

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 June 2015, and commencing at 10:25 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
Genesee	Richard E. Siebert
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:

Maurice Garner

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 Leach, Comptroller; Barbara Mruzek, Deputy Comptroller; 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; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist, Jim Krencik, Batavia Daily News, Mike Pettinella, The Buffalo News; Rebecca Leclair News 10 Rochester; Timothy McMullen, Marsh & McLellan.

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. Kane 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 28, 2015. There being none, a motion was made by Mr. Darrow and seconded by Mr. Hendrickson to approve the May minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

Mr. Wojtaszek informed the Board of a letter of thanks to the staff in Fortune's from Suzanne and Robert Berardini.

Mr. Wojtaszek informed the Board of a notice from Mr. Bill Pickard regarding a notice in the Penny Saver thanking a Batavia Downs customer for turning in a voucher found. The amount will be donated to the food bank.

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, June 24, 2015 at 2:36 p.m. and the following business was considered.

Mrs. Leach presented the May 2015 Comptroller's Report to the Committee. She noted the Corporation has operational earnings of \$431,323 for May and distributable surcharge of \$191,467. This was provided for informational purposes only.

Upon motion by Mr. Darrow and seconded by Mr. Wamp, the Finance Committee meeting adjourned at 3:00 p.m.

5. **Personnel Committee Report:**

Committee Chairman Mr. Wamp made motion and seconded by Mr. Bassett to enter into Executive session at 10:30 am and came out of Executive session at 10:45.

5. Personnel Committee Report Continued:

Committee Chairman Mr. Wamp reported the Personnel Committee meeting was held on Wednesday, June 24, 2015 at 1:32 p.m. the following business was discussed.

Mr. Kane informed the Committee that he received a correspondence from the Mayor of Buffalo stating the name of the replacement for Mr. Garner as City of Buffalo Director, Michele Parmer-Garner.

Mr. White informed the Committee of the Collective Bargaining Update that there have been no meetings since that last update. The Gaming Contract is at an impasse and a mediator has been named but has yet to contact either side to set up a meeting. The Branch contracts are being held up due to supervisory staff at two locations in Buffalo continuing to refuse to work a terminal on a daily basis. These are the only two branches where the supervisory staff is not required to work a terminal.

Mr. White informed the Committee that the Manager Essentials and Customer Service training for all employees has been completed. The instructor is planning on giving feedback to Mr. White and Mr. Kane at a future date.

Mr. Kane informed the Committee that Amy Rood is retiring Friday, June 26, 2015 from her position of Administrative Assistance-Communications.

Mr. Kane informed the Board that he will be retiring at an as yet unspecified date. He noted, as did Chairman Wamp that plans for a transition should begin to be formulated.

The Personnel Committee entered into Executive Session at approximately 1:45 p.m. to discuss personnel matters

The Personnel Committee meeting adjourned by Chairman Wamp at 2:30 p.m.

6. Legislative Committee Report:

Vice-Chairperson Ms. Mazur reported the Legislative Committee met on Wednesday, June 24, 2015 at 4:05 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.

Ms. Mazur informed the Board the Senate Bill S4934 and Assembly A6946 passed allowing wagering on Palm Sunday.

6. Legislative Committee Report continued:

A motion by Mr. Darrow seconded by Mr. Hendrickson the committee entered into executive session to discuss Contractual items.

Upon motion by to waive the rules by Mr. Haberer seconded by Mr. Bassett pertaining to the agreement with Patricia Lynch Associates, Ms. Mazur informed the Board that a new agreement has been proposed with no changes at a monthly rate of \$3,000 for representation of legislative matters. (**See Resolution # 07-2015**).

Upon motion by Ms. Mazur seconded by Mr. Bassett a roll call vote was taken. Ayes: 14, Nays: 1, Clifford, Abstain: 1, Kiedrowski, Absent: Garner. The motion passed for the new 12 month agreement with Patricia Lynch Associates, beginning July 1, 2015 and will expire June 30, 2016.

Upon motion by to waive the rules by Mr. Haberer seconded by Mr. Bassett pertaining to the agreement with Richardson Management, Ms. Mazur informed the Board a new agreement has been proposed with changes to the monthly rate of \$1,500 for the next six months for representation of legislative matters. (**See Resolution # 08-2015**).

Upon motion by Mr. Morgan seconded by Mr. Lauderdale a roll call vote was taken. Ayes: 14, Nays: 1, Clifford, Abstain: 1, Kiedrowski, Absent: Garner. The motion passed for the new six month agreement with Richardson Management, beginning July 1, 2015 and will expire January 1, 2016.

The Legislative Committee meeting was adjourned at 4:23 p.m.

7. Insurance Committee Report:

Committee Chairman Mr. Ricci reported the Insurance Committee met on Thursday June 24, 2015 at 4:25p.m.

The Committee entered into executive session at 4:26 p.m. and The Committee exited executive session at 4:30 p.m.

Chairman Ricci then adjourned the meeting.

8. Advertising Committee Report:

Committee Chairman Mr. Clifford reported the Advertising and Promotions Committee met on Wednesday, June 25, 2015 at 3:00 p.m. Director of

Mr. Hasenauer recapped June's Lapsed Prize promotion involving 2 local businesses – giving away Cash, Lawnmowers and Hot Tubs. The Dinosaur themed Collect and Win Promotion was also discussed. For July the Cash and Mystery Voucher promotions were mentioned

Recent events including Taste at the Track and the arrival of the new Batavia Downs Mascot were discussed. It was mentioned that via the open audition for Big Brother, a contestant from the event here made the reality show. This started on CBS last night.

In the earlier Finance Committee meeting, Director Lauderdale asked about budget surplus and what would be done with the money. Mr. Hasenauer detailed his plan to increase radio, TV and promotional spending, but to remain vigilant of the fact that overspending often happens in the final 3 months of the year. So that the entire surplus would not be spend before then in order to finish the year on budget.

Mr. Haight recapped the Belmont Stakes. He also discussed the June and July events including the Saratoga meet and also the opening week of Live Racing.

Mr. Clifford announced that the Batavia Downs Marketing Department is the recipient of an award from the Romero Awards at the Casino Marketing and Technical conference in Las Vegas NV.

The Advertising and Promotions Committee meeting adjourned at 2:59p.m.

9. Audit Committee Report:

Committee Chairman Mr. Bassett reported the Audit Committee met on Wednesday June 24, 2015 at approximately 4:30p.m. and entered into Executive session for a Personnel matter. The Committee returned from Executive session at 5:10 p.m.

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 June 24, 2015 at 3:20p.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.

Chairman Mr. Morgan informed the Board that there are continued discussions regarding an impact study for the closing of Park Road.

Mr. Haight presented the Committee the contract renewal with Virginia Rosenfeld as the Assistant Race Secretary.

Upon motion by Mr. Morgan seconded by Mr. Lattimore, to accept the contract for Virginia Rosenfeld as Assistant Race Secretary, a roll call vote was taken. Ayes: 16, Nays: 0, Absent: 1, Garner. The motion passed. **(See Resolution #05-2015).**

Mr. Haight presented the Days Inn Grooms Quarters agreement to the Committee. This bid is to accommodate the maximum of 16 groomsmen during the 2015 Live Racing season at a price of \$27,000.

Upon motion by Mr. Morgan seconded by Mr. Lattimore, to accept the Days Inn Grooms Quarters agreement for the 2015-16 Live Racing season, a roll call vote was taken. Ayes: 16, Nays: 0, Absent: 1, Garner. The motion passed. **(See Resolution #06-2015).**

The Batavia Downs Committee then adjourned at 4:05 p.m.

11. Branch Operations Committee Report:

Chairperson Mazur reported that the Committee met on Thursday, June 25, 2015 at 9:31 a.m. and the following items were discussed.

Mr. Merriman informed the Committee that all the ATM installations have been completed. He also has maintenance working on installing televisions throughout all branches from previously closed locations.

11. Branch Operations Committee Report Continued:

Mr. Wojtaszek informed the Committee that the Newark sale is awaiting an environmental study from the potential buyer. The Pine Avenue property is currently at an online auction site with little interest. He also added that there is possible interest in the Ridge Lea property.

Mr. Haas informed the Committee that Batavia Bets was up \$150,000 for the month of May and \$950,000 or 32% year to date.

Mr. Schiano informed the Committee that May was the best E-Z Bet month ever, averaging \$17,000 a day and June, 2015 will be the second best before the month is over. Applications are currently out in locations in Oswego, Cayuga and Monroe Counties.

Mr. Schiano informed the Committee of the upcoming changes effective June 29, 2015 in Erie and Monroe Counties. There will be no branch closures, just a reduction in hours, closing earlier at night in four branches in each county. Each major metropolitan area will have one location that is open for customers who wish to see and bet on all the races at night.

Mr. Schiano informed the Committee of the upcoming Poker Run on Sunday, August 2, 2015 to benefit the Monroe County Veteran's Court Mentor Program.

The Branch Operations Committee adjourned at 10:05 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 July 29 and 30, 2015 respectively.

14. Adjournment:

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dan F. Wamp", written over a horizontal line.

Secretary to the Board

/pma