

**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 28th day of April, 2011, 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:**

Buffalo	Maurice L. Garner
Cattaraugus	Richard E. Haberer
Cayuga	Paul W. Lattimore, Jr.
City of Rochester	Dennis Bassett
Chautauqua	Roger E. Ruckman
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Niagara	Scott Kiedrowski
Orleans	Marcia B. Tuohey
Oswego	Ronald B. Darrow
Schuyler	Philip C. Smith
Seneca	William R. White
Steuben	John Clifford
Wayne	Joseph Gallo
Wyoming	Jim Foley

constituting the Directors of all participating municipalities. Also participating were Michael D. Kane, President & Chief Executive Officer; Henry F. Wojtaszek, General Counsel and Secretary; Jacquelyne A. Leach, Comptroller; Barbara Mruzek, Deputy Comptroller; Mark Wolf, Sr. Director of Video Gaming & Marketing; Ryan Hasenauer, Director of Marketing-WROTBC & Video Gaming; Cindy DeCarlo, Controller; Steven J. Haigh, Internal Auditor; Edward Merriman, Buffalo District Branch Manager; Gayle Ashbery, Director of Purchasing, Cyndie Wellman, Director of Human Resources; Joann Algier, Director of Real Estate & Property Management and Todd Haigh, Promotional Marketing Specialist.

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

Chairman Bianchi proceeded to conduct the meeting following the published Agenda.

Chairman Bianchi asked Director Bill White 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 March 24<sup>th</sup>, 2011. A motion was made by Mr. Garner and seconded by Mr. Wamp to approve the minutes.

**2. Communications:**

There were no communications.

**3. Officers' Reports:**

There were no Officer's reports.

**4. Finance Committee Report:**

Committee Chairman William White reported that the Finance Committee meeting was held on Wednesday, April 27, 2011 at 4:54 p.m. and the following business was considered.

a. Vice Chairman Ms. Marcia Tuohey provided a recommendation to the Committee stating that she had received many calls regarding the proposed management structure. After discussion, the resolution was withdrawn by Ms. Tuohey.

b. The Committee reviewed the Investment Policy and Guidelines of the Corporation which was adopted by the Board of Directors on March 27, 1986 as provided by Comptroller Jackie Leach.

A motion was made by Mr. White and seconded by Mr. Garner to approve the Investment Report. A roll call vote passed the motion. Ayes: 17; Nays: 0; Absent: 0.

c. The Board was presented with the 1<sup>st</sup> Quarter 2011 Investment Report by Comptroller Jackie Leach which was for informational purposes.

d. The Board was presented with the March 2011 Comptroller's Report by Comptroller Jackie Leach. Chairman Bianchi asked Mrs. Leach for reasons for the substantial corporate loss. Mrs. Leach indicated causes for the loss were mostly due to an increase of retirement payments because of the increased number of retirees, snow removal, and maintenance costs.

**4. Finance Committee Report (continued):**

The Committee adjourned at 5:32 p.m. with no further actions required from of the Board.

**5. Personnel Committee Report:**

Committee Chairperson Thomas Wamp reported that the Personnel Committee met on Wednesday, April 27, 2011 at approximately 4:00 p.m.

a. The Committee discussed the Consulting Agreement for Mr. Patrick T. Murphy which expired on April 27, 2011. The newly designed contract was similar to the previous. The new agreement is at a rate of \$63.00 per hour but is not portal to portal arrangement. Also the contract is based on as needed situations rather than working for the entire year. It was also indicated that the Chairman or Vice Chairman of the Board will be able to ask Mr. Murphy for his services.

A motion was made by Mr. Wamp and seconded by Ms. Mazur to approve the amended consultant agreement as submitted. A roll call vote passed the motion. Ayes: 17; Nays: 0; Absent: 0.

b. President Michael D. Kane recommended to the Committee filling the management positions as follows:

Dir of Branch Operation; recommending Sean Schiano at \$64,000  
Mgr of Branch Operation; recommending Edward Merriman at \$52,000  
Regional Office Mgr West; recommending Anne Bauth at \$37,100  
Regional Office Mgr East; recommending Courtney Rahn-Ryan at \$25,000  
General Mgr Live Racing/Branch Specialist; recommending Todd Haight at \$61,900

The positions noted with (\*) are moving to a 40 per week from a 35 hour per week. Mr. Kane indicated that there are more responsibilities in these positions.

Director Haberer suggested that the salaries should first be reviewed by Mr. Steven DePerriere, a representative of First Niagara who is currently reviewing and analyzing current employee's salaries and benefits based on similar positions in western New York. Director Bassett agreed with Director Haberer. Director Garner suggested that the President should keep watch of management personnel. Director White suggested approval of each promotion but to wait for the analysis before increasing any salary.

**5. Personnel Committee Report (continued):**

A motion was made by Mr. Wamp and seconded by Mr. White to approve the promotions and salary adjustments as noted. A voice call vote passed the motion. Ayes: 9: Garner, Lattimore, Mazur, Wamp, Bianchi, Kiedrowski, Bassett, White, Clifford; Nays: 8; Haberer, Ruckman, Siebert, Tuohey, Darrow, Smith, Gallo, Foley; Absent: 0.

Director Wamp reported that the Committee did not have a recommendation for the Vice President-Administration position.

A motion was made by Chairman Garner and seconded by Director White to enter into Executive Session at 10:19 a.m. to discuss Personnel issues. The meeting reconvened at 11:44 a.m.

d. The Personnel Committee conducted interviews for the position of Vice President. The persons interviewed were Mr. Joseph Zinni, Mr. Bill White, and Mr. Michael Nolan.

A motion was made by Vice Chairman Marcia Tuohey and seconded by Mr. Joe Gallo to appoint Mr. Michael Nolan as Vice President-Administration, at \$80,000 pending NY Racing & Wagering Board's and NY Lottery's approval and that he resign his current position within seven days of the approval. A roll call vote passed the motion. Ayes: 13; Garner, Haberer, Ruckman, Mazur, Siebert, Wamp, Kiedrowski, Tuohey, Darrow, Smith, Clifford, Gallo, Foley; Nays: 2, Lattimore, Bianchi; Abstain: 2, Bassett, White.

e. President Michael Kane recommended to the Board to change the personnel policies regarding the vacation accruals cap which currently is up to 210 hours for corporate personnel and 200 hours for Batavia Downs Casino personnel. The suggested policy for vacation accruals is amended to six (6) weeks. (210 hours for a 35 hour/week employee and 240 hours for a 40 hour/week employee.)

A motion was made by Mr. Wamp and seconded by Mr. Clifford to change vacation accrual cap to six (6) weeks. A roll call vote passed the motion. Ayes: 17; Nays: 0; Absent: 0.

f. General Counsel Wojtaszek informed the Board that he had reviewed the Conflict of Interest Policy and proposed changing the gift amount from \$50.00 to \$75.00.

**5. Personnel Committee Report (continued):**

A motion was made by Mr. Wamp and seconded by Ms. Mazur to put into place the Conflict of Interest Policy. A voice call vote passed the motion. Ayes: 17; Nays: 0; Absent: 0.

g. The Committee has asked Mr. Michael Kane to review the corporate vehicle replacement policy and present findings at the May meeting.

h. The results from the Worker's Compensation Review were presented by Mr. Mark Barbero. The obtained funds from the investigation were \$28,005.59 of which 25% or \$5,598.00 was the fee requested by Mr. Barbero for this service. Further investigation will continue in the furtherance of recovering more monies.

The Committee adjourned at approximately 4:45 p.m. with no further actions required from of the Board.

**6. Legislative Committee:**

Committee Chairman Haberer reported that the Legislative Committee met on Wednesday, March 27, 2011 at approximately 3:30 p.m. Mrs. Lisa Marrello and Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP were available via telephone conference.

a. The Committee discussed their introduction with NY Assembly staff, NYCOTB update, their meeting with Monticello Raceway on a matter with Suffolk OTB, and answered questions from the Committee.

b. Vice Chairman Marcia Tuohey's request for discussion regarding WROTBC's Committee meeting monthly schedule has been moved to the Board agenda.

No action required by the Board.

**7. Insurance Committee:**

Director Paul Lattimore reported that the Insurance Committee met on Thursday, April 28, 2011 at 9:30 am.

a. Director Lattimore informed the Board that the Insurance Committee discussed the benefits of changing the vendor of the Corporation's Health

**7. Insurance Committee (continued):**

Benefits Card. The union's card vendor will now be Benefit Resources effective July 2011. This action will save the Corporation approximately \$5700.

There was no action required by the Board.

**8. Advertising Committee:**

Committee Chairman James Foley reported that the Committee met on Wednesday, April 27, 2011 at approximately 4:30 p.m.

a. Mr. Todd Haight, Promotional Marketing Specialist provided the Committee with an update on the Kentucky Derby and the favorite horse picks. Updates of the Harness Handicapping Contest were provided.

b. Mr. Ryan Hasenauer provided the Committee a recap of the past few month's gaming events. The month of May promotions have been themed "Goldbeard's Treasure and Pirates. The Mystery Voucher for May was presented to the Committee.

The Committee meeting adjourned at 5:00 p.m. No action was required by the Board.

**9. Audit Committee:**

Chairman Dennis Bassett reported that the Committee met on April 27, 2011 at approximately 3:00 p.m.

a. A presentation by Mr. Craig Stevens and Ms. Kelley DeMonte from the Bonadio Group of the draft audited financial statements for the year ended December 31, 2010 and the audit of the annual marketing expenses.

A motion was made by Mr. White and seconded by Mr. Clifford to accept the draft reports as submitted by Bonadio. A voice vote passed the motion. Ayes: 17; Nays: 0; Absent: 0. The motion was carried.

The meeting was adjourned at 3:35 p.m.

**10. Property/Real Estate Committee:**

Director John Clifford reported that the Committee met on April 27, 2011 at 5:05 p.m.

- a. President Michael Kane discussed with the Committee the status of the Batavia Downs Capital Project.
- b. Mrs. Algier provided the Committee with copies of the Branch Manual Maintenance Procedures.
- c. Maintenance request forms randomly selected by Ms. Algier reviewed were for West Ridge Road (7), Auburn (1), and Ridge Lea (0).
- d. Mrs. Algier provided randomly selected updates on the status of future plans for West Ridge, Auburn, Hornell and Corning.
- e. Mrs. Algier provided the Committee with the status of the Seneca Falls parking lot and the sink hole.
- f. The assessment from Mr. Tom Fraser regarding the repair of the exterior upper soffit at Bullshead was provided.
- g. Mrs. Algier reported that the tile floor in Ridge Lea's smoking room has been replaced and repairs have been made.

The meeting was adjourned at 5:43 p.m.

**11. Batavia Downs Committee:**

Committee Chairperson Paul Lattimore called the Committee meeting to order on Wednesday, April 27, 2011 at approximately 4:00 p.m. The following items were discussed:

- a. The monthly Status Report with gaming statistics was provided to the Committee by Mr. Mark Wolf.
- b. The Committee was provided with financial statistics by Ms. Cindy DeCarlo.

**11. Batavia Downs Committee (continued):**

c. Mr. Fred Hamilton discussed the purchasing program presented by Dining Alliance to the Committee. A savings to the Corporation based on the previous data would be approximately a savings of \$83,172.41.

d. Mr. Mark Wolf presented to the Committee a request for approval for purchasing authority not to exceed \$60,000 for the remainder of 2011 with Tarantino Foods for daily produce. This passed the Committee.

A motion was then made by Mr. Lattimore and seconded by Mr. Siebert to authorize purchasing authority with Tarantino Foods not to exceed \$60,000. A roll call vote was taken. Ayes: 15; Nays: 1, Kiedrowski; Absent: 0; Abstain: 1, Clifford.

e. Mr. Mark Wolf informed the Committee of the necessity to renew the Cummins-Allison maintenance contract for the Casino's money counting machine in the amount of \$15,254.00.

A motion was then made by Mr. Lattimore and seconded by Mr. White to extend \$15,254.00. A roll call vote was taken. Ayes: 17; Nays: 0; Absent: 0. **(See Resolution # 9-2011).**

f. Mr. Ryan Hasenauer provided the Committee with a request to purchase necessary hardware from MGAM for the player tracking system used to operate the video lottery gaming equipment. The proposed expenditure for the hardware is \$42,371.80.

A motion was made by Mr. Lattimore and seconded by Mr. Garner to purchase hardware from MGAM in the amount of \$42,371.80. A roll call vote was taken. Ayes: 17; Nays: 0; Absent: 0. **(See Resolution # 10-2011).**

The meeting adjourned at 4:40 p.m.

**12. Branch Operations:**

Committee Chairman Maurice Garner reported that the Committee met on Thursday, April 28, 2011 at approximately 9:30 a.m.

a. Mr. Schiano recommended to the Committee that the concession contract with the present Auburn Branch concessionaire, Dean Hollister, be extended for one year with no changes.



**12. Branch Operations (continued):**

b. Mr. Kane discussed with the Committee the potential Broadway to East Mohawk Branch move. No Board action was required.

c. The Committee was briefed by Mrs. Algier and Mr. Schiano regarding the potential Webster relocation/consolidation.

d. The Committee was informed by Mr. Kane and Ms. Cyndie Wellman on the pending EZ Branch application submittals for NYS Racing & Wagering Board's approval.

e. The Manager's Meetings were recapped by Edward Merriman to the Committee.

No action required by the Board.

**13. Ms. Tuohey requested discussion regarding the Committee scheduling. Directors gave their opinions, discussed their past experiences and conveyed their recommendations.**

Ms. Tuohey asked Chairman Bianchi to consider arranging Committee meeting as done in the past without running them concurrently in order to benefit all Directors' ability to attend each meeting. Chairman Bianchi agreed that he would consider the arrangement.

**14. Resolutions:**

# 9-2011	Cummins-Allison One Year Maintenance Agreement
# 10-2011	MGAM Hardware Purchase

**15. Unfinished Business:**

No unfinished business.


**16. New Business:**

The next Committee and Board meetings will be held on May 25 and May 26, 2011 respectively.

17. **Adjournment:**

Mr. Garner made a motion to adjourn which was seconded by Mr. Ruckman.  
The meeting was adjourned at 11:57 a.m.

Respectfully submitted,

  
Secretary to the Board

HFV/dmf