

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 30th day of August, 2012, 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 Lattimore
Chautauqua	Roger E. Ruckman
Erie	Beverly A. Mazur
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Niagara	Scott Kiedrowski
Orleans	Marcia Tuohey
Oswego	Ronald B. Darrow
Schuyler	Philip C. Smith
Steuben	John Clifford
Wayne	Ken Lauderdale
Wyoming	Jim Foley

Absent:

R. Siebert
D. Bassett
R. Ricci

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; William R. White, Vice President - Administration; Gayle Ashbery, Director of Purchasing; Cindy DeCarlo, Controller/Finance Manager, Adam Bisbee, Promotions Manager; Mark Wolf, Director of Video Gaming & Marketing; Barb Mruczek, Deputy Comptroller; Steven J. Haigh, Internal Auditor; EJ Merriman, Manager of Branch Operations and Sean Schiano, Director of Branch Operations. Also attending was Tom Rivers, Daily News Reporter.

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

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

Chairman Bianchi asked Comptroller Mrs. Jackie Leach 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 July 26, 2012. A motion was made by Mr. Garner and seconded by Mr. Wamp to approve the minutes. The motion was carried by voice vote.

2. Communications:

A thank you letter on behalf of Genesee Cancer Assistance, Inc. was read in regards to the use of Batavia Downs for the 2012 "Festival of Hope, Walk Against Cancer" which was held on Friday, June 1, 2012. The event raised over \$23,000 for Genesee County cancer patients.

Mr. Kane received a letter which was read regarding gratitude for a customer's camera which was found by a Custodian.

3. Officers' Reports:

No Officers Reports.

4. Finance Committee Report:

Committee Chairman Ron Darrow reported that the Finance Committee meeting was held on Wednesday, August 29, 2012 at 3:10 p.m. and the following business was considered.

a. Regarding the "Official Declaration of Intent", Mrs. Leach discussed the Corporation's financing options as presented in the financing update presentation. The resolution was discussed at the Committee meeting and passed the Committee.

A motion was then made by Mr. Darrow and seconded by Mr. Garner to issue tax-exempt "bonds" for the relocation of the gaming floor in compliance with tax regulations. A roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci. The motion passed unanimously. **(See Resolution # 39-2012).**

b. Mr. Darrow introduced a Resolution regarding the development for a financing program to finance the \$27.7 million Capital Awards project for the relocation of the gaming floor to the first floor to be coordinated by the Officers.

A motion was made by Mr. Darrow and seconded by Mr. Smith to waive the rules. A voice vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci. The motion was carried.

A motion was then made by Mr. Darrow and seconded by Mr. Lauderdale to seek appropriate advice to develop a financing program. A roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett and Ricci. The motion passed unanimously. **(See Resolution # 43-2012).**

4. Finance Committee Report (continued):

c. Mrs. Leach presented the July 2012 Comptroller's Report to the Committee as informational.

5. Personnel Committee Report:

Committee Chairman Tom Wamp reported that the Personnel Committee met on Wednesday, August 29, 2012 at approximately 1:30 p.m.

a. Mrs. Leach briefed the Board of the change to the 457 Plan Renewal Policy. Notation was made that there will be a reduced administration fee from .6% to .5%.

b. Mr. White informed the Board that the employment application will be available online electronically. There were two statements on the application which required discussion and change.

A motion was made by Mr. Wamp and seconded by Mr. Garner to amend one application question to read "Do you have a security license or an eight (8) hours training certificate". A voice vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci.

A second motion regarding the employment application question: "Have you ever been excluded from Batavia Downs or any other casino" was made by Mr. Wamp and seconded by Mr. Garner. A voice vote was taken. Ayes: 13; Nays: 1, Tuohey; Absent: 3, Siebert, Bassett, and Ricci.

c. Mr. Nolan informed the Board that the Committee discussed and approved that employee discounts on all food and beverages purchased at Batavia Downs be made to state that only employees will be eligible for the discount.

6. Legislative Committee:

Director Richard Haberer reported that the Legislative Committee met on Wednesday, August 29, 2012 at 4:30 p.m. Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP, Mr. Mark Meyerhofer from Patricia Lynch Associates, and Mr. Rick Winter of Richardson Management were available via telephone conference.

a. The Committee was provided with an update on the Albany Legislative activities regarding various issues noting the Legislature is in recess.

6. Legislative Committee (continued):

b. Mr. Mike Nolan informed the Committee of information regarding the Legislator's Day to be held at Batavia Downs. The date of the meeting and further information will be provided when it is available.

c. Mr. Nolan reported on recent County and City presentations seeking support of full casino gaming.

d. Mr. Mike Kane provided the Committee with a schedule of future meetings.

7. Insurance Committee:

Chairman Paul Lattimore reported that the Committee did not meet this month.

8. Advertising Committee:

Chairman John Clifford reported that the Committee met on Wednesday, August 29, 2012 at 4:00 p.m.

a. OTB promotions and events were recapped by Promotions Manager Adam Bisbee and General Manager of Live Racing Todd Haight. They provided details regarding gaming and OTB promotions and events including the Decathlon of Dollars and Family Fun Days and the recent Wiener Dog Race. Upcoming September promotions were previewed. Plans for and Old Fashioned Night, Super Senior Day and 5s are Wild were noted.

b. Mr. Todd Haight provided a recap events of Live Racing. Racing promotions previewed were The September 1st Cash Cube, the annual Labor Day Driver's Bike Race, and the \$7500 College Scholarship Race.

9. Audit Committee:

Chairman Bianchi informed the Board that the Committee did not meet.

10. Property/Real Estate Committee:

Chairman Marcia Tuohey reported that the Committee met on Wednesday, August 29, 2012 at 4:00 p.m.

Mrs. Algier provided the Committee with a review of the following branches:

- a. The sale of State Street was been withdrawn. Nothnagle Commercial has been contacted to obtain a new listing agreement.
- b. The sale of Hudson Avenue property concluded with time is of the essence from General Counsel. An updated listing agreement has been signed with an asking price of \$335,000.
- c. The façade repair and other necessary work at the Bullshead location has begun.
- d. The former Teletech building in Niagara Falls is a possible location for a branch.
- e. The Delaware Avenue location will have a fence erected between Western's building and the railroad tracks to its south side once quotations have been reviewed.

No action by the Board required.

11. Batavia Downs Committee:

Chairman Paul Lattimore reported that the Committee meeting was held on Wednesday, August 29, 2012 at approximately 2:00 p.m. The following items were discussed.

- a. The monthly Gaming 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. Mr. Kane briefed the Committee on the Lottery Video Gaming audit by OSC.

11. Batavia Downs Committee (continued):

d. The NYGA meeting which was held on September 11, 2012 was summarized by Mr. Mike Kane.

e. Mrs. Gayle Ashbery provided results of the bid opening for valet parking which was held on August 14, 2012. After review of the bids, Staff requested award of the contract which will expire on August 31, 2013 to Mass Park, Inc., d/b/a Valet of America at a rate of \$16.00 per attendant per hour for valet service and \$21.00 per bus driver per hour.

A motion was made by Mr. Lattimore and seconded by Mr. Haberer to waive the rules. A voice vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci. The motion was carried.

A motion was made by Mr. Lattimore and seconded by Mr. Garner to award the contract for valet services to Mass Park, Inc. d/b/a Valet of America as noted in the attached. A roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci. The motion was carried. **(See Resolution # 38-2012).**

f. Messrs. Kane and Wojtaszek briefed the Committee on the NYS Racing & Gaming Symposium which was held in Saratoga earlier in the month that they attended.

g. On September 11, 2012 the NYGA meeting will be held.

h. Mr. Tom Balk provided information regarding the replacement of the loader. Research of the General Services' list indicated that a Case Loader would fit the needs for snow removal in parking and maintenance areas.

A motion was made by Mr. Lattimore and seconded by Mr. Ruckman to waive the rules. A voice vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci. The motion was carried.

A motion was made by Mr. Lattimore and seconded by Mr. Darrow to direct management to pursue the acquisition of the afore mentioned Case Loader for an approximate \$107,591.04. A roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci. The motion passed unanimously. **(See Resolution # 40-2012).**

i. Mr. Mike Kane updated the Committee of the Capital Awards Project.

j. Mr. Kane provided the Committee with a desire to upgrade the exterior light as part of the NYSERDA Flextech Study to coincide with the Capital Awards project.

11. Batavia Downs Committee (continued):

k. The Committee was addressed by Mr. Mike Nolan on a request for the extension of two blanket purchase orders for the Food and Beverage Department.

A motion was made by Mr. Foley and seconded by Mr. Haberer to waive the rules. A voice vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci. The motion was carried.

A motion was made by Mr. Lattimore and seconded by Mr. Foley to increase the purchase order in the amount of \$200,000 for Will's Poultry. A roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci. The motion passed unanimously. **(See Resolution # 41-2012).**

A motion was made by Mr. Lattimore and seconded by Mr. Garner to waive the rules. A voice vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci. The motion was carried.

A motion was made by Mr. Lattimore and seconded by Mr. Ruckman to increase the purchase order in the amount of \$200,000 for U. S. Food Service. A roll call vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci. The motion passed unanimously. **(See Resolution # 42-2012).**

l. A bid was opened on August 29, 2012 for a Salt Storage Building. After review of the bids received, Fraser Engineering disqualified the low bidder. Recommendation of the second lowest bidder, Autumn Contracting, LLC as the most responsible bidder was advised.

A motion was made by Mr. Lattimore and seconded by Mr. Ruckman to waive the rules. A voice vote was taken. Ayes: 14; Nays: 0; Absent: 3, Siebert, Bassett, and Ricci. The motion was carried.

A motion was made by Mr. Lattimore and seconded by Mr. Ruckman to award the bid for a salt storage building with a base amount of \$57,900 to Autumn Contracting, LLC. of Alden, NY. A paving option was submitted at \$41,700. Notation of a 10% contingency is included on the total. A roll call vote was taken. Ayes: 13; Nays: 1, Clifford; Absent: 3, Siebert, Bassett, and Ricci. **(See Resolution # 44-2012).** The motion carried.

12. Branch Operations:

Chairperson Maurice Garner reported that the Committee met on Thursday, August 28, 2012 at approximately 9:28 a.m.

- a. Mr. Sean Schiano discussed with the Committee the need for PCs and printers in branches.
- b. The internet update was provided by Mr. Schiano. The Batavia Casino site is running currently.
- c. An update of the Tote contract was provided by Mr. Schiano. An agreement on a term sheet has been reached.
- d. Mr. Mike Kane provided the Committee with the Internet (ADW) pending approval of the Racing & Wagering Board.
- e. Messrs. Schiano and Merriman reported activities at the EZ Bet locations.

13. Resolutions:

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| # 38-2012 | Valet Parking |
| # 39-2012 | "Official Intent" to issue tax-exempt bonds |
| # 40-2012 | Case Loader Purchase |
| # 41-2012 | Will's Poultry Blanket PO Extension |
| # 42-2012 | U S Food Service Blanket PO Extension |
| # 43-2012 | Financing for Capital Award Project |
| # 44-2012 | Salt Storage Building Purchase |

14. Unfinished Business:

Mr. Richard Haberer expressed appreciation for the calls, cards, flowers, and thoughts in regards to the recent illness of his wife, Cathy.

Mr. Mike Kane provided an update on the condition of former Director Joseph Gallo who is presently in the nursing facility. A suggestion for the development of a proclamation in his behalf was made.

15. New Business:

The next Committee and Board meetings will be held on September 26 and September 27, 2012 respectively.

16. Adjournment:

A motion was made by Mr. Bianchi to adjourn the meeting which was seconded by Mr. Haberer at 10:30 a.m.

Respectfully submitted,



Henry F. Wojtaszek
Secretary to the Board

HFW/dmf