

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 23rd day of June 2016, and commencing at 10:03 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

Participating were:

City of Buffalo	Michelle Parmer-Garner
Cattaraugus	Richard Haberer
Cayuga	Paul Lattimore Jr.
Chautauqua	Allan Hendrickson
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard Bianchi
Orleans	Edward Morgan
Oswego	Ronald B. Darrow
City of Rochester	Dennis Bassett
Schuyler	Philip C. Barnes
Seneca	Richard L. Ricci
Steuben	John E. Clifford
Wayne	Kenneth Lauderdale
Wyoming	Susan May

Absent:

Niagara County (Vacant)

constituting the Directors of all participating municipalities.

Also participating were: Michael D. Kane, President & Chief Executive Officer; Scott Kiedrowski, Vice President Operations; Jacquelyne Leach, Comptroller; Henry Wojtaszek, General Counsel; Barbara Mruczek, Deputy Comptroller; Mark Wolf, Director of Video Gaming; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Edward Merriman, Manager of Branch Operations; James Haas, Communications/Mutuels Manager; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist; Ryan Hasenauer, Director of Marketing-WROTb & Video Gaming; Gayle Ashbery, Director of Purchasing; Cindy DeCarlo, Comptroller; Jim Krencik, Batavia Daily News.

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. Kiedrowski 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 May 26, 2016. There being none, a motion was made by Director Lauderdale and seconded by Director Haberer to approve the May 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 Lauderdale reported that the Finance Committee meeting was held on Wednesday, June 22, 2016 at 2:11 p.m. and the following business was considered.

Mrs. Ashbery stated a public bid was held on June 16, 2016 for cleaning services for the OTBC branches in Monroe County and that two bids were received.

After review of the bids, Staff recommends the Board's approval to award the bid to the lowest responsible bidder, Frank's Detail Cleaning Service in the amount of \$6,120 per month. Frank's Detail Cleaning Service is also our current service provider in Monroe County.

Upon motion by Director Lauderdale and seconded by Director Darrow, a roll call vote was taken Ayes: 16; Nays: 0; Vacant 1, Niagara. The motion carried unanimously to award the bid to Frank's Detail Service in the amount of \$6,120 per month. **(Resolution #21-2016).**

Mrs. Leach reviewed the May 2016 Comptroller's Report with Committee members. May produced surcharge for distribution of \$170,000 and earnings of approximately \$412,000. She discussed the results of operations for Branches and Batavia Downs.

This was provided for informational purposes only.

The Finance Committee meeting adjourned at 2:33 p.m.

5. Personnel Committee Report:

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, June 22, 2016 at 1:30 p.m. and the following business was discussed.

Mr. Kane informed the Committee that due to the Affordable Care Act changes have to be made to the definition of full time employees in regards to health care only. Changes also have to be made to the policy of health insurance regarding the death of a retiree. A motion was made to accept both recommendations by Director Haberer, seconded by Director Ricci and carried unanimously.

Mr. Kane explained to the Committee about a new holiday policy for all workers hired after July 1, 2016. All current employees would be grandfathered in to the current policy with slight changes as discussed. A motion was made by Director May to accept these policies, seconded by Chairman Bianchi and passed unanimously.

Mr. Wojtaszek recommended that the Committee hire Mr. Kane effective August 1, 2016 to the new position of Special Advisor to the President/CEO at an annual salary of \$52,000. A motion was made by Director Clifford, seconded by Director Ricci and passed unanimously.

Mr. Kane introduced our Consultant on Union specific issues, Carl Monti. Mr. Monti was instrumental in all three (3) contract negotiations and will continue assisting in Union matters upon request.

Mr. Schiano informed the Committee that the rank and file of the Gaming Collective Bargaining Agreement ratified the new Contract by a 2 to 1 margin. Mr. Schiano recommended to the Committee that they also accept the Contract after explaining the details. A motion was made by Director Clifford, seconded by Director Mazur and carried unanimously.

Mr. Wojtaszek briefly updated the Committee on two (2) ongoing Human Rights cases as well as mentioning the recent three (3) successful outcomes in the EEOC cases.

Director Haberer made a motion to adjourn the meeting at 2:10 p.m., seconded by Director Clifford.

6. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee met on Wednesday, June 22, 2016 at 4:05 p.m. and the following business was discussed.

Mr. Nicholas Antenucci and Mr. Kevin Bronner from Wilson Elser Moskowitz Edelman & Dicker, LLP and George Maziarz from Patricia Lynch Associates were available via telephone conference. Mr. Richard Winter of Richardson Management was also present.

Mr. Richard Winter, of Richardson Management thanked the Board members and will not ask for a renewal in contract with WROTBC. Mr. Kane extended thanks to Mr. Winter.

The Board was informed to the status of the vendor fee bill sponsored by Assemblywoman Peoples-Stokes and Senators Gallivan and Ranzenhofer that extends the protected area from Native American Casinos from 15 to 40 miles was passed in both houses and is awaiting the Governor's signature.

Mr. Kane presented the renewal agreement with Patricia Lynch Associates Inc. commencing on July 1, 2016 until June 30, 2017 with an increase in contract to \$48,000 per year for representation of legislative matters.

Upon motion by Director Darrow and seconded by Director Siebert, a roll call vote was taken Ayes: 16; Nays: 0; Vacant 1, Niagara. The motion carried unanimously to enter in agreement with Patricia Lynch Associates Inc. (**Resolution #19-2016**).

The Board was informed by Officers that the Fantasy Sports bill passed in both assembly and senate with help from all Lobbyists. Fan Duel will visit on site July 14, 2016

The Legislative Committee meeting was adjourned at 4:55 p.m.

7. Insurance Committee Report:

Committee Chairman Ricci reported that the Insurance Committee met on Wednesday June 22, 2016 at 4:06 p.m. and the following business was discussed.

Chairman Ricci informed the Board that the new Disability Policy will extend for two years ending on July 1, 2018.

8. Advertising Committee Report

Committee Chairman Clifford reported the Advertising and Promotions Committee met on Wednesday, June 22, 2016 at 2:30 p.m. and the following business was discussed.

Mr. Haight delivered a presentation of past and upcoming OTB events including the winner of the Handicapping Contest. A Belmont recap of ads and results was given and July's OTB events were previewed. Mr. Haight also went through the upcoming start of the racing meet including free program nights and the overall schedule including stakes races. The directors agreed to sponsor a race during August 3 BCCR Fundraiser.

Mr. Hasenauer recapped June's Leisure Loot giveaway using Lapsed Prize monies from the NYS Gaming Commission and previewed the vendor sponsored cash giveaways in July. Taste at the Track is this coming Sunday with over 14 food and drink vendors. Slides showing the recently held Kevin Meaney Comedy Show, the upcoming employee picnic and Rock Paper Scissors Competition were show.

Print ads from the Graphics Department were shown.

The Advertising and Promotions Committee meeting adjourned at 2:56 p.m.

9. Audit Committee Report:

Committee Chairman Bassett reported the Audit Committee me on Wednesday, June 22, 2016 at 5:30p.m. and the following business was discussed.

Committee Chairman Bassett reported that in order to move forward with the Micros system that a presentation be made by the Micros maintenance vendor.

The Audit Committee adjourned at 6:00 p.m.

10. Batavia Downs Operations Committee Report:

Committee Vice-Chairman Siebert reported the Batavia Downs Operations Committee met on Wednesday, June 22, 2016 at 3:03p.m. and the following business was discussed.

Committee Vice-Chairman Siebert reported the figures and monthly status report of gaming statistics which was provided to the Committee by Mr. Mark Wolf, General Manager of Gaming.

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

Mr. Haight reviewed the ad sales. He reported that the track resurfacing is continuing.

Mr. Kane reported that the Capital Awards Application will be submitted to the NYS Gaming Commission later next week.

Mr. Nolan reported that paint work is being done to the hotel exterior. The opening is expected in August.

Mr. Wolf presented to the board a resolution for EVERI (formally MGAM) for the maintenance including parts of four kiosk units that cash gaming vouchers.

Upon motion by Director Siebert and seconded by Director Hendrickson, a roll call vote was taken Ayes: 16; Nays: 0; Vacant 1, Niagara. The motions carried to accept the request of maintenance to EVERI in the amount not exceed \$30,000. **(Resolution #15-2016).**

Mr. Haight presented the Days Inn Grooms Quarters agreement to the Committee. This agreement is to accommodate the maximum of 16 groomsmen during the 2016 Live Racing season at a price not to exceed \$27,800.

Upon motion by Director Siebert and seconded by Director Wamp, a roll call vote was taken Ayes: 16; Nays: 0; Vacant 1, Niagara. The motions carried to accept the Days Inn Grooms Quarters agreement for the 2016-2017 Live Racing Season in the amount not exceed \$27,800. **(Resolution #17-2016).**

Mr. Haight presented the Mercy Flight Inc. agreement to the Committee. This agreement is to commence on July 1, 2016 and terminate on December 31, 2018. The service fee for 2016 will be \$136.00 per hour, \$139.00 per hour for 2017 and \$142.00 per hour for 2018.

Upon motion by Director Siebert and seconded by Director Ricci, a roll call vote was taken Ayes: 16; Nays: 0; Vacant 1, Niagara. The motions carried to accept the Mercy Flight EMS agreement July 1, 2016 through December 31, 2018 Live Racing. **(Resolution #18-2016).**

Upon motion to waive the rules pertaining to the Sub-Slab Depressurization System for the sale of the Newark property by Director Wamp and seconded by Director Hendrickson a voice vote was taken. Ayes: 16; Nays: 0; Vacant: 1; Niagara County.

10. Batavia Downs Operations Committee Report continued:

Mr. Wojtaszek recommended to the Board that in order to remediate environmental concerns and continue with the sale of the Newark property it is necessary that Day Environmental install a Sub-Slab Depressurization System in the amount not to exceed \$25,800.

Upon motion by Director Siebert and seconded by Director Darrow, a voice vote was taken Ayes: 16; Nays: 0; Vacant 1, Niagara. The motion carried to accept the installation of the Sub Slab Depressurization System by Day Environmental. **(Resolution #20-2016).**

Mr. Colaizzi presented to the Board a 30 day facial recognition trial.

The Batavia Downs Committee meeting adjourned at

11. Branch Operations Committee Report;

Committee Chairperson Mazur reported that the Committee met on Thursday, June 23, 2016 at 9:35 a.m. and the following business was discussed.

Mr. Merriman informed the Committee of new summer hires and subs in Monroe County, as well as mentioning the need for subs in Erie and Niagara County. Further Mr. Merriman discussed the Belmont and the hard work involved by all.

Mr. Wojtaszek discussed the Ridge Lea and Newark branches at the Batavia Downs Committee Meeting on Wednesday, June 22, 2016. Resolution #20-2016 was discussed and this motion was passed by the Committee during the Batavia Downs Committee meeting. Mr. Wojtaszek added that the due diligence for Ridge Lea, Albion and Hudson sales continues.

Mr. Schiano updated the Committee on the ongoing movement for the opening of concessionaire at the Military Road and Wehrle Branches.

Mr. Schiano informed the Committee that Save-On in Orleans County has been approved by the Gaming Commission. He further mentioned the numerous ongoing talks with other E-Z Bet possibilities. Lastly he added that May 2016 the E-Z Bets had their best month ever collecting \$531,000.00.

Mr. Schiano informed the Committee that new installations in branches will begin soon.

11. Branch Operations Committee Report continued;

Mr. Schiano informed the Committee that a Resolution was needed for the one (1) year renewal of the Olean Lease. A motion was made by Director Darrow, seconded by Director Morgan and passed unanimously.

Mr. Kane updated the Committee on the ongoing Monarch negotiations that we believe will come to a fruitful end in the near future including reciprocal rates for California tracks. The CDI negotiations continue with both of these negotiations being led by NYRA.

Mr. Haas informed the Committee that Batavia Bets had their best month ever in May and their first million dollar month ever. Year to date Batavia Bets is up five percent (5%) and June has already surpassed last year's amount with eight (8) days remaining.

A motion was made by Director Hendrickson and seconded by Director Darrow to adjourn the meeting at 9:56 a.m.

12. Unfinished Business:

Director May informed the Board of the Legislators night on August 24, 2016.

13. New Business:

The next Committee and Board meetings are scheduled for July 27, and 28, 2016 respectively.

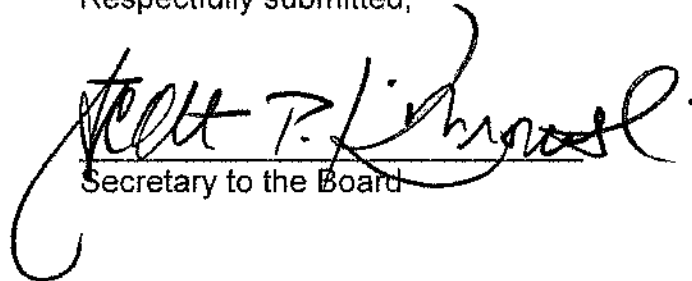
14. Resolutions:

Resolution #15-2016 EVERI
Resolution #16-2016 Olean Lease
Resolution #17-2016 Days Inn
Resolution #18-2016 Mercy Flight
Resolution #19-2016 Patricia Lynch Associates Inc.
Resolution #20-2016 Newark Day Environmental
Resolution #21-2016 Frank's Detailing Cleaning Service

15. **Adjournment:**

Director Morgan made a motion to adjourn which Director Darrow seconded.
The meeting was adjourned at 10:37 a.m.

Respectfully submitted,


Secretary to the Board

/pma