$5.00.

A motion made by Mr. Bassett and seconded by Mr. Lauderdale to combine the three current insurance plans into one proposed plan with Labor Management Health Funds as noted. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was approved.

8. Advertising Committee:

Chairman Clifford reported that the Committee met on Wednesday, September 18, 2013 at approximately 2:00 p.m.

- a. Director of Marketing Ryan Hasenauer recapped the Weiner Dog Races which were held on August 25, 2013.
- b. Mr. Haight provided highlight of the 2013 College Scholarship Race. Local high school students participated in the race. The first place winner was a student from Batavia High School.
- c. Mr. Hasenauer recapped September's promotions. On September 27 a car will be given away to a lucky female. On September 28 a second car will be given to a male. Cash drawings for \$2500 will be awarded each evening as well.

8. Advertising Committee(continued):

- d. Staff displayed graphic samples to the Directors.
- e. October's promotions were previewed along with the Mystery Voucher.

9. Audit Committee:

Chairman Bassett reported to the Board that the Audit Committee met on Wednesday, September 18th.

Discussions were held in Executive Session.

10. Batavia Downs Committee:

Director Wamp reported to the Board that the Batavia Downs Committee met on Wednesday, September 18, 2013 at approximately 2:45 p.m.

- a. The monthly Status Report with gaming statistics was provided to the Committee.
- b. Financials for the month of August had not been completed.
- c. The Committee was provided the status of the construction project. The opening date for the first floor gaming will be October 4th.
- d. Mr. Haight requested approval from the Board for a contribution to the Robert J. Kane Memorial Race of \$30,000 which will be held on October 5, 2013.

Upon motion by Mr. Wamp and a second by Mr. Clifford, a voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was approved.

- e. Mrs. Ashbery requested the Board's approval of \$15,000 for purchasing office supplies from Staples for the remainder of 2013.

A motion was made by Mr. Garner and seconded by Mr. Bassett to approve the purchase from Staples. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was approved. (Resolution # 64-2013)

- f. Mr. Nolan informed the Board of the request to approve the purchase for the remainder of 2013 from Maines Paper and Food Service in the amount of \$125,000.

10. Batavia Downs Committee(continued):

A motion was made by Mr. Garner and seconded by Ms. Tuohey to approve the purchase from Maines. A roll call vote was taken. Ayes: 15; Nays: 1, Clifford; Absent: 1, Lattimore. The motion was carried. (Resolution # 65-2013)

g. Mr. Kane informed the Board that Surveillance Department has indicated that the present agreement with TYCO for inspections and maintenance of the video surveillance gaming area will expire on September 30, 2013. A four-month agreement has been received for video surveillance, access control and dire alarm equipment in the amount of \$24,300.00.

A motion was made by Mr. Ricci and seconded by Mr. Garner to approve the agreement from TYCO. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was carried. (Resolution # 66-2013)

h. Mr. Hasenauer informed the Board of the need to purchase five Kiosks which will be compatible with the Bally System. Software packages and a 3-year warranty are included in the purchase price of \$33,618.47.

A motion was made by Mr. Lauderdale and seconded by Mr. Haberer to waive the rules. A voice call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was carried.

Upon motion by Mr. Garner and a second by Mr. Ricci, a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was approved. (See Resolution # 67-2013)

i. Mr. Kane informed the Board of the need to purchase painting materials required for the renovation at the Main Facility from Sherwin Williams. The additional purchase request is in the amount of \$10,000.

A motion was made by Mr. Lauderdale and seconded by Mr. Graner to waive the rules. A voice vote was taken. Ayes: 15; Nays: 0; Abstain: 1, Darrow; Absent: 1, Lattimore. The motion was carried.

Upon motion by Mr. Foley and a second by Mr. Ruckman, a roll vote was taken. Ayes: 15; Nays: 0; Abstain: 1, Darrow; Absent: 1, Lattimore. The motion was approved. (See Resolution # 68-2013)

j. Mr. Kane noted that the installation of elevators was included as part of renovation. The additional work required was beyond the approved original contract and an additional \$3,160 is needed.

10. Batavia Downs Committee(continued):

A motion was made by Mr. Haberer and seconded by Mr. Ruckman to waive the rules. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was carried.

Upon motion by Mr. Ruckman and a second by Mr. Ricci, a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was approved for an additional cost to The Elevator Guild. (See Resolution # 71-2013)

k. A request for out-of-state travel for Mr. Wojtaszek to attend the Labor Law and Labor Arbitration in Cleveland, Ohio on November 22, 2013 was presented by Mr. Kane.

Upon motion by Mr. Wamp and a second by Mr. Ruckman, a voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was approved.

l. A second request for out-of-state travel was requested by Mr. Kane for Mr. Nolan to travel to the Tim Horton's Fall Regional meeting on October 22, 2013 held in Pittsburgh, Pennsylvania.

Upon motion by Mr. Lauderdale and a second by Mr. Ricci, a voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was approved.

11. Branch Operations Committee:

Chairperson Garner reported that the Committee met on Thursday, September 19, 2013 at 9:30 a.m.

a. Mr. Edward Merriman recapped the EZ Bet promotions as well as future events.

b. Mr. Schiano updated the Members of the EZ Bets.

c. An update of BataviaBets was provided. The Rewards Program status was provided by Mr. Hass.

d. Mr. Schiano informed the Board of the Hudson location possible sale and approval from the Board to pursue the sale.

Upon motion by Ms. Tuohey and a second by Mr. Bassett, a voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was approved.

10. Branch Operations (continued):

e. Mr. Schiano informed the Board of the storage facility located on Jessie Street used for Monroe County storage.

A motion was then made by Mr. Darrow and seconded by Ms. Tuohey to list the sale of the Monroe County Storage Facility. A voice call vote was taken. Ayes: 15; Nays: 1, Clifford; Absent: 1, Lattimore. The motion carried.

12. Resolutions:

64-2013	Staples Office Products
65-2013	Maines Paper and Food Service
66-2013	TCO Integrated Security
67-2013	Kiosk Information Systems
68-2013	Sherwin Williams
69-2013	First Niagara Bond Supplement
70-2013	Bank of Castile Bond Supplement
71-2013	The Elevator Guild

13. Unfinished Business:

Mr. Siebert inquired about our official Grand Opening to the first floor. Mr. Kane responded that October 24, 2013.

14. New Business:

The next Committee and Board meetings will be held on October 23 and October 24, 2013 respectively.

15. Adjournment:

A motion was made by Mr. Lauderdale and seconded by Mr. Garner to adjourn the meeting. The meeting was adjourned at 10:59 a.m.

Respectfully submitted,

Henry Wojtaszek
Secretary to the Board