

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 April, 2012, and commencing at 10:10 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road, Batavia, New York.

Participating were:

Buffalo	Maurice Garner
Cattaraugus	Richard E. Haberer
Cayuga	Paul Lattimore
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 Tuohey
Oswego	Ronald B. Darrow
Rochester	Dennis Bassett
Schuyler	Philip C. Smith
Seneca	Richard Ricci
Steuben	John Clifford
Wyoming	Jim Foley

Absent:
J. Gallo

constituting the Directors of all participating municipalities. Also participating were Michael D. Kane, President & CEO; Michael P. Nolan, Vice President – Administration; Jacquelyne Leach, Comptroller; Henry F. Wojtaszek, General Counsel; Steven J. Haigh, Internal Auditor; William White, Director of Human Resources; Sean Schiano, Director of Branch Operations; Edward Merriman, Manager of Branch Operations; Gayle Ashbery, Director of Purchasing; Cindy DeCarlo, Controller/Finance Manager, Joann Algier, Director of Real Estate & Property Management Jim Haas, Communications Manager; Ryan Hasenauer, Director of Marketing-WROTB and Video Gaming and Todd Haight, General Manager of Live Racing

A roll of the membership of the Board having been called and General Counsel Henry Wojtaszek declared a quorum present.

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

Chairman Bianchi asked Mr. Dennis Bassett 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 29, 2012. A motion was made by Mr. Darrow and seconded by Mr. Kiedrowski approve the minutes. The motion was carried unanimously by voice vote.

2. Communications:

Mr. Henry Wojtaszek read a e-mail communication of thanks from Mr. Robert Brown, a Players Club patron, who was very complimentary of Batavia Downs and indicated that BD is a valued part of the community.

A second letter was read from Mr. Rick Mancuso, Chairman of GCC Foundation, regarding the receipt of a donation to the Genesee Community College Foundation's annual campaign.

3. Officers' Reports:

No Reports.

4. Finance Committee Report:

Committee Chairman Ron Darrow reported that the Finance Committee meeting was held on Wednesday, April 25, 2012 at 4:10 p.m. and the following business was considered.

a. At the March Board meeting, the Directors were provided with a copy of the Corporation's Purchasing Policy and the Procurement Policy for review

A motion was made by Mr. Darrow and seconded by Mr. Smith to approve the Purchasing Policy and Procurement Policy. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried.

b. The Committee discussed the exterior renovation need at the Auburn OTB Branch in Cayuga County. Results from the environment study had no negative findings for the project.

Results of the bid which was held on March 15, 2012 were provided to the Board.

4. Finance Committee Report (continued):

b. A motion was made by Mr. Darrow and seconded by Mr. Lattimore to award the renovation work to Bouley Associated, Inc. in the amount of \$57,450 plus a 10% contingency. Notation was made that due to the decline in acceptance from Mike Poorman Contracting, the lowest responsible bidder, Bouley Associated be awarded the bid. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. **The motion was carried. (See Resolution # 10-2012 and attachment).**

c. Mrs. Leach provided the Board with the Corporate Investment Report for 2012 which was discussed at the Committee meeting.

A motion was then made by Mr. Siebert and seconded by Mr. Smith to approve the 2012 Corporate Investment Report. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried unanimously.

d. Comptroller Jacquelyne Leach presented to the Board the March 2012 Comptroller's Report for informational purposes.

5. Personnel Committee Report:

Committee Chairman Tom Wamp reported that the Personnel Committee met on Wednesday, April 25, 2012 at approximately 1:30 p.m. A special meeting was held early April 26th. Another meeting of the Personnel Committee was held on Friday, April 20th.

a. Mr. Kane informed the Committee that all Directors will be advised to complete Financial Disclosure/Conflict of Interest form for 2012.

b. The Committee recommended alterations to approximately eighteen job titles and job descriptions previously review at the previous meetings. Messrs. Kane, Nolan and White discussed each modification with the Committee Members and Directors.

A motion was then made by Mr. Wamp and seconded by Ms. Mazur to approve alterations as recommended unanimously by the Personnel Committee to a listing of job titles and descriptions as attached. A roll call vote was taken. Ayes: 15; Nays: 0; Abstain: 1, Garner; Absent: 1, Gallo. The motion was carried.

5. Personnel Committee Report(continued):

b. Mr. Kane provided the Committee with travel policy reimbursement recommendations for both In-State and Out-of-State/New York City travel.

A motion made by Mr. Wamp and seconded by Mr. Lattimore to increase the Travel and the Director Voucher Reimbursement Policies per day as presented. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried.

c. The committee entered Executive Session at 1:58 p.m. and returned to regular session at 2:59 p.m. and then adjourned the meeting.

6. Legislative Committee:

Committee Chairman Richard Siebert reported that the Legislative Committee met on Wednesday, April 25, 2012 at approximately 5:00 p.m. Ms. Lisa Marrello and Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP.

a. Wilson Elser representatives provided the Committee with an update on the Albany Legislative activities regarding various issues.

b. Mr. Nolan reported to the Members of the Committee on the recent presentations to Livingston and Oswego Counties regarding their support in full casino gaming.

c. Mr. Kane informed the Committee of the ongoing relationship with New York Gaming Association.

d. Messrs. Kane and Nolan briefed the Committee on the SEIU involvement in regards to supporting full casino gaming. A poster was designed for distribution regarding their support.

e. Messrs. Kane, Wojtaszek and Nolan discussed with the Committee the matter of obtaining Greenberg Traurig, LLP as Gaming Lobbyists. After discussion by the Committee, it was agreed to obtain Greenberg Traurig, LLP.

A motion was then made by Ms. Tuohey and seconded by Mr. Haberer to waive the rules. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried.

6. Legislative Committee (continued):

A motion made by Mr. Siebert and seconded by Mr. Ruckman to enter into an agreement with Greenberg Traurig, LLP effective May 1, 2012 through May 1, 2013 at a monthly amount of \$6,000 plus \$100 Lobbying fee and if necessary, travel to Batavia Downs. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried.

The Committee briefly went into Executive Session to discuss contractual matters.

The Committee meeting adjourned at 5:25 p.m.

7. Insurance Committee:

Chairman Paul Lattimore reported that the Committee met on April 26, 2012 at 9:00 a.m.

a. A presentation was provided by Commercial Insurance Consultants. The Committee is in the process of obtaining quotations which will be presented at the June meeting.

8. Advertising Committee:

Chairman John Clifford reported that the Committee met on Wednesday, April 25, 2012 at approximately 5:25 p.m.

a. OTB promotions and events were recapped by Director of Marketing Ryan Hasenauer, General Manager of Live Racing Todd Haight and Sean Schiano, Director of Branch Operations. They discussed OTB promotions, Battle of the Branches and the Mohawk branch event. The Kentucky Derby advertisements were previewed.

b. Mr. Ryan Hasenauer provided the Committee with graphic samples for future advertising.

c. Mr. Hasenauer recapped the April's casino promotions which included the Rain of Points and the Player Tier readjustment. May's promotions were previewed including the Mystery Voucher and Free Play.

d. Pictures from the recent Marketing event at the local Dwyer Stadium were shown.

8. Advertising Committee (continued):

e. A discussion regarding how future major marketing expenditures will be handled was lead by Mr. Hasenauer. It was noted that larger expenditures will be brought before the Board for approval.

9. Audit Committee:

Vice Chairman Richard Haberer informed the Board that the Committee met on April 25, 2012 at 3:31 pm.

a. The Committee was provided with a presentation of the 2011 Audited Financial Statements and the Marketing Allowance by the representatives from the Bonadio Group.

A motion was made by Mr. Haberer and seconded by Mr. Smith to accept the 2011 Audited Financial Statement and the Marketing Allowance as presented. A voice vote was taken. Ayes: 13; Nays: 0; Absent: 4, Bassett, Ricci, Clifford, Gallo. The motion was carried.

10. Property/Real Estate Committee:

Chairman Marcia Tuohey reported that the Committee met on April 25, 2012 at 4:31 p.m.

a. Mrs. Joann Algier provided the Board with a review of the following branches: State Street—a purchase offer had been accepted from Christian Schemke, Chris Reeg and Alex Wirth in the amount of \$160,000. Staff requested an extension for financing purposes.

b. No closing date for Hudson Avenue has been established.

c. The closing date for Grant Street should be scheduled near June 1st.

d. Summaries for Hornell, Newark, and Phoenix properties were provided.

The Committee meeting was adjourned at 4:40 p.m.

11. Batavia Downs Committee:

Chairman Paul Lattimore reported that the Committee meeting was held on April 25, 2012 at approximately 2:15 p.m. The following items were discussed:

- a. The monthly Status Report with gaming statistics was provided to the Committee by Ms. Cindy DeCarlo.
- b. The Committee was provided with financial statistics by Ms. Cindy DeCarlo.
- c. Mr. Kane briefed the Committee with an update on the Capital Project. A verbal approval has been given with indication of the approval letter to be received within a few days.
- d. Mr. Michael Nolan informed the Committee that an American Express credit card may be used to purchase Food & Beverage items.
- e. Mr. Todd Haight provided the Committee with a 2012-2014 Live Racing season agreement with Mercy Flight for emergency medical services.

A motion was made by Mr. Lattimore and seconded by Mr. Foley to enter into an agreement with Mercy Flight EMS during the live meet. The service fee for 2012 and 2013 will be \$125.00 per hour. In 2014 the service fee will increase to \$130.00 per hour. A roll vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried. **(See Resolution # 19-2012).**

- f. Mr. Kane informed the Committee that the Cummins-Allison money counting machine used in the operation of Batavia Downs VLT operation has a maintenance agreement which needs extension for a one-year period beginning May 16, 2012 in the amount of \$15,409.00. The Committee approved the maintenance contract.

A motion was made by Mr. Lattimore and seconded by Mr. Clifford to approve the maintenance agreement with Cummins-Allison for the period of May 16, 2012 through May 15, 2013 in the amount of \$15,409.00. A roll vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried. **(See Resolution # 20-2012).**

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

12. Branch Operations:

Committee Chairperson Maurice Garner reported that the Committee met on Thursday, April 26, 2012 at approximately 9:30 a.m.

- a. Messrs. Schiano and Merriman presented the agenda for the Manager's meeting which will be held on April 19th.
- b. Mr. Henry Wojtaszek and Mrs. Joann Algier provided the Committee with the status of the Niagara Falls property issue.
- c. Mr. Schiano briefed the Committee on the year to date handle update.
- d. Outcome of the brainstorming session was provided to the Committee by Messrs. Schiano and Merriman.
- e. Mr. Jim Haas informed the Committee of the recent progress of the website development by Core101.
- f. Mr. Haas updated the Committee with the CDI contract negotiations.
- g. Mr. Sean Schiano provided information regarding EZ Bet updates.
- h. The Kentucky Derby promotions were provided by Mr. Schiano

There was no action required by the Board.

The meeting adjourned at approximately 10:00 a.m.

13. Resolutions:

- # 10-2012 Auburn branch exterior renovation
- # 19-2012 Mercy Flight Agreement
- # 20-2012 Cummins-Allison Money Mach. Maint. Agreement

14. Unfinished Business:

There was no unfinished business.

15. New Business:

a. Director Garner commended Mr. Nolan for outstanding spokesperson for Western Regional Off-Track Betting Corporation. The progress relevant to the full gaming effort has indicated movement in a forward motion.

b. Director Bassett informed the all in attendance that the presentation by Mr. Nolan was excellent and won over the City of Rochester delegates.

The next Committee and Board meetings will be held on May 30 and May 31, 2012 respectively.

16. Adjournment:

A motion was by Mr. Ruckman to adjourn the meeting which was seconded by Mr. Darrow at 10:40 a.m.

Respectfully submitted,



Henry F. Wojtaszek
Secretary to the Board

HFV/dmf