

**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 22nd day of October 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:**

City of Buffalo	Michelle Parmer-Garner
Cattaraugus	Richard E. Haberer
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Niagara	Scott Kiedrowski
Oswego	Ronald B. Darrow
Schuyler	Philip C. Barnes
Wayne	Kenneth Lauderdale
Wyoming	Susan May

**Absent:**

Paul Lattimore  
Allan Hendrickson  
Richard Bianchi  
Edward Morgan  
Dennis Bassett  
Richard Ricci  
John Clifford

constituting the Directors of all participating municipalities.

Also participating were: Michael D. Kane, President & Chief Executive Officer; Henry Wojtaszek, General Counsel; Michael P. Nolan, Executive Vice President / COO; William R. White, Vice President – Administration; Jacquelyne Leach, Comptroller; Barbara Mruczek, Deputy Comptroller; Cindy DeCarlo, Controller; 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; Gayle Ashbery, Director of Purchasing; Jim Krencik, Batavia Daily News;

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

Vice-Chairman Wamp proceeded to conduct the meeting following the published Agenda for this regular meeting.

Vice-Chairman Wamp then asked Mrs. Leach to lead the assemblage in the Pledge of Allegiance.

1. **Approval of Previous Minutes:**

Vice-Chairman Wamp called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of September 24, 2015. There being none, a motion was made by Mr. Barnes and seconded by Mr. Kiedrowski to approve the September minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

Mr. Ray Melens of the Rochester Veterans Court Mentors thanked WROTBC for the "Veterans Fundraiser" held 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, October 21, 2015 at 2:00 p.m. and the following business was considered.

Mrs. Ashbery advised the Committee that bids for snowplowing services were opened on October 15, 2015 for snowplowing services at five (5) branches in Erie County, six (6) branches in Monroe County and three (3) branches in Niagara County for the 2015-2016 winter season. After review by staff, the following is recommended:

<u>Erie County:</u>		<u>Per Plow Price</u>	
<u>Branch</u>	<u>Low Bidder</u>	<u>Plow</u>	<u>Salt</u>
McKinley	United Services	\$169.00	\$179.00
Clinton Street	United Services	\$169.00	\$179.00
Ridge Lea	United Services	\$169.00	\$179.00
Wehrle Dr.	Landscaping & Snowplowing Main.	\$195.00	\$190.00
Delaware Ave	Brothers-in-Lawn	\$ 90.00	\$ 70.00

4. **Finance Committee Report Continued:**

Upon motion by Mr. Lauderdale, seconded by Mr. Darrow and carried unanimously, the Erie County snowplowing bids for the 2015-2016 winter seasons were approved as above. Ayes; 10, Nays; 0, Absent; 7, Lattimore, Hendrickson Bianchi, Morgan, Bassett, Ricci, Clifford. (**Resolution #17-2015**)

Monroe County:

<u>Branch</u>	<u>Low Bidder</u>	<u>Plow</u>	<u>Salt</u>
Hudson	CPM Property	\$169.99	\$159.99
Marway	CPM Property	\$161.99	\$149.99
West Broad	CPM Property	\$ 59.99	\$ 59.99
886 W. Main St.	CPM Property	\$ 54.99	\$ 54.99
Jefferson Road	CPM Property	\$ 84.99	\$ 84.99
West Ridge	CPM Property	\$ 64.99	\$ 64.99

Upon motion by Mr. Lauderdale, seconded by Ms. May and carried unanimously, the Monroe County snowplowing bids for the 2015-2016 winter seasons were approved as above. Ayes; 10, Nays; 0, Absent; 7, Lattimore, Hendrickson Bianchi, Morgan, Bassett, Ricci, Clifford. (**Resolution #18-2015**)

Niagara County:

<u>Branch</u>	<u>Low Bidder</u>	<u>Plow</u>	<u>Salt</u>
So. Transit	J & T Enterprises	\$ 75.00	\$ 50.00
River Road	Bill's Automotive	\$ 74.95	\$ 64.50
Military Road	Bill's Automotive	\$ 74.75	\$ 64.50

4. **Finance Committee Report Continued:**

Upon motion by Mr. Lauderdale, seconded by Mr. Darrow and carried unanimously, the Niagara County snowplowing bids for the 2015-2016 winter seasons were approved as above. Ayes; 10, Nays; 0, Absent; 7, Lattimore, Hendrickson Bianchi, Morgan, Bassett, Ricci, Clifford. (**Resolution #19-2015**)

Mr. Kane and Mrs. Leach discussed the recent New York State Audit findings. Mr. Kane noted that Western agreed with the audit results. The results demonstrate that the New York State OTB's need legislative relief in order to continue as viable business entities.

This was provided for information purposes only.

Mr. Leach presented the September 2015 Comptroller's Report to the Committee. She noted the Corporation generated distributable surcharge in the amount of \$106,591 for the month of September. She also indicated the Corporation generated distributable earnings from operations in the amount of \$1,253,062. This is the largest quarterly distribution to member municipalities in more than seventeen (17) years.

This was provided for informational purposes only.

Mrs. Leach presented the 2016 Preliminary Operating Plan to the Committee highlighting Plan assumptions and certain revenues and expenses. Its purpose is to facilitate discussion amongst WROTBC management and the Board of Directors.

Mr. Lauderdale and Mrs. Leach invited the Board members to study the document and also invited the Directors to a Plan Workshop to be held on November 18, 2015 at 11:00 a.m. in the Boardroom.

Upon motion by Mr. Wamp and seconded by Mr. Darrow, the Finance Committee meeting adjourned at 2:35 p.m.

5. **Personnel Committee Report:**

Committee Chairman Mr. Wamp reported the Personnel Committee meeting was held on Wednesday, October 21, 2015 at 1:30 p.m. the following business was discussed.

**5. Personnel Committee Report Continued:**

Mr. White informed the Committee that there are five (5) negotiation dates on the calendar for the month of November. In recent conversations with UPSEU representatives we are hopeful that we may have them ready for the December meeting.

Mr. White informed the Committee that all evaluations are due November 1, 2015.

Mr. Wojtaszek informed the Committee that due to a Comptroller requirement the previous Resolution needed to be re-worded and then posted as an Affidavit for thirty (30) days after the Board passes.

Messrs Wojtaszek and Kane informed the Committee that they are preparing a new Social Media Policy for the Corporation using already approved National Labor Relations Board policies that adhere to federal guidelines.

Upon motion by Mr. Wamp, seconded by Mr. Haberer the Hours of Work Corrected Resolution were approved. Ayes; 10, Nays; 0, Absent; 7, Lattimore, Hendrickson Bianchi, Morgan, Bassett, Ricci, Clifford. (**Resolution #16-2015**)

Mr. Kane reminded the Committee that the Arizona Symposium is December 7 through December 9, 2015.

Mr. Wojtaszek informed the Committee that there have been many human rights hearing and contract arbitrations over the last six months. Mr. Wojtaszek was happy to inform the Committee that the Corporation has been very successful recently in the majority of these cases. He noted that Mr. White and Mr. Schiano have been instrumental in gathering information for these cases.

The Personnel Committee entered into Executive Session at approximately 1:45 p.m. to discuss a personnel matter. Executive session ended at 1:54 p.m.

Vice Chairman Mr. Wamp reported the Personnel Committee developed a bonus plan for the Officers of the Corporation and key department heads.

Upon motion by Mr. Wamp and seconded by Mr. Siebert a voice vote was taken. Ayes: 10; Nays: 0; Absent: 7 Lattimore, Hendrickson Bianchi, Morgan, Bassett, Ricci, Clifford. The motion was carried unanimously.

The meeting was adjourned by Chairman Wamp at 1:55 p.m.

**6. Legislative Committee Report:**

Chairman Mr. Siebert reported the Legislative Committee met on Wednesday, October 21, 2015 at 3:30 p.m.

Mr. Paul Tokasz from Patricia Lynch Associates and Mr. Richard Winter from Richardson Management were available via telephone conference.

Mr. Tokasz reported that criteria are developing with other OTB's for Legislative release in the beginning of January.

Mr. Winter reported that he is continuing to initiate conversations with Sears and with the Town of Batavia on the Park Road closure.

The Legislative Committee meeting was adjourned at 3:45 p.m.

**7. Insurance Committee Report:**

Mr. Kane reported to the Board that he, Ms. Leach and Ms. Lawrence will be attending the LMHF Stewardship meeting this afternoon in Buffalo.

**8. Advertising Committee Report:**

Committee Vice-Chairman Mr. Lauderdale reported the Advertising and Promotions Committee met on Wednesday, October 21, 2015 at 2:32 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 some EZ Bet promotions and the Breeder's Cup. For Live Racing, October's Kane Memorial was recapped along with a preview of promotions and the Breeder's Cup Party taking place on Halloween.

Mr. Hasenauer recapped October's Frankenstein themed Collect and Win along with Cash promotions paid for by Lottery. November's Weekend Cash Drawings were shown.

A recap of staff's trip to G2E was given. Pictures from the Groundbreaking were shown. Director Siebert remarked that he thought we received great press from the groundbreaking, especially in the Batavia Daily News.

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

**9. Audit Committee Report:**

The Audit Committee met briefly on Wednesday, October 21, 2015 at 4:30 p.m. and entered into Executive Session to discuss personnel issues and came out of Executive Session at 4:40 p.m. and adjourned.

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

Committee Vice-Chairman Mr. Siebert reported the Batavia Downs Committee met Wednesday, October 21, 2015 at 3:05p.m. the following business was discussed.

Vice-Chairman Mr. Siebert reported the figures and monthly Status Report with gaming statistics was provided to the committee by Mr. Mark Wolf.

Mr. Nolan informed the Board of the ground breaking ceremony for the Hotel. The estimated opening date is June of 2016.

Mr. Siebert reported to the Board that Mr. Kane and Mr. Nolan reported the Town of Batavia is moving toward with the closing of Park Road.

Mr. Siebert reported to the Board that staff recommends the Corporation enter into a three year contract with Tenney Coin Laundry, LLC ending on October 31, 2018 not to exceed \$42,000. (**Resolution # 20-2015**).

Upon motion by Mr. Siebert and seconded by Mr. Lauderdale a roll call vote was taken. Ayes: 10; Nays: 0; Absent: 7; Lattimore, Hendrickson, Bianchi, Morgan, Bassett, Ricci, Clifford. The motion was approved to accept the three year contract with Tenney Coin Laundry LLC.

Upon motion to waive the rules pertaining to Home Depot by Mr. Siebert and seconded by Mr. Darrow, Mr. Siebert presented and recommended along with staff that Western increase the financial limits to purchase from Home Depot in the amount of \$22,000 through the end of 2015. (**Resolution # 15-2015**).

Upon motion by Mr. Siebert and seconded by Mr. Haberer a roll call vote was taken. Ayes: 10; Nays: 0; Absent: 7; Lattimore, Hendrickson, Bianchi, Morgan, Bassett, Ricci, Clifford. The motion was approved.

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, October 22, 2015 at 9:34 a.m. and the following items were discussed.

Mr. Merriman informed the Committee that Tom Balk, Director of Building & Grounds and his crew continues to retrofit the Military Road Branch to accommodate the Concessionaire. He also mentioned that Mr. Balk was instrumental in getting the permits for the construction. Mr. Merriman also mentioned that Rochester Maintenance were present when new mats were installed in the foyer at the Marway Branch. Maintenance observed this process and is confident we can now perform this work at our locations without hiring an outside vendor.

Mr. Wojtaszek informed the Committee that the Newark Environmental Study will cost around \$15,000.00. The potential buyer still has interest in buying the location once all these processes are complete. Mr. Schiano informed the Committee that the City of Rochester is still interested in the Bullshead property and we are awaiting an offer.

Mr. Hasenauer informed the Committee that he and Mr. Haas reviewed the Fantasy Contract and have asked for a few revisions. The signed contract must still be approved by the Gaming Commission but he mentioned that once this is done we are ready to go on our end. Mr. Schiano informed the Committee that Batavia Bets has already surpassed the total handle for 2014 by \$62,000. He believes after Breeders' Cup next weekend that Batavia Bets will surpass October 2014 as well.

Mr. Schiano informed the Committee that Jessalyn Gates has been to numerous counties working with Directors in each of those counties.

Chairperson Mazur asked to enter into Executive Session to discuss real estate and contractual matters. Ms. Parmer-Garner made a motion, seconded by Mr. Darrow.

The Committee exited Executive Session and a motion was made to adopt a Memorandum of Understanding the Armiri Group for the possible sale of the Ridge Lea in the amount of \$2.5 million dollars. This is with the understanding that any possible contract must be approved by the Board of Directors and Gaming Commission. A motion was made by Director Wamp and seconded by Director Darrow and passed unanimously.

The meeting was adjourned by Chairperson Mazur at 9:58 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.

The next Committee and Board meetings are scheduled for December 3, 2015 respectively.

**14. Resolutions:**

#15-2015 Home Depot  
#16-2015 Standard Workday Report  
#17-2015 Erie County Snowplowing  
#18-2015 Monroe County Snowplowing  
#19-2015 Niagara County Snowplowing  
#20-2015 Tenney Coin Laundry LLC

**15. Adjournment:**

Mr. Haberer made a motion to adjourn which Mr. Darrow seconded. The meeting was adjourned at 10:34 a.m.

Respectfully submitted,

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Secretary to the Board