

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 24th day of September 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 W. 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
Wayne	Kenneth Lauderdale
Wyoming	Susan May

Absent:

Richard Siebert
John Clifford

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 Mruczek, Deputy Comptroller; Mark Wolf, Director of Video Gaming; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Edward Merriman, Manager of Branch Operations; James Haas, Communications/Mutuels Manager; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist, Gayle Ashbery, Director of Purchasing; Michelle Parmer-Garner, City of Buffalo;

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

Chairman Bianchi proceeded to conduct the meeting following the published Agenda for this regular meeting.

Chairman Bianchi then asked Mr. Haas 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 27, 2015. There being none, a motion was made by Mr. Hendrickson and seconded by Mr. Haberer to approve the August minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

Ms. Andrea Tadarò of the OTB Wehrle branch, substitute TMO, expressed thanks to WROTBC upon the end of her 14 years of service.

Ms. Holly Anderson, Executive Director of the Breast Cancer Coalition of Rochester, expressed thanks to Batavia Downs for the "Night at the Races" fundraiser event.

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 23, 2015 at 1:35 p.m. and the following business was considered.

Mrs. Leach presented the August 2015 Comptroller's Report to the Committee. She noted the Corporation generated surcharge in the amount of \$130,773 for the month of August. Mr. Leach noted that August was a good month producing operational earnings of \$260,703. This was provided for informational purposes only.

Mrs. Leach and Mr. Lauderdale also presented a report that focused on actual results as compared to the Operating Plan for August and year-to-date through August 31, 2015. This was provided for informational purposes only.

Upon motion to waive the rules pertaining to the Vending Service bid by Mr. Lauderdale and a second by Mr. Haberer, a voice vote was taken. Ayes: 14; Nays: 0; Absent: 2; Siebert, Clifford.

4. **Finance Committee Report continued:**

Mrs. Ashbery advised the Committee that bids for vending services were opened on September 22, 2015 and Crickler Vending Company was the sole bidder for a three-year term commencing through September 30, 2018. Crickler proposed an average commission of 22.56% of vending machine sales at our 18 OTB branches as well as the Batavia Downs Gaming facility. **(Resolution #14-2015).**

Upon motion made by Mr. Lauderdale and second by Mr. Morgan the bid is awarded to Crickler Vending Company. Ayes; 14, Nays; 0, Absent; 2, Siebert, Clifford.

Upon motion by Mr. Wamp and seconded by Mr. Darrow, the Finance Committee meeting adjourned at 2:14 p.m.

5. **Personnel Committee Report:**

Committee Chairman Mr. Wamp reported the Personnel Committee meeting was held on Wednesday, September 23, 2015 at 2:15 p.m. the following business was discussed.

Mr. White informed the Committee of the ongoing contract negotiations. The gaming contract had some positive movement and a new negotiating session has been scheduled for the branch supervisory contract – where we have also heard some positive movement is on the horizon.

Mr. White informed the Committee that Tom Balk, Director of Building & Grounds has promoted four (4) part-time custodial employees to full-time positions. Staff believes that this change will make it much easier for staffing as well as only minimal enhanced cost from this change.

The Personnel Committee entered into Executive Session at approximately 2:23 p.m. to discuss personnel matters. Executive session ended at 2:39 p.m.

The meeting was adjourned by Chairman Wamp at 2:39 p.m.

6. Legislative Committee Report:

Vice-Chairperson Ms. Mazur reported the Legislative Committee met on Wednesday, September 23, 2015 at 4:03 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.

Mr. Winter reported that he is continuing to work on the Park Road closure.

Mr. Kane reported to the Committee the Source Marketing distribution was a 90% increase in revenue over August of last year.

The Legislative Committee meeting was adjourned at 4:15 p.m.

7. Insurance Committee Report:

Chairman Mr. Ricci reported the Insurance Committee met on Wednesday September 23, 2015 at 4:15p.m.

Mr. Kane reported to the Committee that there will be a LMHF conference scheduled for October 22, 2015.

The Insurance Committee then adjourned.

8. Advertising Committee Report:

Committee Vice-Chairman Mr. Lauderdale reported the Advertising and Promotions Committee met on Wednesday, September 23, 2015 at 2:40 p.m.

Director of Marketing Mr. Hasenauer and Director and Todd Haight, Director/General Manager Live Racing delivered a presentation of past and upcoming OTB events including the Travers Stakes and Live Racing Promotions like the Labor Day Bike Race. October's Kane Memorial and other future promotions were shown.

Mr. Hasenauer recapped September's Double Car Drawing using Lapsed Prize Funds from the Lottery. October was previewed including the new Frankenstein themed Collect and Win along with Cash promotions paid for by the Lottery. Also, presented were pictures from recent events attended by our street team including Darien Lake Concerts and Wine Walk in Warsaw.

8. Advertising Committee Report Continued:

The Advertising and Promotions Committee meeting adjourned at 3:02 p.m.

9. Audit Committee Report:

The Audit Committee did not meet.

10. Batavia Downs Operations Committee Report:

Committee Chairman Mr. Morgan reported the Batavia Downs Committee met Wednesday, September 23, 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 informed the Board of the Business Council meeting he attended and informed the Board that Western would remain a member for an annual fee of approximately \$4,200.00.

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 offered to the board a facial recognition presentation.

The Batavia Downs Committee then adjourned at 3:55 p.m.

11. Branch Operations Committee Report:

Chairperson Mazur reported that the Committee met on Thursday, September 24, 2015 at 9:33 a.m. and the following items were discussed.

Mr. Merriman updated the Committee that McKinley (Buffalo, Erie County) and Marway (Gates, Monroe County) parking lots will be resurfaced in the near future. Staff is working on repairing the HVAC units at Wehrle (Williamsville, Erie County).

11. Branch Operations Committee Report Continued:

Mr. Wojtaszek informed the Committee on Wednesday that the environmental work at Newark (Wayne County) may be under review and there is still a possibility that we might sell the building to our current tenant after the work is completed. Mr. Schiano informed the Committee that we should soon have approval to begin work at the Military (Niagara Falls, Niagara County) location to accommodate a concessionaire. We are waiting on the City of Rochester for an offer on the Bullshead (Monroe County) property.

Mr. Haas informed the Committee that he and Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming Hasenauer have asked for revisions to the Fantasy Contract but believe it could be signed in the near future. Mr. Haas also informed the Committee that Batavia Bets is up \$1.2 million year to date as well as off shore racing continues on Batavia Bets and is a low cost benefit to the Corporation.

Mr. Haas informed the Committee that OTB's and NYRA have had meetings to discuss NYRA's leading the negotiations with CDI. The OTB's have also had talks that NYRA could lead to Monarch negotiations as well.

Mr. Schiano informed the Committee that the E-Z Bet handle was up \$25,000 in August and they are projecting a \$10,000 increase in September. He and Ms. Gates are working with numerous Directors' to find suitable E-Z Bet partners in a number of counties.

Mr. Morgan made a motion to enter in Executive Session, seconded by Mr. Bassett to discuss various issues including real estate and contractual issues.

Mr. Schiano thanked staff, especially Jessalyn Gate and Donna Braun, Cage Manager Beane for their efforts during the Veteran's Night Fund raiser as well as all the Director's and staff that donated to this good cause. A check for \$3,210.00 will be sent to the Monroe County Veteran's Court Mentor Program on behalf of Western Regional Off-Track Betting Corporation.

The meeting was adjourned by Chairperson Mazur at 9:53 a.m.

12. Unfinished Business:

No unfinished business

13. New Business:

Mr. Kane reminded the Board of the Global Symposium on Racing and Gaming in Arizona December 7-9, 2015. Mr. Kane requested permission that two staff members attend.

A motion was made for the approval of two staff member to attend the 2015 Global Symposium in Arizona by Mr. Haberer and seconded by Ms. Mazur. The motion was approved.

The next Committee and Board meetings are scheduled for October 21 and 22, 2015 respectively.

14. Resolutions:

#14-2015 Crickler Vending Company

15. Adjournment:

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

Respectfully submitted,

 Acting
Secretary to the Board