

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 25th day of September 2014, and commencing at 10:00 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

Participating were:

Cattaraugus	Richard E. Haberer
Cayuga	Paul W. Lattimore, Jr.
Chautauqua	Roger E. Ruckman
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Niagara	Scott Kiedrowski
Oswego	Ronald B. Darrow
Rochester	Dennis Bassett
Seneca	Richard L. Ricci
Steuben	John E. Clifford
Wayne	Kenneth Lauderdale
Wyoming	James A. Foley

Absent:

M. Garner
B. Mazur
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; Henry F. Wojtaszek, General Counsel; Jacquelyne A. Leach, Comptroller; Barbara Mruzek, Deputy Controller; Mark Wolf, Director of Video Gaming; Cindy DeCarlo, Controller; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Steven J. Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; EJ Merriman, Manager of Branch Operations; James Haas, Communications/ Mutuels Manager; Stephanie Underhill, Video Coordinator.

A roll of the membership of the Board having been called, Mr. Wojtaszek 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 Darrow 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. Lauderdale and seconded by Mr. Haberer 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 Mr. Lauderdale reported that the Finance Committee meeting was held on Wednesday, September 24, 2014 at 3:14 p.m. and the following business was considered.

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

Mr. Sean Schiano presented and recommended along with staff that Western has in the past purchased office products, including white paper from our State Contract List vendor, Office Max. With compared usage from last year, Staff has recommended the Corporation award the purchase for white paper for one year to Office Max in the amount of \$135,000 for the year 2014. **(See Resolution #36-2014).**

Upon motion by Mr. Lauderdale and seconded by Mr. Darrow a vote was taken. Ayes: 13; Nays: 0; Absent 3, Garner, Mazur, Smith. The motion was approved to purchase white paper from our State Contract List vendor, Office Max in the amount of \$135,000 for the year 2014.

Upon motion by Mr. Darrow and seconded by Mr. Bianchi, the Finance Committee meeting adjourned at 3:24 p.m.

5. Personnel Committee Report:

Committee Chairman Mr. Wamp reported the Personnel Committee meeting was held on Wednesday, September 25, 2014 at 1:30p.m.

Mr. Wamp informed the Board that Director Smith's daughter attended to inform the Committee that Mr. Smith has resigned as Director of Schuyler County.

Mr. White informed the Committee of the Collective Bargaining status. He informed the Board that he met with Union Labor Management and negotiations will begin on October 21, 2014.

Upon motion by Mr. Wamp and seconded by Mr. Haberer the Personnel Committee was adjourned at 1:50.

6. Legislative Committee Report:

Committee Chairman Mr. Kiedrowski reported the Legislative Committee met on Wednesday, September 24, 2014. Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP and Mr. Paul Tokasz from Patricia Lynch Associates, were available via telephone conference.

Mr. Kiedrowski reported there the State Legislature is out of session there was nothing further to report.

The Legislative Committee was adjourned.

7. Insurance Committee Report:

No meeting was held.

8. Advertising Committee Report:

Committee Chairman John Clifford reported the Advertising and Promotions Committee met on Wednesday, September 24, 2014 at 1:40 p.m.

Director of Marketing, Ryan Hasenauer, and General Manager of Live Racing, Todd Haight, presented events for OTB and recapped Live Racing events including the Cash Cube, Handicapping Contest and the Labor Day Bike Race.

8. Advertising Committee Report Continued:

Mr. Hasenauer recapped September's promotions including the upcoming Cadillac Drawing and previewed October's Cash Drawing. A recap of a sponsorship of Darien Lake including monies generated from both coupons and from the giveaway of tickets. The previous weekend's Sports Card and Autograph show was recapped. An award was given over the weekend by the Genesee County Preservation society for our Batavia Downs sign.

Mr. Haight informed the Committee of the upcoming promotions for October.

The Committee entered into executive session following the meeting at 2:30pm until 3:05pm.

The Advertising and Promotions Committee adjourned at 3:05 p.m.

9. Audit Committee Report:

Committee Chairman Mr. Bassett reported the Audit Committee met on Wednesday September 24, 2014 at 4:20 p.m.

Mr. Haigh informed the Committee of an update of the Food and Beverage Micros system.

Mr. Haigh informed the Committee and asked permission to attend the UNLV Casino Auditing Seminar on October 20-24, 2014.

Upon motion by Mr. Haberer and seconded by Mr. Ruckman a voice vote was taken. Ayes: 13; Nays: 0; Absent 3, Garner, Mazur, Smith. The motion was approved.

The Audit Committee meeting was adjourned.

10. Batavia Downs Committee Report:

Chairman Mr. Lattimore reported the Batavia Downs Committee met on Wednesday, September 24, 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. Haight informed the Committee of the completed Purple Haze Winner Circle. He recapped the Live Racing numbers. He requested the Board's authorization for the Corporation to contribute \$30,000 to the Annual Robert J. Kane Memorial Pace purse which will be held on October 18, 2014.

Upon motion by Mr. Lattimore and seconded by Mr. Clifford a voice vote was taken. Ayes: 13; Nays: 0; Absent 3, Garner, Mazur, Smith. The motion was approved.

Mr. Lattimore presented and recommended along with staff that Western increase the financial limits to order from Home Depot in the amount of \$10,000 through the year 2014. **(See Resolution #37-2014).**

Upon motion by Mr. Ruckman and seconded by Mr. Lattimore a roll call vote was taken. Ayes: 13; Nays: 0; Absent 3, Garner, Mazur, Smith. The motion was approved.

Mr. Lattimore presented and recommended along with staff that Western approve the purchase of Pizza from Mark's Pizzeria at a cost of 9,999 for the remainder of the 2014 year. **(See Resolution#38-2014).**

Upon motion by Mr. Lattimore and seconded by Mr. Foley a roll call vote was taken. Ayes: 13; Nays: 0; Absent 3, Garner, Mazur, Smith. The motion was approved.

Mr. Lattimore presented and recommended along with staff that Western approve the extension of purchase of products for quality food & beverages provided to our customers, from Empire Merchants at a cost of 14,999. **(Resolution #39-2014).**

Upon motion by Mr. Lattimore and seconded by Mr. Lauderdale a roll call vote was taken. Ayes: 13; Nays: 0; Absent 3, Garner, Mazur, Smith. The motion was approved.

11. Branch Operations Committee Report:

Vice Chairperson Mr. Darrow reported that the Committee met on Thursday, September 25, 2014 at 9:31 a.m.

Mr. Schiano informed the Committee that an error was found in the billing of the Daily Racing Form. He informed the Committee that we were being double billed for a few months and confirmed that \$18,880 will be credited back to the Corporation over the next 3-4 months as well as being sure we are billed for only what we are using on a daily basis.

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

Mr. Merriman informed the Committee that the Oaks in Corning, Stueben County has been approved and should be open prior to the Breeders Cup. We received information that the New York State Gaming Commission should approve the Wadsworth Grill in Livingston County soon.

Mr. Haas informed the Committee that August was the best month ever handling \$850,000 - \$190,000 over the last year. Year to date we have already surpassed last year's total of \$5.3 million for the entire year of 2013. Year to date in handle on Batavia Bets is \$5.7 million.

Mr. Wojtaszek informed the Committee that Newark sale should be completed in the next two weeks for \$395,000 with a five-year lease and an 18-24 month out clause on the lease. The Mohawk sale should also be closing in the near future. There has been little movement on the Niagara Falls properties so they will most likely go to auction in two weeks.

Mr. Nolan informed the Committee that Erie County is behind in issuing new waivers but he has been told we are assured our waiver will be granted and we are currently not in any violations.

Mr. Schiano informed the Committee of the Manager's Meeting on October 20, 2014.

Mr. Kane introduced the new Director from Orleans County, Mr. Ed Morgan.

The Branch Operations Committee meeting adjourned at 9:49 a.m.

12. **Unfinished Business:**

No unfinished business.

13. **New Business:**

Mr. Ruckman announced that he was resigning as Chautauqua County Director for Western Regional Off Track Betting Corporation after 17 years. Mr. Bianchi commended Mr. Ruckman on his loyalty and dedication to the Corporation.

13. New Business Continued:

Mr. Kane informed the Board and asked permission for three staff members to attend the 2014 Global Symposium on Racing and Gaming in Arizona December 8-11, 2014.

The request was approved without objection.

The next Committee and Board meetings will be held on October 22 and 23, 2014 respectively.

14. Adjournment:

Mr. Lauderdale made a motion to adjourn which Mr. Haberer seconded. The meeting was adjourned at 10:29 a.m.

Respectfully submitted,



Secretary to the Board