

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 25th day of August, 2011, and commencing at 10:07 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road, Batavia, New York.

Participating were:

Cattaraugus	Richard E. Haberer
Cayuga	Paul W. Lattimore, Jr.
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
Wyoming	Jim Foley

Absent:

D. Bassett
J. Gallo
M. Garner

constituting the Directors of all participating municipalities. Also participating were Michael D. Kane, President & Chief Executive Officer; and Secretary; Jacquelyne A. Leach, Comptroller; Michael P. Nolan, Vice President – Administration; Barbara Mruczek, 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; Cyndie Wellman, Director of Human Resources; Edward Merriman, Buffalo District Branch Manager; Gayle Ashbery, Director of Purchasing, Joann Algier, Director of Real Estate & Property Management, and Sean S. Schiano, Director of Branch Operations. Also attending was Tom Rivers, Daily News Reporter.

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

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

Chairman Bianchi asked Mr. Phil Smith to lead the assemblage in the Pledge of Allegiance.

Director Scott Kiedrowski provided the group of a tribute in the publication, New York State Senate 2011 Veteran's Hall of Fame, acknowledging Director Phil Smith. The accomplishments of Director Smith included his activities while serving his country, a brief biography, and his present dedication and service to Veterans in Schuyler County.

1. **Approval of Previous Minutes:**

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of August 25, 2011. A motion was made by Mr. Lattimore and seconded by Mr. Wamp to approve the minutes. The motion was carried unanimously by voice vote.

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, August 24, 2011 at 3:12 p.m. and the following business was considered.

- a. Comptroller Jackie Leach presented to the Board the July 2011 Comptroller's Report. For informational purposes.

5. **Personnel Committee Report:**

Committee Chairman Tom Wamp reported that the Personnel Committee met on Wednesday, August 24, 2011 at approximately 2:30 p.m.

- a. The Americans with Disabilities Act – Compliance was discussed at the Committee meeting.
- b. The Discrimination Policy was reviewed by the Committee.
- c. The Sexual Harassment Policy was reviewed by Committee Members. As determined by the Committee, this policy will be a "work-in-progress" item. In time, revisiting this policy for possible updates/changes is considered.

A motion was made by Mr. Wamp and seconded by Mr. White to approve the Sexual Harassment Policy with changes. First, Western Regional OTB Corporation is to be added where OTB is. Secondly, the President of the Corporation would be the administrative officer to appoint the individuals who are to be the Compliance Officers. A roll call vote was taken. Ayes: 13; Lattimore, Mazur, Wamp, Bianchi, White, Haberer, Ruckman, Kiedrowski, Siebert, Tuohey, Darrow, Smith, and Clifford; Nays: 1, Foley; Absent: 3, Bassett, Garner and Gallo. The motion passed.

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

d. Mrs. Jackie Leach briefed the Board regarding the Hartford Deferred Compensation Plan which contract expires on August 31, 2011. The policy will be renewed for a one year timeframe. Monies contributed into this fund will earn a 4% return from the general fund.

A motion was made by Mr. Wamp and seconded by Mr. White to extend the contract with Hartford Life Insurance Company for a period of one year beginning September 1, 2011. A roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3, Bassett, Garner, and Gallo. **(See Resolution # 21-2011).**

e. Mr. Kane informed the Board that he plans to present to the Board the proposed 2012 Operating Plan for review and approval.

f. Due to the upcoming retirement of Cyndie Wellman as Director of Human Resources on November 11, 2011, Mr. Kane mentioned that consideration by Directors for replacement for this position will be needed shortly.

g. Director Richard Siebert addressed the Board with a concern regarding salary adjustments for all employees. He indicated that it has been three years since any raises have been awarded to staff and that this should be considered a priority. Mr. Siebert remarked that the process has completed with reviewing job descriptions, it is time to take the next step by compensating the workers. Chairman Bianchi indicated that this will take place in the near future. Mr. Kane recommended to Mr. Siebert that this action may take place effective the first of the year and further discussion is planned at next month's meeting.

6. **Legislative Committee:**

Committee Chairman Haberer reported that the Legislative Committee met on Wednesday, August 24, 2011 at approximately 4:25 p.m. Ms. Lisa Marrello and Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP were available via telephone conference.

a. Representatives of Wilson Elser provided the Committee with issues of interest to WROTBC. Notation was made of a possibility of a track formation in the Thousand Islands/Alexandria Bay area. Ms. Marrello also indicated that a Senate hearing is scheduled conducted by Senator Bonacic at which Messrs. Kane and Wojtaszek will be attending on September 6th, 2011 to give a testimony on behalf of WROTBC.

b. Messrs. Kane and Wojtaszek discussed the Lobbyists contract for 2012 with the Committee. The possibility of considering another Lobbyist who deals with gaming issues was addressed.

6. Legislative Committee (continued):

c. The Committee was updated regarding the meeting held by the NYS Gaming Association which Mr. Kane attended on August 16th and 17th.

No action required by the Board.

7. Insurance Committee:

Chairman Paul Lattimore reported that the Insurance Committee met on August 25th at 9:30 a.m.

a. Mr. Kane updated the Committee regarding the ongoing work being done regarding the Health Insurance.

b. Mrs. Leach provided the Committee with the Workmen's Compensation audit.

No action required by the Board.

8. Advertising Committee:

Committee Chairman James Foley reported that the Committee met on Wednesday, August 24, 2011 at 3:20 p.m.

a. Comments on the OTB Customer Appreciation events and the grand opening of the newest EZ Bet, Tucci's, were provided by Messrs. Ryan Hasenauer and Todd Haight.

b. Mr. Ryan Hasenauer provided the Committee with a display of advertisements for the Travers Stakes and Live Racing.

c. Mr. Todd Haight recapped the August promotions and upcoming September events planned for the Casino. An observation has indicated that the coupons for casino free play which has been printed in the racing programs shows that a great deal of horse betting customers have redeemed these coupons after the races have ended.

d. The Committee was briefed on the August casino promotions by Mr. Hasenauer. Comments included activities resulting from Quadruple Crown of Points, Suite stakes drawings and giveaways at Batavia's local community celebration "Summer in the City". Thoughts regarding promotional program for Football Sundays were previewed for the restaurant.

The Committee meeting adjourned at 4:30 p.m.

9. Audit Committee:

Vice Chairman Richard Siebert reported that the Committee met on August 24th at 3:50 p.m.

- a. A summary of the second quarter gaming audit reports were provided to the Committee.
- b. An update on the Ernst & Young's implementation status was provided by Mr. Steve Haigh.
- c. The Committee discussed recent incidents and the actions resulting. It was noted that Management has taken a proactive approach whereby they are notifying Lottery of incidents and providing plans to correct these issues.

The meeting adjourned at 4:15 p.m.

10. Property/Real Estate Committee:

Chairman John Clifford reported that the Committee met on August 24, 2011 at 3:45 p.m.

- a. Mrs. Algier provided the Committee with a review of the following branches: Teletheater, Ridge Lea, Hornell, Corning, Grant Street, Auburn, Seneca Falls, Bullshead and Broadway.
- b. Mr. Tom Balk provided an update on the maintenance building roof. The contractors have been on site and have been provided with necessary information.
- c. The plans for the main building roof were provided by Mr. Tom Balk. The Engineer and Mr. Balk had a meeting to discuss the intentions and procedure to be followed.
- d. The Committee entered into Executive Session to discuss Real Estate matters. It was determined that continuation of the sale of the Hudson Avenue property be made. A letter of intent has been received.

A motion was made by Mr. White and seconded by Mr. Lattimore to authorize Mrs. Joann Algier to move forward with the letter of intent and enter into a contract regarding the sale of Hudson Avenue. A roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3, Bassett, Garner, and Gallo. (**See Resolution # 21-2011**).

The meeting was adjourned at 4:08 p.m.

11. **Batavia Downs Committee:**

Committee Chairman Paul Lattimore called the Committee meeting to order on Wednesday, August 24, 2011 at approximately 4:45 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.
- c. Based on the increased usage of products from Will's Poultry, Mr. Michael Nolan requested approval for additional purchasing authority in the amount of \$120,000.00.

A motion was made by Mr. Lattimore and seconded by Mr. Darrow to extend the purchase order to Will's Poultry in the amount of \$120,000. A roll call vote was taken. Ayes: 13; Nays: 1, Clifford; Absent: 3, Bassett, Garner, and Gallo. **(See Resolution # 23-2011)**. The motion passed.

d. Mr. Kane provided an update on the smoking room expansion. Preparation of the submittal for approval by the NY Lottery of the expansion will be done mid-week.

e. Mr. Ryan Hasenauer and Mrs. Gayle Ashbery provided information to the Committee regarding valet service to customers. Details regarding the contract were discussed. The public bid was opened on Wednesday August 10th, 2011. After review of the bid, staff recommended Mass Park, Inc., d/b/a Valet Park of America.

A motion was made by Mr. Lattimore and seconded by Mr. Siebert to enter into an agreement with Mass Park at a rate of \$16.00 per attendant per hour with an estimate of 607 hours to be used through the end of 2011 beginning August 26th, 2011. A roll call vote was taken. Ayes: 11; Nays: 2, Clifford, Foley; Abstain: 1: Tuohey; Absent: 3, Bassett, Garner, and Gallo. **(See Resolution # 22-2011)**. The motion passed.

f. The Committee was provided information on an electronic message boards by Messrs Mark Wolf and Ryan Hasenauer and Mrs. Gayle Ashbery. The public bids were opened at 10:00 a.m. on August 16th, 2011. Four bids were received. After review by staff, recommendation for approval is requested to Premier Sign Systems, LLC.

11. Batavia Downs Committee (continued):

A motion was then made by Mr. Lattimore and seconded by Mr. Darrow to award the bid to Premier Sign Systems, LLC for one 10' x 17' and one 6.4' x 10.6' electronic message boards for a total of \$113,905.00; . A roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3, Bassett, Garner and Gallo. (**See Resolution # 24-2011**). The motion was carried.

g. Mr. Mike Kane provided an update on the Capital Plan. Mr. Tom Fraser met with Mr. Kane and Staff members regarding the roof on August 24th.

i. Mr. Kane informed the Committee that the specifications for the storage building are being developed in preparation to go to public bid before the next meeting.

The Committee entered into Executive Session for fifteen minutes to discuss a personnel matter.

The meeting adjourned at approximately 6:15 p.m.

12. Branch Operations:

Committee Vice Chairperson Beverly Mazur reported that the Committee met on Thursday, August 25, 2011 at approximately 9:30 a.m.

a. Mrs. Joann Algier provided the Branch Committee with an update regarding the Webster branch.

b. The grand opening is scheduled for East Mohawk branch within the next two weeks.

c. General Counsel Wojtaszek updated the Committee regarding the Niagara Falls branch.

d. Mr. Kane informed the Committee that the Teletheater hopes to reach an agreement for space in or near the Quality Hotel. No new progress to report.

e. Ms. Wellman provided the committee with an update report on potential EZ Bets.

f. Mr. Sean Schiano indicated that two Concessionaires for Phoenix have been interviewed. There will be more information at the next meeting.

12. Branch Operations (continued):

- g. Mr. Kane provided information regarding internet/phone proposal. It was indicated that tentatively this platform should be in place by or near 2012.
- h. Mr. Schiano provided findings resulting from visiting five branches to the Committee.

13. Resolutions:

# 21-2011	Hartford Life Insurance Extension
# 22-2011	Valet Park of America Agreement
# 23-2011	Will's Poultry Purchase Order
# 24-2011	Electronic Message Boards Purchase

14. Unfinished Business:

Mr. Kane informed the Board that Lottery has approved a license for Mr. Craig Moore, a newly appointed Executive Chef.

15. New Business:

The next Committee and Board meetings will be held on September 28 and September 29, 2011 respectively.

16. Adjournment:

Mr. Siebert made a motion to adjourn which was seconded by Mr. Haberer. The meeting was adjourned at 10:36 a.m.

Respectfully submitted,



Henry F. Wojtaszek
Secretary to the Board