

**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 29th day of July 2015, and commencing at 10:17 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
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:**

Richard Siebert

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; Mark Wolf, Director of Video Gaming; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Cindy DeCarlo, Controller; James Haas, Communications/Mutuels Manager; Gayle Ashbery, Director of Purchasing; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist, Stephanie Underhill, Community Relations Specialist; Michelle Parmer-Garner, City of Buffalo; Jim Krencik, The Batavia Daily News, Mike Pettinella, The Buffalo 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 Ms. Parmer-Garner 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 June 25, 2015. There being none, a motion was made by Mr. Darrow and seconded by Mr. Lauderdale to approve the June minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

Mr. Nolan informed the Board of a note of thanks from the Festival of Hope Chairman, Paul Figlow for the basket donation, advertising and support of the Festival of Hope Walk/5K Run Against Cancer held on Friday, May 29, 2015 at Batavia Downs.

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, July 29, 2015 at 2:17 p.m. and the following business was considered.

Mrs. Leach presented the June 2015 Comptroller's Report to the Committee. She noted the Corporation generated surcharge in the amount of \$130,760 for the month of June. Also, operational earnings in the amount of \$716,682 were generated for the second quarter of 2015. These monies will be distributed to member municipalities by month end July 2015. This was provided for informational purposes only.

Upon motion by Mr. Darrow and seconded by Mr. Kiedrowski, the Finance Committee meeting adjourned at 2:38 p.m.

5. **Personnel Committee Report:**

Committee Chairman Mr. Wamp reported the Personnel Committee meeting was held on Wednesday, July 29, 2015 at 1:30 p.m. the following business was discussed.

**5. Personnel Committee Report Continued:**

Mr. Kane informed the Committee that the employee training pertaining to Security, Supervisor Customer Service was successful and the plan is to carry it forward for 2016.

Mr. Wojtaszek informed the Committee that he is taking a close look at the Affordable Health Care Act effective January 1, 2016 to do what is in the best interest of the Corporation.

Mr. Kane informed the Committee of the review of the cell phone usage and is looking for potential savings.

The Personnel Committee entered into Executive Session at approximately 1:45 p.m. until 2:15 p.m. to discuss a personnel issue.

The Personnel Committee meeting adjourned by Chairman Wamp at 2:20 p.m.

**6. Legislative Committee Report:**

Vice-Chairperson Ms. Mazur reported the Legislative Committee met on Wednesday, July 29, 2015 at 3:45 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.

The Consultants informed the Board the Senate Bill S4934 and Assembly A6946 passed allowing wagering on Palm Sunday is waiting for signature.

Mr. Winter reported that he is working with Mr. Kane and Mr. Nolan on the closing of Park Road.

Mr. Kane informed the Committee he will be attending the NYGA Quarterly meeting on August 20, 2015.

Mr. Kane informed the Board of the Albany Law School on Racing and Gaming at Saratoga August 11 & 12, 2015.

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

**7. Insurance Committee Report:**

No meeting was held.

**8. Advertising Committee Report:**

Committee Chairman Mr. Clifford reported the Advertising and Promotions Committee met on Wednesday, July 29, 2015 at 2:41 p.m.

Director of Marketing Mr. Hasenauer and Director of Live Racing delivered a presentation of past and upcoming OTB events including and the return of Live Racing.

Recent events including the Rochester Red Wings and Batavia Muckdogs night were shown and discussed. The arrival of the new Batavia Downs Mascot "Max Bettington" was shown along with pictures of him at the Red Wings game and on site for the first night of racing.

Mr. Hasenauer recapped the awards recently won at the Raving Convention in Las Vegas.

Mr. Hasenauer presented the print ads from our Graphics Department. In the open session, Director Lauderdale asked about our involvement with local sports and entertainment venues. Mr. Hasenauer explained that we have suites/boxes at these locations in order to get tickets to our customers, but we do not have onsite signage as that is either too expensive or the message is not seen by enough potential customers.

The Advertising and Promotions Committee meeting adjourned at 3:00 p.m.

**9. Audit Committee Report:**

Committee Chairman Mr. Bassett reported the Audit Committee met on Wednesday, July 29, 2015 at approximately 4:30p.m.

Mrs. Leach informed the Committee that the request for proposals is going out for the Auditing Contract for next month.

9. **Audit Committee Report Continued:**

Mr. Haigh informed the Committee of the recent badge policy changes at the direction of the NYS Gaming Commission

The Committee reviewed the revised WROTBC Board of Director Expense Voucher Policy language introduced by Chairman Bassett.

A motion was made by Mr. Lauderdale and seconded by Mr. Clifford motion to except the revised Board of Director Expense Voucher Policy. Ayes; 15, Nays; 0, Absent; 1; Siebert. The motion carried.

The Audit Committee was then adjourned by Chairman Bassett.

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

Committee Chairman Mr. Morgan reported the Batavia Downs Committee met Wednesday July 29, 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 contracting 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 was 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; Siebert.

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, July 30, 2015 at 9:31 a.m. and the following items were discussed.

Mr. Merriman informed the Committee that there was a Branch hours change on June 29, 2015. There have been minimal complaints from customers regarding this change. Work on the restaurant/bar has begun at Military Road for our new concessionaire, who is one of our E-Z Bet owners in Niagara Falls. We will be using our employees to help with remodeling and we will also be using furniture that we have in stock that is in good condition. Mr. Wojtaszek is working on making sure we are in compliance with the Town of Niagara building requirements. Summer Maintenance has been working hard in the branches to make improvements.

Ms. Gates informed the Committee that E-Z Bet handle was \$230,000 so far this July compared to last July at \$284,000. Last month was our second highest month with a total estimate of \$362,000 compared to last year at \$308,000. We are waiting on paperwork from The End Zone, a possible E-Z Bet in Oswego County. We are also waiting for paperwork from Colonial Inn in Meridian, New York, Cayuga County. Hunts Pub in Mumford, New York, Monroe County is having issues with possible satellite service but is looking into the removal of a tree to alleviate the problem. Ms. Gates informed the Committee that she visited possible E-Z Bet locations in Schuyler County in Watkins Glen. Maria's Tavern seems to be a good fit and she is reaching out to the owner to discuss the possibility.

She informed the Committee that she did our first "Knockout" promotion at Player's Lounge in Niagara Falls and will continue to do them along with a Bingo promotion throughout the next few months at different locations to promote business. Ms. Gates also informed the Committee about the Vets Night that will be held on September 23, 2015 and that the proceeds will go to the Monroe County Veterans Court Mentor Program.

Mr. Kane informed the Committee that the closing of the sale of Pine Avenue will be taking place tomorrow. The sale of Newark is on hold pending further environmental review. After closing the Bullshead location a few months ago, Mr. Schiano has been diligently working with the City of Rochester to sell the location.

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

Mr. Kane informed the Committee that last Thursday NYS OTB's informed CDI of the pending termination of the simulcast contract with CDI. At 1:20 p.m. on Friday, all signals were disconnected. Western has received no complaints from any OTB customers. A press release was sent out on Monday.

Mr. Haas informed the Committee that Batavia Bets was up \$110,000 in June and year to date is up \$1 million or 29%. He also informed the Committee that by September we will be bringing a contract to the Board to consider for a new auxiliary service.

Mr. Kane informed the Committee that when Marina closed they owed Western \$61,000.10. Mr. Schiano has done extensive work the Rochester Police Department and the Monroe County District Attorney's Office trying to obtain a settlement. We have since received a check for the full amount that Western was owed. Mr. Kane again informed the Committee on a job well done by Mr. Schiano. Director Clifford ask Mr. Kane if there was "checks and balances" system in place to ensure that this does not happen again. Mr. Kane assured him that we have put this system in place and it will not happen again.

A motion was made by Director Morgan and seconded by Director Darrow to enter into Executive Session at 9:58 a.m. until 10:15 a.m. to discuss various items.

The meeting was adjourned by Chairperson Mazur at 10:14 a.m.

**12. Unfinished Business:**

**13. New Business:**

Mr. Clifford asked the Board of Directors to participate and sponsor a race for the Breast Cancer Coalition on July 29, 2015.

Mr. Kane informed the Board that the Arizona Racing Symposium is scheduled for December 7 - December 9, 2015.

The next Committee and Board meetings is scheduled for August 26 and 27, 2015 respectively.

**14. Resolutions:**

**09-2015 Allied Business Service**

**15. Adjournment:**

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

Respectfully submitted,



Secretary to the Board

/pma