

**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 15rd day of January 2015, 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 Lattimore Jr. |
| Chautauqua  | Allan Hendrickson  |
| Erie        | Beverly A. Mazur   |
| Livingston  | Thomas P. Wamp     |
| Monroe      | Richard D. Bianchi |
| Niagara     | Scott Kiedrowski   |
| Oswego      | Ronald B. Darrow   |
| Seneca      | Richard L. Ricci   |
| Steuben     | John E. Clifford   |
| Wayne       | Kenneth Lauderdale |
| Wyoming     | James A. Foley     |

**Absent:**

Maurice Garner  
Richard Siebert  
Edward Morgan  
Dennis Bassett  
Philip Barnes

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; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Cindy DeCarlo, Controller; Sean Schiano, Director of Branch Operations; EJ Merriman, Manager of Branch Operations; James Haas, Communications/Mutuels Manager; Gayle Ashbery, Director of Purchasing; Stephanie Underhill, Video Coordinator;

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 Director Hendrickson 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 Ricci nominated Mr. Richard Bianchi. Mr. Lauderdale seconded the motion. Mr. Haberer moved to close the request for nominations. A roll call vote was taken Ayes: 12; Absent: 5; Garner, Siebert, Morgan, Bassett, Barnes.
3. Newly elected Chairman Bianchi asked if there were nominations from the floor for Vice-Chairman. Mr. Clifford nominated Mr. Wamp. Ms. Mazur seconded the motion. Mr. Lattimore moved to close the request for nominations and was seconded by Mr. Haberer. A roll call vote was taken Ayes: 12; Absent: 5; Garner, Siebert, Morgan, Bassett, Barnes.

4. **Approval of Previous Minutes:**

Chairman Wamp called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of December 5. There being none, a motion was made by Mr. Haberer and seconded by Mr. Foley to approve the October minutes as submitted. The minutes were approved unanimously by a voice vote.

5. **Communications:**

Mr. Wojtaszek informed the Board of a letter of thanks from "Toys for Kids Fund" for the Jean Fund donation.

Mr. Wojtaszek informed the Board of a letter of thanks from Volunteers for Animals for the Jean Fund Donation.

Mr. Wojtaszek informed the Board of a letter of thanks from Community Action or Orleans and Genesee for the Jean Fund Donation.

Mr. Wojtaszek informed the Board of a letter of thanks from the Holland Land Office Museum for the donation from Batavia Downs Gaming.

6. **Officers' Reports:**

There were no Officer's Reports.

**7. Finance Committee Report:**

Committee Chairman Mr. Lauderdale reported that the Finance Committee meeting was held on Wednesday, January 14, 2015 at 2:40 p.m. and the following business was considered.

Mrs. Leach introduced Mr. Peter VanPutte of Bonadio & Co. who provided an explanation of interest rate swaps in general and a brief review of Western's Policy.

Upon motion by Mr. Darrow and seconded by Mr. Ricci and carried unanimously, the Finance Committee accepted Mr. VanPutte's report as presented.

Mr. Kane and Mrs. Leach addressed the Committee regarding an audit performed by the Office of the State Comptroller (OSC) in 2014, providing a review of the draft audit report. Western accepts the audit and is in agreement with the findings. This was provided for informational purposes only.

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

Upon motion by Mr. Bianchi and seconded by Mr. Darrow the finance Committee meeting was adjourned at 3:00 p.m.

**8. Personnel Committee Report:**

Committee Chairman Mr. Wamp reported the Personnel Committee meeting was held on Wednesday, January 14, 2015 at 12:30p.m.

Mr. Kane informed the Board that Mr. Allan Hendrickson and Mr. Philip Barnes have both been approved by the NYS Gaming Commission as Directors for WROTBC.

Mr. White informed the Committee that the negotiations are ongoing with the Gaming contract and progress is being made. Negotiations have been attempted for the branches with no agreement made regarding the merge of the two contracts.

The Committee entered into Executive Session at 12:45 p.m. to discuss Personnel matters until 2:15 p.m.

**8. Personnel Committee Report continued:**

Chairman Mr. Wamp informed the Board of the 2015 salary adjustment for the corporate employees effective January 1, 2015. There will be a cost of living adjustment from 0-3% based on the 2014 performance evaluations with the average not to exceed 2%. The merit adjustments requested by Mr. Kane were approved for those who did not receive a merit adjustment in 2014.

Upon motion by Mr. Wamp and seconded by Mr. Lattimore a voice vote was taken Ayes: 12; Nays: 0 Absent: 5, Garner, Siebert, Morgan, Bassett, Barnes. The motion was approved.

Upon motion by Mr. Wamp and seconded by Mr. Clifford, the Personnel Committee meeting adjourned at 2:20 p.m.

**9. Legislative Committee Report:**

Committee Vice-Chairman Ms. Mazur reported the Legislative Committee met on Wednesday, January 14, 2015 at 3:50 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.

Committee Vice-Chairman Ms. Mazur informed the Board that there were discussions regarding the new Casino sight in Seneca Falls.

The Legislative Committee was adjourned at 4:10p.m.

**10. Insurance Committee Report:**

No Insurance meeting held.

**11. Advertising Committee Report:**

Committee Chairman Mr. Clifford reported the Advertising and Promotions Committee met on Wednesday, January 15, 2015 at 3:30 p.m.

Chairman Mr. Clifford thanked Vice-Chairman Mr. Foley for a job well done in his absence.

**11. Advertising Committee Report continued:**

Committee Chairman Mr. Clifford informed the Board of Mr. Hasenauer's December promotions and previewed January and February. He discussed the success of the Employee Holiday Party as well as the facility's New Year's Eve party.

Committee Chairman Mr. Clifford informed the Board of the December Live Racing recap for 2014 from Mr. Haight. Mr. Clifford informed the Board of the preview of the 2015 Live Racing schedule. Mr. Clifford also informed the Board that Mr. Haight previewed the upcoming races at OTB including the Kentucky Derby that takes place on May 2, 2015.

Committee Chairman Mr. Clifford spoke about adding details of our community involvement in our ads as well as holding special days for each community with special offers.

The Advertising and Promotions Committee adjourned at 4:00p.m.

**12. Audit Committee Report:**

Committee Vice-Chairman Mr. Haberer reported the Audit Committee met on Wednesday January 14, 2015 at 4:33p.m.

Mr. Haberer informed the Board the Committee entered into executive session to discuss a personnel matter at 4:34p.m. until 4:45p.m.

Mr. Haberer informed the Board that Mr. Haigh provided the Committee with a summary of the third quarter audit reports. He also reported on the inventory control and money laundering policy that was adopted in October, 2014. He reported there were discussions on the IRS rules related to gratuities and tips and recent changes by the NYS Gaming Commission.

The Audit Committee meeting was adjourned at 5:05p.m.

**13. Batavia Downs Committee Report:**

Committee Chairman Mr. Lattimore reported the Batavia Downs Committee met Wednesday January 14, 2015 at 3p.m.

Mr. Lattimore informed the Board that the Horsemen's three year Agreement was discussed.

**13. Batavia Downs Committee Report continued:**

Upon motion by Mr. Lattimore and seconded by Mr. Darrow a voice vote was taken. Ayes: 12; Nays: 0; Absent: 5; Garner, Siebert, Morgan, Bassett, Barnes. The motion carried to approve the Horsemen's Agreement.

The Batavia Downs Committee then adjourned.

**14. Branch Operations Committee Report:**

Vice-Chairperson Mazur reported that the Committee met on Thursday, January 15, 2015 at 9:50 a.m.

Mr. Merriman informed the Committee that we currently have 28 E-Z Bet locations and are continuing to search in areas that we feel would be beneficial.

Mr. Merriman informed the Committee that Ron Merrill from the NYS Gaming Commission visited our Wehrle Drive Branch unannounced on December 31, 2014 and was pleased that we were compliance with all rules and regulations after touring the branch.

Mr. Schiano informed the Committee that after reviewing branches the following changes will be made. The hours at Transit Rd, Geneseo and Albion branches will reduce effective February 1, 2015.

Mr. Haas informed the Committee the Batavia Bets handled \$7.3 million in 2014 up \$2.3 million from the previous year.

Mr. Haas informed the Committee that the Monarch contract was renewed at the same rate as 2014.

Mr. Wojtaszek informed the Committee that the Mohawk property should close next week. The Newark property is scheduled to close at the end of February or beginning of March. A motion was made by Mr. Bianchi to accept the bid of \$62,500 for the 1201 Main Street property in Niagara Falls, seconded by Mr. Darrow and passed unanimously by the Committee.

The Branch Operations Committee meeting adjourned at 9:55 a.m.

15. **Unfinished Business:**

No unfinished business.

16. **New Business:**

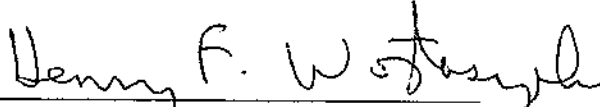
The next Committee and Board meetings will be held on February 25 and 26, 2015 respectively.

The Board approved out of state travel as requested by Mr. Kane for Mr. Schiano, Mr. Hasenauer, Ms. Matikosh, Ms. Carpenter and Mr. Haight.

17. **Adjournment:**

Mr. Kiedrowski made a motion to adjourn which Mr. Wamp seconded. The meeting was adjourned at 11:05 a.m.

Respectfully submitted,

  
Secretary to the Board