

**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 27th day of August 2015, and commencing at 10:20 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
Niagara	Scott Kiedrowski
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.

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 Leach, Comptroller; Barbara Mruzek, Deputy Comptroller; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Edward Merriman, Manager of Branch Operations; Cindy DeCarlo, Controller; James Haas, Communications/Mutuels Manager; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist, Michelle Parmer-Garner, City of Buffalo;

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 Mr. Ricci 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 July 30, 2015. There being none, a motion was made by Mr. Hendrickson and seconded by Mr. Haberer to approve the July 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 Mr. Lauderdale reported that the Finance Committee meeting was held on Wednesday, August 26, 2015 at 2:29 p.m. and the following business was considered.

Mrs. Leach presented the July 2015 Comptroller's Report to the Committee. She noted the Corporation generated surcharge in the amount of \$118,980 for the month of July. Mr. Leach noted that July was a good month producing operational earnings of \$216,771. August looks to be a good month also. This was provided for informational purposes only.

Mr. Bianchi noted that Mr. Ruckman, previous Board of Director from Chautauqua County, made a positive impact on the Corporation by bringing awareness to alternative energy resources available to the Corporation.

Upon motion by Mr. Darrow and seconded by Mr. Wamp, the Finance Committee meeting adjourned at 3:00 p.m.

5. **Personnel Committee Report:**

Committee Chairman Mr. Wamp reported the Personnel Committee meeting was held on Wednesday, August 26, 2015 at 1:35 p.m. the following business was discussed.

**5. Personnel Committee Report Continued:**

Mr. White informed the Committee that on September 21, 2015, there will be another session with the Mediator for the Gaming contract. Messer's Kane, White and Schiano updated the Committee on the status of all three pending collective bargaining negotiations.

Mr. White informed the Committee there is a new Concession Supervisor, Oliver Little, who has sixteen (16) years in the food and beverage service. He has been well received by all employees.

Mr. Kane updated the Committee that staff is in the process of updating three (3) policies: Ethics, Personal Appearance and Social Media.

The Personnel Committee entered into Executive Session at approximately 1:50 p.m. to discuss personnel matters.

The meeting was adjourned by Chairman Wamp at 2:25 p.m.

**6. Legislative Committee Report:**

Vice-Chairperson Ms. Mazur reported the Legislative Committee met on Wednesday, August 26, 2015 at 3:55 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. Winter reported that he is continuing to work on the Park Road closure.

Mr. Kane reported to the Committee that NYRA will negotiate the CDI contract for all OTB's sometime at the end of the year.

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

**7. Insurance Committee Report:**

Chairman Mr. Ricci reported the Insurance Committee met on Wednesday August 26, 2015.

Mr. Kane reported the present status of our Broker of Record for the Philadelphia Policy.

Chairman Ricci reported that the Committee entered into Executive Session to discuss a contractual issue.

The Insurance Committee then adjourned.

**8. Advertising Committee Report:**

Committee Chairman Mr. Clifford reported the Advertising and Promotions Committee met on Wednesday, August 26, 2015 at 3:02 p.m.

Director of Marketing Mr. Hasenauer and Director and Todd Haight, Director/General Manager Live Racing delivered a presentation of past and upcoming OTB events including the Travers Stakes and Live Racing Promotions. Family Fun Day was recapped.

Mr. Hasenauer recapped August's Cash prized courtesy of IGT and September's Double Car Drawing using Lapsed Prize Funds from the Lottery.

Mr. Hasenauer recapped the recent GLOW Corporate 5k event. Mr. Hasenauer stated that he hoped more employees would take advantage of this "team building" opportunity next year.

The Advertising and Promotions Committee meeting adjourned at 3:16 p.m.

**9. Audit Committee Report:**

Committee Chairman Mr. Bassett reported the Audit Committee met on Thursday, August 27, 2015 at 9 a.m.

Mrs. Leach presented the proposed Audit Service. Staff recommends to the Board that The Bonadio Group be retained for the initial year at a total cost of \$71,380 with the option of additional annual services to be exercised at that time. See **Resolution # 10-2015**.

9. **Audit Committee Report Continued:**

Upon motion made by Mr. Haberer and second by Mr. Darrow to award the audit service to The Bonadio Group in the amount of \$71,380. Ayes; 15, Nays; 0, Absent; 1, Lattimore. The motion was approved.

The Audit Committee then adjourned at 9:20 a.m. by Chairman Bassett.

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

Committee Chairman Mr. Morgan reported the Batavia Downs Committee met Wednesday August 27, 2015 at 3:05p.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.

Mr. Kane reported to the Committee that the NYS Gaming commission has approved the sale of property for the purpose of constructing a hotel.

Mr. Kane and Mr. Nolan reported the town of Batavia is moving toward with the closing of Park Road and will need State approval before final action.

Mr. Kane informed the Committee he will be attending a Harness Industry meeting September 12, 2015 at Yonkers Raceway.

Mrs. Ashbery informed the Board of the bid opening on July 16, 2015. After review, Staff is requesting the Board's approval for **Resolution #09-2015** be awarded to Applied Business Service for various mailers at an annual amount not to exceed \$67,422.00.

Upon motion made by Mr. Morgan and second by Ms. May to award the bid not to exceed \$67,422.00 to Applied Business Service for various mailers. Ayes; 15, Nays; 0, Absent; 1, Lattimore.

The Batavia Downs Committee then adjourned at 3:20 p.m.

**11. Branch Operations Committee Report;**

Chairperson Mazur reported that the Committee met on Thursday, August 27, 2015 at 9:35 a.m. and the following items were discussed.

Mr. Merriman updated the Committee that we will be using capital acquisition funds to purchase new television sets, mostly small personal television sets, for a number of branches.

Mr. Wojtaszek informed the Committee that the Pine Avenue location closed for \$10,500. The Committee went into Executive Session to discuss real estate matters concerning three (3) three branches, at approximately 9:40 a.m. the Committee came out of Executive Session.

Mr. Haas informed the Committee about the terms of the contract for fantasy sports with a 50/50 split of revenues with no cost to the Corporation. Batavia Bets was up \$32,000 in the month of July. Year to date it was up \$1.1 million. Mr. Haas also informed the Committee that we have also started taking South African racing online only and are looking to take, Australia, New Zealand and Argentina as well.

Mr. Haas informed the Committee that July 23, 2015 was the last day that any CDI tracks were simulcast. There have been few complaints so far. Mr. Haas updated the Committee that the New York State Racing Association (NYRA) will do the negotiations for all OTB's beginning sometime at the end of the year.

Mr. Schiano informed the Committee that the E-Z Bet handle will surpass the August handle from last year of \$257,000 as of Thursday morning. E-Z Bet's had a handle of \$238,000 for the month with five (5) days remaining, including the Travers. Mr. Schiano informed the Committee that they are still working in numerous counties looking for new locations.

Mr. Schiano informed the Committee that a supplemental Resolution was needed for Class Act to finish out the year. After review Staff is requesting that Class Act be awarded the contract for daily courier service in the amount of \$50,000. See **Resolution #11-2015**.

Upon motion made by Mr. Hendrickson and second by Mr. Darrow to award the contract not to exceed \$50,000 to Class Act. Ayes; 15, Nays; 0, Absent; 1, Lattimore.

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

Mr. Schiano informed the Committee of a new Resolution for W.B. Mason to supply paper, office staples and janitorial supplies that would come as a great savings to the Corporation, branches and Batavia Downs Gaming. After review Staff recommends that W.B. Mason Co. Inc. be the awarded the contract for the purchase of these supplies. See **Resolution # 13-2015**.

Upon motion made by Ms. Mazur and second by Mr. Clifford to award the State Contract vendor not to exceed \$50,000 to W.B. Mason Co. Inc. Ayes; 15, Nays; 0, Absent; 1, Lattimore.

Mr. Schiano informed the Committee that the ATM changeover has gone smoothly with the help of Ken Krotz, Mark Wolf, Cindy DeCarlo, E.J. Merriman, Luba Szyszkowski and Jessalyn Gates. Through the first full month of operation, there were 800 more transactions and \$5,000 more in fees paid to the Corporation.

A motion was made by Director Morgan and seconded by Director Darrow to enter into Executive Session at 9:40 a.m. until 9:50 a.m. to discuss Real Estate matters.

The meeting was adjourned by Chairperson Mazur at 10:13 a.m.

**12. Unfinished Business:**

**13. New Business:**

The next Committee and Board meetings are scheduled for September 23 and 24, 2015 respectively.

**14. Resolutions:**

#10-2015 Bonadio Group

#11-2015 Class Act

#12-2015 Reisdorf Oil & Propane

#13-2015 WB Mason Co. Inc.

**15. Adjournment:**

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

Respectfully submitted,

  
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Secretary to the Board

/pma