

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 31st day of March 2016, and commencing at 10:12 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 Haberer
Cayuga	Paul Lattimore, Jr.
Erie	Beverly A. Mazur
Livingston	Thomas P. Wamp
Monroe	Richard Bianchi
Orleans	Edward Morgan
Oswego	Ronald B. Darrow
City of Rochester	Dennis Bassett
Schuyler	Philip C. Barnes
Seneca	Richard L. Ricci
Wayne	Kenneth Lauderdale
Wyoming	Susan May

Absent:

Allan Hendrickson  
Richard Siebert  
Scott Kiedrowski  
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; Jacquelyne Leach, Comptroller; Henry Wojtaszek, General Counsel; Barbara Mruczek, Deputy Comptroller; 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; Jessalyn Gate, Administrative Assistant/Marketing; Jim Krencik, Batavia Daily News; Mike Pettinella, Buffalo News; Orleans County Legislators Kenneth DeRoller; and John DeFilipps.

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 Director Morgan 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 February 25, 2016. There being none, a motion was made by Director Lauderdale and seconded by Director May to approve the February minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

Mr. Wojtaszek informed the Board of a notice of thanks from the Tim Horton Children's Foundation for the support and donation from WROTBC/Batavia Downs Gaming.

3. **Officers' Reports:**

There were no Officer's reports.

4. **Finance Committee Report:**

Committee Chairman Lauderdale reported that the Finance Committee meeting was held on Wednesday, March 30, 2016 at 2:07 p.m. and the following business was considered.

Mr. Leach presented Resolution #06-2016 stating that the Corporation is renewing its maintenance and technical support agreement for the Corporation's Great Plains general ledger accounting software. This two-year agreement is through The Software Solutions Group Inc. and includes product updates, unlimited technical support, training, education and customer service. This agreement is for the period April 18, 2016 through April 17, 2018 at a cost of \$36,375.

Upon motion by Director Lauderdale and seconded by Director Darrow, a roll call vote was taken Ayes: 13; Nays: 0; Absent 4, Hendrickson, Siebert, Kiedrowski, Clifford. The motion carried to accept the two –year agreement for the Corporation's Great Plains general ledger accounting software from The Software Solutions Group Inc. (**Resolution #06-2016**).

Mrs. Leach discussed progress made in researching time and attendance services for payroll proposes. These will provide accurate time keeping for employees and do away with the current method of using paper timecards for payroll process. A recommendation will be made at the next meeting regarding a vendor best suited to provide this service.

This was provided for informational purposes only.

4. **Finance Committee Report continued:**

Mrs. Leach reviewed the February 2016 Comptroller's Report with the Committee members. February produced a surcharge for distribution of \$97,597 and earnings of approximately \$13,000. She discussed the results of operations for Branches and Batavia Downs.

This was provided for informational purposes only.

The Finance Committee meeting adjourned at 2:35 p.m.

5. **Personnel Committee Report:**

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, March 30 at 1:30 p.m. and the following business was discussed.

Mr. Wamp introduced Bonnie Nizamis who explained her management training program that is currently ongoing.

Mr. Wojtaszek reintroduced the Ethics and Social Media Policies from the previous month for approval by the Board. A motion was made to pass the Social Media Policy and the Ethics Policy as discussed by Director Wamp, seconded by Director Lattimore and passed unanimously.

Mr. White informed the Committee about the new IRS Tips Reporting Program, GITGA. Mr. White reported that he believes we should adopt this policy as a benefit to both the corporation and the employees. Staff is sure there is no cost to the corporation and sees no downs side to this program. A motion to approve this program was made by Director Wamp, seconded by Director Lattimore and passed unanimously.

A motion was made by Director May to enter into Executive Session to discuss a personnel matter at 1:55 p.m., seconded by Chairman Bianchi. At 2:05 p.m. the Committee came out of Executive Session by a motion from Director Haberer, seconded by Director May.

The Personnel Committee meeting was adjourned at 2:05p.m.

6. **Legislative Committee Report:**

Committee Chairman Barnes reported the Legislative Committee met on Wednesday, March 30, 2016 at 3:54 p.m. and the following business was discussed.

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. Kane noted NYS Budget efforts being made on the Corporations behalf, particularly the effort to include tax parity protection in the State budget.

Mr. Kane presented the notice of Proposed Rulemaking for the Gaming Commission's Enforcement of Age Restriction on Wagers to the Committee.

The Legislative Committee meeting was adjourned at 4:20 p.m.

7. **Insurance Committee Report:**

Committee Chairman Ricci reported the Insurance Committee met on Wednesday, March 30, 2016 at 4:00 p.m.

Chairman Ricci noted a recent NYSIF inspection report was received by staff and notes no deficiencies.

The Insurance Committee meeting adjourned at 4:25 p.m.

8. **Advertising Committee Report:**

Committee Vice-Chairman Lauderdale reported the Advertising and Promotions Committee met on Wednesday, March 30, 2016 at 2:40 p.m. and the following business was discussed.

Todd Haight, Director of Live Racing delivered a presentation of past and upcoming OTB events including the battle of the Branches as well as a recent trip by staff and Board members to Fort Lauderdale for the US Harness Horse Writers Association. Director Wamp and Mr. Haight talked about some of the classes and the importance of social media as it relates to the horse racing industry.

Print ads from the Graphics Department were shown.

The Advertising and Promotions Committee meeting adjourned at 2:55 p.m.

9. **Audit Committee Report:**

Committee Chairman Bassett reported the Audit Committee met on Wednesday, March 30, 2016 at 4:25 p.m. and the following business was discussed.

Mr. Haigh reported to the Committee that a meeting was held to ascertain what the status of the micro inventory system was. Subsequent to that meeting audit personnel performed test counts to determine how accurate the information was. These test counts identified some issues that need to be addressed to have the system more accurate. This information was provided to management and audit will continue testing to see that these areas are corrected.

The Audit Committee meeting adjourned at 4:29 p.m.

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

Committee Chairman Morgan called the meeting to order at 3:00 p.m. and 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, General Manager of Gaming.

Todd Haight reported to the Committee that the Live Racing and the purse account has been reviewed and is proposing a purse increase of 5-7% for the next race season. He reported opening night for Live Racing will be July 25, 2016 and the Kane Memorial Race is scheduled for October 8, 2016.

Mr. Nolan reported to the Committee that an enhanced traffic study was conducted for the Park Road closing.

Mr. Wolf reported to the Committee that the dispatch system on the floor is installed. Notification is now received on I-phones for bill jams, jackpots etc, and is working very well.

Mr. Wolf reported to the Committee that there are now 793 games on the floor now and he is expecting 824 games on the floor by the end of summer as approval has been received from the NYS Gaming Commission to add three new games.

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

Mr. Kane discussed the Capital Award Application and that expects that it will be submitted by mid May.

Mr. Kane reviewed the facial recognition system benefits and that staff has been investigating. WROTBC will be provided a free 30 day trial of the system shortly.

Mr. Nolan reported the 4<sup>th</sup> floor is being framed on the hotel project. The roof will be on in the next couple weeks.

Mr. Kane informed the Committee of the annual USTA meeting in Columbus. He discussed topics from the meeting.

Mr. Haas reported our current phone system is no longer serviceable. The new system install will begin on April 17, 2016.

The Batavia Downs Committee meeting adjourned at 3:43 p.m.

**11. Branch Operations Committee Report:**

Committee Chairperson Mazur reported that the Committee met on Thursday, March 31, 2016 at 9:34 a.m. and the following business was discussed.

Mr. Merriman informed the Committee that staff has installed 22 of the 35 new television sets. Staff has also updated the DVR and cameras at Phoenix. Mr. Merriman also informed the Board of the need for summer help.

Mr. Schiano and Mr. Haas informed the Committee that United Tote has finally started to install the new G-Series and will continue installs weekly on Tuesday's. Staff hopes all old terminals will be replaced before the end of the year.

Mr. Schiano updated the Committee of the numerous E-Z Bet possibilities that are currently being explored.

Mr. Haas informed the Committee that Batavia Bets is down year to date 7%. Mr. Haas informed the Committee that we are still pursuing a contract with Hong Kong Racing. Mr. Schiano updated the Committee on the Thursday night thoroughbred that has so far been beneficial and staff will continue to monitor this.

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

Mr. Schiano informed the Committee of the upcoming Managers Meeting on Tuesday, April 26, 2016.

Mr. Kane updated the Committee of the ongoing NYRA/CDI negotiations as well as the plan moving forward for the Kentucky Derby

Mr. Wojtaszek informed the Committee that the four properties currently under consideration for sale are all moving forward with the Bullshead property most likely being the first to close in the near future. Mr. Kane added the possibility of the sale of the old ITW building after receiving an appraisal for \$300,000.

The Branch Operations meeting adjourned at 10:02 a.m.

12. **Unfinished Business:**

No unfinished business

13. **New Business:**

Upon motion by Director Morgan and seconded by Director Bassett the Board approved out of state travel as requested by Mr. Kane for the Host Training in Las Vegas in July for three members of the Marketing staff.

The next Committee and Board meetings are scheduled for April 27, and 28, 2016 respectively.

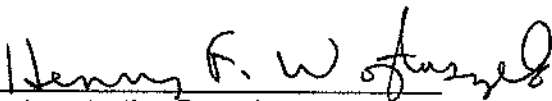
14. **Resolutions:**

Resolution #06-2016 Software Solutions Group

15. **Adjournment:**

Director May made a motion to adjourn which Director Bassett seconded. The meeting was adjourned at 10:39 a.m.

Respectfully submitted,

  
Secretary to the Board