

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 21st day of January 2016, and commencing at 10:26 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
Chautauqua	Allan Hendrickson
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Niagara	Scott Kiedrowski
Orleans	Edward Morgan
Oswego	Ronald B. Darrow
City of Rochester	Dennis Bassett
Schuyler	Philip C. Barnes
Seneca	Richard L. Ricci
Steuben	John E. Clifford
Wayne	Kenneth Lauderdale
Wyoming	Susan May

Absent:

Paul Lattimore, Jr.

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; Cindy DeCarlo, Controller; Mark Wolf, Director of 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; Ken Pink, Staff Accountant; Jim Krencik, Batavia Daily News; Mike Pettinella, Buffalo News.

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 Ms. May to lead the assemblage in the Pledge of Allegiance.

1. Chairman Bianchi asked Director Clifford to proceed as temporary Chairman. Director Clifford continued to conduct the annual nomination proceeding for Chairman of the Board.
2. Director Clifford asked for nominations from the floor for the position of the Chairman of the Board of Directors. Director Bassett nominated Director Bianchi. Director Mazur seconded the nomination. Director Ricci moved to close the request for nominations seconded by Director Lauderdale. A voice vote was taken; Ayes: 16; Absent: 1 Lattimore.
3. Newly elected Chairman Bianchi thanked the members of the Board. He asked if there were nominations from the floor for Vice-Chairman. Director Ricci nominated Director Wamp. Director Barnes seconded the nomination. A voice vote was taken; Ayes: 16; Absent: 1 Lattimore.

Newly Vice-Chairman Wamp thanked the members of the Board.

4. **Approval of Previous Minutes:**

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of December 3, 2015. There being none, a motion was made by Director Parmer-Garner and seconded by Director May to approve the December minutes as submitted. The minutes were approved unanimously by a voice vote.

5. **Communications:**

Mr. Nolan informed the Board of a notice of thanks from The Genesee County Office for the Aging for the support and donation from WROTBC/Batavia Downs Gaming from the Friday Jean Fund collection.

Mr. Nolan informed the Board of a notice of thanks from the Breast Cancer Coalition of Rochester for the support and donation from the WROTBC/Batavia Downs Gaming from the Friday Jean Fund collection.

6. **Officers' Reports:**

There were no Officer's reports.

7. **Finance Committee Report:**

Committee Chairman Lauderdale reported that the Finance Committee meeting was held on Wednesday, January 20, 2016 at 2:05 p.m. and the following business was considered.

Mr. Kane presented Resolution #01-2016 to the Board explaining that in the past Western has made revenue sharing agreements with Finger Lakes to pay them a percentage of gross handle on those otherwise prohibited races in order to permit Western to operate in that Finger Lake Special Betting District.

Staff has negotiated an extension of the existing agreement for the 2016 and 2017 Finger Lakes racing seasons with payment based on 2% of handle generated, as has been the case since 2010. Also, such agreement will be rendered null and void should Section 523(5) be repealed which removes the protective provisions.

Upon motion by Director Lauderdale and seconded by Director Wamp, a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion carried to accept the 2016-17 Finger Lakes Revenue Sharing Agreement as stated in (**Resolution #01-2016**).

Mrs. Ashbery presented Resolution #03-2016 which secures the rental of the Pitney Bowes postage meter machine for 2016 in the amount of \$29,000. This agreement provides an on-line service which will refill the meter when low on postage and also includes necessary supplies such as ink, fluid and tape.

Upon motion by Director Lauderdale and seconded by Director Darrow, a roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion carried to accept the rental of the Pitney Bowes postage meter for 2016 as stated in (**Resolution #03-2016**).

Mrs. Leach presented the November 2015 Comptroller's Report to the Committee. November produced surcharge of \$92,000 and operational earnings of \$60,000. Preliminary December results show a small operational profit. Preliminary 2015 results show annual earnings of approximately \$400,000. Mr. Leach indicated in accordance with the new GASB 63, a non-cash general ledger entry for future NYS pension payments will be made within the next week.

This was provided for informational purposes only.

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

**8. Personnel Committee Report:**

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, January 20, 2016 at 1:00 p.m. and the following business was discussed.

Mr. Schiano informed the Committee that the Supervisory and Non-Supervisory rank and file ratified the new contracts. Mr. Schiano gave a brief summary of the highlights. Director Wamp made a motion to accept the ratified contract until the end of 2017, seconded by Director Ricci and carried unanimously.

Mr. Schiano informed the Committee that the Gaming Contract is much closer that is has ever been and we are hoping that it will be brought to the Board soon for ratification.

Mr. Schiano informed the Committee that recent Arbitrations and Hearings have had better results. Mr. Schiano mentioned that a number of employees have helped he and Mr. Wojtaszek to achieve these results, including Melissa Landers, Kaitlyn Warren, Fran Mruzcek and Danielle Perry as well as Patty Giammarva and Pauline Andrews.

Mr. Nolan and Mr. Schiano have been working on slight adjustments to the Personnel Policy to include pro-rated floating holidays and personal leave for new employees as well as adding stepson and stepdaughter for bereavement leave. Director Wamp made a motion to except these changes. Director Haberer made a motion to accept these changes. Director Clifford seconded the motion and it was carried unanimously.

Mr. Nolan informed the Committee that a new round of management training will begin in the upcoming months and will be paid for by a grant acquired by Annie Lawrence.

Mr. Kane updated the Committee that the new minimum wage went into effect on December 31, 2015 including \$9.00 for non-tipped employees and \$7.50 for tipped employees. He added that the new wages will have no negative effect to the Corporation. This was reported for informational purposes.

Mr. Kane presented to the Committee during executive session a wage adjustment for the corporate employees. Upon motion by Director Wamp and seconded by Director Lauderdale to approve the recommended adjustments, Director Hendrickson motioned for Executive Session at approximately 10:40 a.m. seconded by Director Barnes. The Directors came out of Executive Session at approximately 11:05 a.m.

**8. Personnel Committee Report continued:**

Upon motion by Director Wamp and seconded by Director Lauderdale a roll call vote was taken Ayes: 14, Nays: 2, Hendrickson, Barnes; after providing an explanation; Absent: 1; Lattimore. The motion carried to accept the recommended adjustments as presented.

**9. Legislative Committee Report:**

Committee Chairman Siebert reported the Legislative Committee met on Wednesday, January 20, 2016 at 3:30 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 Chairman Siebert reported to the Board that there was continued discussion regarding the statutory reform.

Committee Chairman Siebert reported to the Board that the Fantasy Sports will be on hold for the time being.

Committee Chairman Siebert reported to the Board that there will be an Anti-Terrorism Policy adopted.

Upon motion by Committee Chairman Siebert seconded by Director Morgan a voice vote was taken to adopt the Anti-Terrorism Policy. Ayes: 16; Nays: 0; absent: 1; Lattimore.

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

**10. Insurance Committee Report:**

No Insurance meeting was held.

**11. Advertising Committee Report:**

Committee Chairman Clifford reported the Advertising and Promotions Committee met on Wednesday, January 20, 2016 at 2:30 p.m.

Todd Haight recapped December's 8 Rooms Drawings and January's Trip Giveaways and previewed February's TV Giveaway. Slides showing the Employee Christmas Party, New Year's Party, recent trips by staff to other casinos and upcoming events were shown. Details on articles written about Batavia Downs; success were shown along with print ads from the Graphics Department.

**11. Advertising Committee Report continued:**

The Advertising and Promotions Committee meeting adjourned at 3:40 p.m.

**12. Audit Committee Report:**

The Audit Committee did not meet.

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

Committee Chairman Morgan reported the Batavia Downs Committee met Wednesday, January 20, 2016 at 2:55 p.m. the following business was discussed.

Committee Chairman Morgan reported the figures and monthly Status Report with gaming statistics which was provided to the committee by Mr. Mark Wolf.

Committee Chairman Morgan reported to the Board that the Free Play Reconciliation will be a twelve month period of January 1 through December 1.

Committee Chairman Morgan reported to the Board that the Park Road closing status is moving forward.

Committee Chairman Morgan reported to the Board that three VLT's have been added to the gaming floor and that two more have been approved and are on the way.

The Batavia Downs Committee then adjourned at 3:35 p.m.

**14. Branch Operations Committee Report:**

Committee Chairperson Mazur reported that the Committee met on Thursday, January 21, 2016 at 9:31 a.m. and the following items were discussed.

Mr. Merriman informed the Committee that T.V's will be replaced on a branch by branch basis due to the good rates Mr. Haas has found on line.

Mr. Kane informed the Committee that Mr. Wojtaszek recently attended a meeting in Avon to discuss the environmental concerns at the Newark location. Mr. Kane believes the total cost to the Corporation to prepare this location for sale was yet undetermined and we are awaiting the consultants final report. Mr. Schiano added that the City of Rochester Attorney has mailed the contract to finish the sale of the Bullshead property.

Mr. Kane informed the Committee that the Monarch Contract negotiations are continuing and he is confident that they are close to a new agreement.

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**14. Branch Operations Committee Report continued:**

He mentioned the CDI Contract negotiations through NYRA will be getting more intense in the coming months. Mr. Kane further mentioned that we will be taking nighttime thoroughbred when Batavia runs live as well as certain nights during the off season.

Mr. Haas informed the Committee that Batavia Bets handle was over \$9 million dollars a 20% growth from the previous year. Mr. Haas also mentioned that we are also in the process of trying to add Hong Kong Racing to our Batavia Bets line up.

Mr. Schiano informed the Committee that the total handle in 2015 was \$4.6 million dollars or 5.3 % of the total handle. This was down \$26,000 from the previous year. He mentioned actual cash was up almost \$300,000 and this was due to Jessalyn Gates urging many owners to install bill acceptors on their terminals to increase impulse bets. Mr. Schiano also mentioned that he and Ms. Gates are looking at numerous locations including Pulaski in Oswego County, Mt. Morris in Livingston County, Brockport in Monroe County, Wyoming County with Director May and a possible location in Schuyler County with Director Barnes.

Mrs. Ashbery informed the Committee that a Resolution was needed for the Daily Racing Form deliveries to Wehrle and Ridge Lea Branches with Class Act.

Upon motion by Director Wamp and seconded by Director Morgan a roll call vote was taken. Ayes: 1; Nays: 0; Absent: 1; Clifford. The motion was approved for the Daily Racing Form deliveries from Class Act. (**Resolution #02-2016**).

Director Morgan made a motion for the Committee to enter in to Executive Session at 9:54 a.m. The motion was seconded by Director Bassett. Director Bassett made a motion to come out of Executive Session seconded by Director Wamp. Director Morgan made a motion to allow staff to pursue the offer for the sale of Ridge Lea property at a price of \$2.5 million dollars. The motion was seconded by Director Bassett and carried unanimously.

The Branch Operations Committee meeting adjourned at 10:24 a.m.

**15. Unfinished Business:**

No unfinished business

**16. New Business:**

The Board approved out of state travel as requested by Mr. Kane for Mr. Schiano and Mr. Wojtaszek for Labor Relations in Atlanta on February 29, 2016.

The Board approved out of state travel as requested by Mr. Kane for Mr. Haight to attend the USHWA in Ft. Lauderdale on March 4-6, 2016.

Mr. Kane informed the Board that former Schuyler County Director Mr. Phil Smith has been moved to long term comfort care.

The next Committee and Board meetings are scheduled for February 24, and 25, 2016 respectively.

**17. Resolutions:**

**Resolution #01-2016** Finger Lakes Revenue Sharing  
**Resolution #02-2016** Class Act for Daily Racing Form  
**Resolution #03-2016** Pitney Bowes for Postage Meter

**18. Adjournment:**

Director Haberer made a motion to adjourn which Director Parmer-Garner seconded. The meeting was adjourned at 11:14 a.m.

Respectfully submitted,

  
Secretary to the Board