

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 26th day of May 2016, 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 Haberer
Chautauqua	Allan Hendrickson
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard 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; 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; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Gayle Ashbery, Director of Purchasing; Jim Krencik, Batavia Daily News; Mike Pettinella, Buffalo News.

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 Siebert 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 April 28, 2016. There being none, a motion was made by Director Hendrickson and seconded by Director Lauderdale to approve the April minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

There were no Communications.

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, May 25, 2016 at 2:16 p.m. and the following business was considered.

Mrs. Ashbery stated a public bid was held on May 18, 2016 for the roof replacement at the Marway OTB Branch in Rochester and that six bids were received.

After review of the bids, Staff recommends the Board's approval to award the bid to the lowest responsible bidder, Grove Roofing Services, Inc. in the amount of \$85,598, plus a 10% contingency.

Upon motion by Director Lauderdale and seconded by Director Morgan, a roll call vote was taken Ayes: 16; Nays: 0; Absent 1, Lattimore. The motion carried unanimously to award the Marway roof replacement bid to Grove Roofing Services, Inc. in the amount of \$85,598, plus a 10% contingency. (**Resolution #13-2016**).

Mrs. Leach reviewed the March 2016 Comptroller's Report with Committee members. April produced surcharge for distribution of \$147,000 and earnings of approximately \$229,000. She discussed the results of operations for Branches and Batavia Downs.

This was provided for informational purposes only.

The Finance Committee meeting adjourned at 2:25 p.m.

5. Personnel Committee Report:

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, May 25, 2016 at 1:00 p.m. and the following business was discussed.

Mr. Schiano informed the Committee that we have reached a tentative agreement on the Gaming Contract. Once the rank and file approves this agreement, staff will bring it to the Board for approval.

Mr. Kane informed the Committee that two (2) Chiropractors will be visiting branches to check on the work stations for employees.

Mr. Nolan informed the Committee of the continuing training led by Bonnie Nizamis.

Mr. Kane reminded the Committee to return their old I-Pads and if anyone needed assistance to contact Jessalyn Gates or Pauline Andrews to set up their new I-Pads.

Mr. Kane informed the Committee that the new program for time and attendance has begun with training and the Corporation should be done with paper time cards by the end of August.

A motion was made by Director Haberer, seconded by Director Mazur at 1:18 p.m. to enter into executive session and came out of executive session at 2:16 p.m. and the Committee.

Mr. Kane presented to the Committee the job descriptions for the following:

- President/CEO & General Counsel
- Chief Operating Officer
- Vice President/Operations
- Vice President/Administration
- Special Advisor to the President

Upon motion by Committee Chairman Wamp and seconded by Director Morgan to approve the job descriptions, a voice vote was taken. Ayes: 15; Nays: 0; Abstain: 1; Kiedrowski, Absent: 1; Lattimore. The motion passed.

Committee Chairman Wamp reported that Mr. Kane will be retiring effective July 29, 2016. Mr. Wamp reported after review and recommendation by Mr. Kane that Henry Wojtaszek will be appointed President & CEO/General Counsel as recommended by Mr. Kane effective July 29, 2016.

5. Personnel Committee Report continued:

Upon motion by Committee Chairman Wamp and seconded by Director Morgan to except the recommendation a roll call vote was taken. Ayes: 15; Nays: 0; Abstain: 1; Kiedrowski, Absent: 1; Lattimore. The motion passed.

Committee Chairman Wamp reported that after review of Mr. Kane's recommendation that effective June 20, 2016 the Chief Operating Officer is appointed to Michael Nolan and the Vice President of Operations is appointed to Scott Kiedrowski as recommended by Mr. Kane.

Upon motion by Committee Chairman Wamp and seconded by Director May to except the recommendations a roll call vote was taken. Ayes: 15; Nays: 0; Abstain: 1; Kiedrowski, Absent: 1; Lattimore. The motion passed.

The Personnel Committee meeting adjourned at 2:16 p.m.

6. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee met on Wednesday, May 25, 2016 at 3:45 p.m. and the following business was discussed.

Mr. Nicholas Antenucci and Mr. Kevin Bronner 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.

Director May informed the Committee that there will be a Legislature night August 24, 2016 at Batavia Downs.

Mr. Kane informed the Board as to the status of the vendor fee bill sponsored by Assemblywoman Peoples-Stokes and Senators Gallivan and Ranzenhofer.

The Legislative Committee meeting was adjourned at 4:39 p.m.

7. Insurance Committee Report:

Insurance Committee did not meet.

8. Advertising Committee Report:

Committee Chairman Clifford reported the Advertising and Promotions Committee met on Wednesday, May 25, 2016 at 2:41 p.m. and the following business was discussed.

8. **Advertising Committee Report continued:**

Mr. Todd Haight, Director/General Manager Live Racing delivered a presentation of past and upcoming OTB events including the ads, radio/TV appearances and preparation for the Kentucky Derby and Preakness events. The handle for the Kentucky Derby this year was the 5th best of all time, and staff will be doing more to help increase attendance for next year's Preakness party. June's handicapping contest was previewed along with ads for the Belmont Stakes.

Mr. Hasenauer recapped May's Anniversary Drawings and previewed Leisure Loot's Cash, Hot Tub and Sea Doo Drawings in June. The number of restaurants coming to the "Taste at the Track" on June 26, 2016 look to be on par with last year's number. Slides showing the recently held Michael Winslow Concert, the upcoming golf tournament and Employee morale initiatives were presented. Also, print ads from the Graphics Department were shown.

The Advertising and Promotions Committee meeting adjourned at 2:57 p.m.

9. **Audit Committee Report:**

Audit Committee did not meet.

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

Committee Chairman Morgan reported the Batavia Downs Operations Committee met on Wednesday, May 25, 2016 at 3:00p.m. and the following business was discussed.

Committee Chairman Morgan reported the figures and monthly status report of gaming statistics which was provided to the Committee by Mr. Mark Wolf, General Manager of Gaming.

Mr. Haight reviewed the draw schedule and purse increases to the Committee.

Mr. Haight presented to the Committee the contract renewal with Virginia Rosenfeld as the Assistant Race Secretary in the amount of \$33,500 for the upcoming live meet.

Upon motion by Director Morgan and seconded by Director Siebert to approve and accept the contract with Virginia Rosenfeld, A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Lattimore, the motion passed. (Resolution #09-2016).

10. Batavia Downs Operations Committee Report continued:

Mr. Haight presented to the Committee the contract between WROTB and Joe Zambito, Race Secretary in the amount of \$42,350 for the upcoming live meet.

Upon motion by Director Morgan and seconded by Director Wamp to approve and accept the contract with Joe Zambito, A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Lattimore, the motion passed. **(Resolution #10-2016).**

Mr. Haight reported to the Committee that staff recommends the Board's approval for material needed for the track resurfacing to Lafarge North America in the amount not exceed \$68,000.

Upon motion by Director Morgan and seconded by Director Lauderdale to approve and accept the contract with Lafarge North America, A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Lattimore, the motion passed. **(Resolution #11-2016).**

Mr. Haight reported to the Committee that staff recommends the Board's approval for the stone for the track resurfacing to Hanson Aggregates in the amount not to exceed \$26,000.

Upon motion by Director Morgan and seconded by Director May to approve and accept the recommendation of Hanson Aggregates, A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Lattimore, the motion passed. **(Resolution #12-2016).**

Mr. Kane reported to the Committee that staff recommends the Board approval for Schneider's Premium Seafood for the remainder of 2016 not to exceed \$60,000.

Upon motion by Director Morgan and seconded by Director Darrow to approve and accept the recommendation of Schneider's Premium Seafood, A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1; Lattimore, the motion passed. **(Resolution #14-2016).**

The Batavia Downs Committee meeting adjourned at 3:45 p.m.

11. Branch Operations Committee Report:

Committee Chairperson Mazur reported that the Committee met on Thursday, May 26, 2016 at 9:31 a.m. and the following business was discussed.

11. Branch Operations Committee Report continued;

Mr. Merriman informed the Committee that the Military Road concessionaire will be opening soon. He also informed the Committee that a customer accidentally ran into the Auburn Branch location with his car and the damage will be repaired

He informed the Committee that the Ridge Lea concessionaire obtained a caterer's license to be able to serve food and beverages at the Wehrle location for the Preakness and Belmont due to the eviction of the former concessionaire. Mr. Merriman also added that new summer help in Rochester has started as well as the new Rochester District Officer Manager.

Mr. Wojtaszek informed the Committee that we continue to work on the potential sales for Hudson, Newark and Ridge Lea. Mr. Wojtaszek confirmed that the sale of Bullshead closed for \$120,000.00. Mr. Wojtaszek asked for a motion for the authorization of the sale of our Albion location for the amount of \$190,000.00. A motion was made by Director Morgan, seconded by Director Bassett and carried unanimously

Mr. Schiano informed the Committee that an eviction letter was sent to Mr. Klapp and he cleared out all of his personal belongings after close of business on May 7, 2016. Staff is working with the current Ridge Lea concessionaires. He reported that the NYS Gaming Commission approved the concessionaire at Military Road to be named Lucky's.

Mr. Schiano informed the Committee that applications for locations in Albion – Orleans County and Portageville – Wyoming County are in Albany awaiting approval. He also mentioned staff is pursuing numerous leads in a number of other counties. Mr. Schiano mentioned year to date E-Z Bets are up \$23,000 and currently 5.7% of the total handle.

Mr. Schiano informed the Committee that John Hamm and Jessalyn Gates are finishing installs at the last two E-Z Bets today. Branch installation for the new terminals will begin next week.

Mr. Haas informed the Committee that there is nothing to update on the Hong Kong negotiations. Batavia Bets was up \$40,000 in April, our 4th best month ever. Through Monday, May 23, 2016, Batavia Bets was at \$980,000, our best month ever and soon to be our first million dollar month. Year to date Batavia Bets is caught up and is currently flat with last year.

Mr. Kane informed the Committee that NYRA continues to negotiate on an extension for the Monarch Contract, and we did sign a contract with CDI permitting us to show the Derby.

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

A motion was made by Director Bassett and seconded by Director Morgan to adjourn at 9:52 a.m.

12. **Unfinished Business:**

Director May informed the Board of the Legislators night on August 24, 2016.

13. **New Business:**

Congratulations were given by Chairman Bianchi and Board members to Mike Kane, Henry Wojtaszek and Scott Kiedrowski.

Mr. Kiedrowski thanked members of the Board for the time he has spent with them as the Director for Niagara County.

The next Committee and Board meetings are scheduled for June 22, and 23, 2016 respectively.

14. **Resolutions:**

Resolution #09-2016 Contract Virginia Rosenfeld

Resolution #10-2016 Contract Joe Zambito

Resolution #11-2016 LaFarge North America for Track Resurfacing

Resolution #12-2016 Hanson Aggregates for Stone

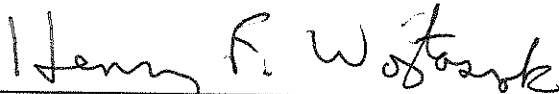
Resolution #13-2016 Grove Roofing for Marway

Resolution #14-2016 Schneider Premium Seafood

15. **Adjournment:**

Director Morgan made a motion to adjourn which Director Darrow seconded. The meeting was adjourned at 10:28 a.m.

Respectfully submitted,


Secretary to the Board