

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

Minutes of the annual organizational meeting and regular meeting of Board of Directors of the Western Regional Off-Track Betting Corporation, held on the 17th day of January, 2013, and commencing at 10:31 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road, Batavia, New York.

Participating were:

Absent:

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

D. Bassett

constituting the Directors of all participating municipalities.

Also participating were: Michael D. Kane, President & Chief Executive Officer; Michael Nolan, Executive Vice President/COO; Henry F. Wojtaszek, General Counsel and Secretary; Jacquelyne A. Leach, Comptroller; Barbara Mruczek, Deputy Comptroller; Ryan Hasenauer, Director of Marketing-WROTb and Video Gaming & Video Gaming; James M. Haas, Communications Manager; Steven J. Haigh, Internal Auditor; Edward Merriman, Manager of Branch Operations; Sean Schiano, Director of Branch Operations; William R. White, Vice President - Administration; Todd Haight, General Manager of Live Racing; Cindy DeCarlo, Controller and Gayle Ashbery, Director of Purchasing.

A roll of the membership of the Board having been called, the Secretary to the Board, Mr. Wojtaszek, declared a quorum present.

Chairman Richard Bianchi proceeded to conduct the meeting following the published Agenda for this annual organizational meeting.

Chairman Bianchi requested a moment of silence for the passing of former Vice President Patrick Murphy. Chairman Bianchi then asked Director Ruckman to lead the assemblage in the Pledge of Allegiance.

1. Chairman Bianchi asked Director Lattimore to proceed as Temporary Chairman. Director Lattimore continued to conduct the annual nomination proceedings for Chairman of the Board.

2. Director Lattimore asked for nominations from the floor for the position of Chairman of the Board of Directors. Director Garner nominated Mr. Richard Bianchi. The motion was seconded by Ms. Mazur. Mr. Garner requested to close the request for nominations. The result was 16 Aye votes for Bianchi: Garner, Lattimore, Mazur, Wamp, Bianchi, Kiedrowski, Darrow, Ricci, Clifford; Haberer, Ruckman, Lauderdale, Foley, Tuohey, Smith, and Siebert; Absent, 1: Bassett.

3. Newly elected Chairman Bianchi asked if there were nominations from the floor for Vice Chairman. Mr. Clifford nominated Mr. Wamp. The motion was seconded by Mr. Foley. Mr. Garner requested to close the request for nominations and was seconded by Mr. Lattimore. The result was 16 Aye votes for Wamp: Garner, Lattimore, Mazur, Wamp, Bianchi, Kiedrowski, Darrow, Ricci, Clifford; Haberer, Ruckman, Lauderdale, Foley, Tuohey, Smith, and Siebert; Absent, 1: Bassett.

4. **Approval of Previous Minutes:**

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meetings of December 13, 2012, and January 8, 2013. There being none, a motion was made by Mr. Ruckman and seconded by Mr. Foley to approve the December and January minutes as submitted. The minutes were approved unanimously by a voice vote.

5. **Communications:**

There were no Communications.

6. **Officers' Reports:**

There were no Officer's Reports.

7. Finance Committee Report:

Committee Chairman Ron Darrow reported that the Finance Committee meeting was held on Wednesday, January 16, 2013 at 3:05 p.m. and the following business was considered.

a. Mrs. Gayle Ashbery advised the Board that a comparison of vendors was made for a vendor with best pricing for white paper on an as-needed basis.

A motion was made by Mr. Darrow and seconded by Mr. Ruckman to approve the blanket purchase of paper from the State Contract Vendor List to Office Max for the purchase of white paper for the 2013 calendar year in the amount of \$100,000. A roll call vote was taken. Ayes: 16, Nays: 0, Absent: 1, Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 1-2013).**

b. Mrs. Gayle Ashbery advised the Board that staff has compared pricing from various vendors for office supplies and is suggesting the purchase from the state contract vendor, Staples.

A motion was made by Mr. Darrow and seconded by Mr. Smith to approve the blanket purchase of office supplies for the purchased of the 2013 calendar year to Staples the in the amount of \$20,000. A roll call vote was taken. Ayes: 16, Nays: 0, Absent: 1, Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 3-2013).**

c. Mrs. Gayle Ashbery advised the Board that the Pitney-Bowes postage meter is an annually rented meter in the amount of \$29,000.

A motion was made by Mr. Darrow and seconded by Mr. Ruckman to approve the annual rental and postage of the Pitney-Bowes postage meter for \$29,000. A roll call vote was taken. Ayes: 16, Nays: 0, Absent: 1, Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 4-2013).**

d. Mrs. Ashbery advised the Board that a tabloid for horse betting customers at branch locations and the ITW for racing information.

A motion was made by Mr. Darrow and seconded by Mr. Lauderdale to approve the purchase of Daily Racing Forms for the 2013 calendar year in the amount of \$85,000. A roll call vote was taken. Ayes: 16, Nays: 0, Absent: Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 5-2013).**

7. Finance Committee Report (continued):

e. The Committee was provided an update on the financing of the Capital Project by Mrs. Jackie Leach. It was noted that anticipation of a commitment letter from First Niagara Bank is expected to arrive next week.

A motion was made by Mr. Darrow and seconded by Mr. Ruckman to authorize Mr. Kane to sign First Niagara Bank's commitment letter. A voice vote was taken. Ayes: 16, Nays: 0, Absent: 1, Bassett. The motion was approved unanimously.

f. Mrs. Jackie Leach presented the November 2012 Comptroller's Report to the Committee for informational purposes only.

The Finance Committee adjourned at 3:23 p.m.

8. Personnel Committee Report:

Committee Chairperson Wamp reported the Personnel Committee met on Wednesday, January 16, 2013 at 1:30 p.m.

a. Mr. Wamp indicated that the Committee entered into Executive Session to discuss personnel matters.

The Committee was adjourned at approximately 2:00 p.m.

11. Legislative Committee:

Committee Chairman Siebert reported that the Legislative Committee met on Wednesday, January 16, 2013 at 4:15 p.m. Ms. Lisa Marrello and Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP was available via telephone conference. Mr. Paul Tokasz from Patricia Lynch Associates and Mr. Rick Winter from Richardson Management were on the call as well.

a. There was discussion regarding the Governor's State of the State address.

b. Mr. Mike Kane informed the Committee of the NYRA meeting in Yonkers on January 18th which he and General Counsel will be attending.

c. On January 28th a NYGA annual meeting and function will be held. Meetings with Legislators and executive staff are planned.

11. Legislative Committee (continued):

- d. Mr. Kane informed the Committee of the Fair Forum recommendations.
- e. Mr. Kane provided the Committee with a summary events pertaining to the New York Gaming Association. Their Board meeting will be held on January 30th.
- f. Mr. Kane updated the Committee with the status of the Thoroughbred Racing Protective Bureau. Mr. Kane briefed the Committee of his recent letter to the NY Racing & Wagering Board to conduct a review of the actions of the Bureau.

No action was required by the Board.

12. Insurance Committee:

Chairman Paul Lattimore reported that the Insurance Committee met on Thursday, January 17, 2013 at 9:30 am. for a short time to inform those present that there is no new findings to note.

13. Advertising Committee:

Chairperson John Clifford reported that the Committee met on Wednesday, January 16, 2013 at 3:30 p.m.

- a. Ryan Hasenauer, and Todd Haight provided a recap of the OTB couponing program. Past OTB events were also provided. OTB ads were presented to the Committee.
- b. The Committee was briefed on the December casino promotions which included the New Year's Eve celebration.
- c. Ryan Hasenauer provided information on the January Travel Giveaway Promotion.
- d. The Casino promotions for February were reviewed.

No action by the Board was required.

The Committee meeting adjourned at 4:00 p.m.

14. Audit Committee:

Chairperson Bianchi noted that the Audit Committee did not meet.

15. Property/Real Estate:

Chairman Marcia Tuohey reported that the Committee met on January 16, 2013 at 3:15 p.m.

- a. The Committee discussed the sale of the Newark property. It was determined that the final decision will be tabled until the February meeting.
- b. General Counsel Wojtaszek informed the Committee that the final closing date for the State Street property should be early February.
- c. The Bullshead update was provided by Mr. Schiano. The City of Rochester has torn down the neighboring building. Repairs to the west side of the building are being planned.
- d. Mr. Schiano informed the Committee that the current concessionaire will be ending their relationship at the end of February. However, the Phoenix concessionaire has expressed an interest to work as the Auburn concessionaire.
- e. After Committee discussion, it was determined that the Property/Real Estate Committee and the Branch Operations Committee will be combined and will continue as Branch Operations.

The meeting was adjourned at 3:30 p.m.

16. Batavia Downs Committee:

Committee Chairperson Paul Lattimore reported to the Board that the Batavia Downs Committee met on Wednesday, January 18, 2013 at approximately 2:00 p.m.

- a. The monthly Status Report with gaming statistics was provided to the Committee by Mark Wolf.
- b. The Committee was provided with financial statistics.

16. Batavia Downs Committee (continued):

c. Mrs. Gayle Ashbery requested the Board's approval for the purchase of necessary food products for 2013 from US Foods as needed.

A motion was made by Mr. Lattimore and seconded by Mr. Siebert to approve the purchase of necessary food supplies from US Foods in the amount of \$350,000. A roll call vote was taken. Ayes: 16, Nays: 0; Absent: 1, Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 16-2013).**

d. Mr. Kane requested the approval for the purchase of food items for 2013 from Palmer Foods in the amount of \$200,000.

A motion was made by Mr. Lattimore and seconded by Mr. Siebert to approve the purchase of necessary food items from Palmer Foods in the amount of \$200,000. A roll call vote was taken. Ayes: 16, Nays: 0; Absent: 1, Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 17-2013).**

e. Mr. Kane requested the approval for the purchase of beverage and food items for 2013 from Sygma for the purchase of Tim Horton's products in the amount of \$75,000.

A motion was made by Mr. Lattimore and seconded by Mr. Siebert to purchase items from Sygma in the amount of \$75,000. A roll call vote was taken. Ayes: 16, Nays: 0; Absent: 1, Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 18-2013).**

f. Mr. Kane requested the approval for the purchase of food items for 2013 from Condidorio Products in the amount of \$24,000.

A motion was made by Mr. Lattimore and seconded by Mr. Ruckman to purchase food items from Condidorio in the amount of \$24,000. A roll call vote was taken. Ayes: 16, Nays: 0; Absent: 1, Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 19-2013).**

g. It has been determined by staff that a need for replacement of existing problematic forklift equipment for warehousing needs.

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

16. Batavia Downs Committee (continued):

g. A motion was made by Mr. Lattimore and seconded by Mr. Ruckman to authorize the President to accept the lowest responsible bid for an acceptable forklift at a price not to exceed \$25,000. A roll call vote was taken. Ayes: 16, Nays: 0; Absent: 1, Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 22-2013).**

h. Mr. Kane informed the Board of the desire to rescind the award of kitchen equipment to Gerharz Kitchen Equipment which was made with Resolution # 14-2013 at the previous Board meeting. Questions were raised by other bidders that there may be problems with the named bidder.

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

A motion was made by Mr. Lattimore and seconded by Mr. Siebert to reject all bids for the kitchen equipment and to authorize Staff to rebid the contract. A roll call vote was taken. Ayes: 16, Nays: 0; Absent: 1, Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 21-2013).**

Mr. Siebert addressed Mr. Kane regarding the upcoming construction and not being able to use the Paddock Room for functions. Mr. Kane noted that effective this date it is not available through year end of 2013. The area will be used for mobilization. Mr. Kane noted that the Clubhouse is available for usage.

17. Branch Operations:

Committee Chairman Maurice Garner reported that the Committee met on Thursday, January 17, 2013 at approximately 9:30 a.m.

a. Messrs. Ryan Hasenauer and Jim Haas provided the Committee with an website update.

b. Mr. Jim Haas provided an update of the Tote contract.

c. Mr. Jim Haas provided an update of the ADW—internet wagering. The official operating date will be January 22nd.

d. EZ Bets updates were provide by Messrs. Sean Schiano and EJ Merriman. Areas for possible EZ Bets were discussed.

17. Branch Operations (continued):

e. Mr. Sean Schiano informed the Committee of the Ridge Lea/Wehrle staff modifications due to the branch not being categorized as a “super branch”.

f. Mr. Jim Haas informed the Committee of the Monarch and NYRA contract negotiations.

g. Staff has recommended that an Officer of the Corporation be directed to required documents to award a contract for providing service to patrons for daily courier service.

A motion to enter a one year contract term commencing on January 1, 2013 through December 31, 2013 with Class Act for delivery service to Erie and Niagara counties (Wehrle and Ridge Lea branches) in the amount of \$65,000 was made by Mr. Garner and seconded by Mr. Ruckman. A roll call vote was taken. Ayes: 16, Nays: 0; Absent: 1, Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 2-2013).**

h. Messrs. Sean Schiano and Jim Haas reported to the Committee their research for printers for each branch and EZ Bet location. Each location will have a multi-function printer according to the size dependent on printing needs. Staff proposed a five (5) year contract with Ricoh Production Printing at the annual rate of \$193,728 with an estimated page overage charge of \$44,000 annually.

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, Bassett. The motion was carried.

A motion was made by Mr. Garner and seconded by Mr. Ruckman to have an Officer of the Corporation to execute an agreement with Ricoh Production Printing at an annual rate of \$193,728 with an estimated page overage charge of \$44,000 annually. A roll call vote was taken. Ayes: 16, Nays: 0; Absent: 1, Bassett. The motion to approve the resolution was carried unanimously. **(See Resolution # 20-2013).**

No further business for the Board.

19. Resolutions:

01-2013	Office Max
02-2013	Class Act
03-2013	Staples
04-2013	Pitney Bowes
05-2013	Daily Racing Forms
16-2013	US Foods
17-2013	Palmer Foods
18-2013	Sygma – Tim Horton's
19-2013	Condidorio
20-2013	Ricoh
21-2013	Rejection of Resolution # 14-2013
22-2013	Purchase of forklift

20. Unfinished Business:

There was no unfinished business.

21. New Business:

The next Committee and Board meetings will be held on February 20 and February 21, 2013 respectively.

Chairman Bianchi expressed his gratitude for the Director's support. He indicated that 2013 will be a big year for Western Regional Off-Track Betting Corporation which includes construction and that it will profitable for the Corporation and the municipalities.

22. Adjournment:

Mr. Garner made a motion to adjourn which was seconded by Mr. Ruckman. The meeting was adjourned at 11:08 a.m.

Respectfully submitted,

Secretary to the Board