

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 13th day of December, 2012, and commencing at 10:25 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.
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 L. Ricci
Steuben	John E. Clifford
Wayne	Ken Lauderdale
Wyoming	Jim Foley

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; Cindy DeCarlo, Controller; Mark Wolf, Director of Video Gaming & Marketing; Barb Mruczek, Deputy Comptroller; Gayle Ashbery, Director of Purchasing; Joann Algier, Director of Real Estate & Property Management; Jim Haas, Mutuels Manager; Ryan Hasenauer, Director of Marketing-WROTB and Video Gaming; 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 declared a quorum present.

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

Chairman Bianchi asked Director Richard Haberer 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 October 25, 2012. A motion was made by Mr. Haberer and seconded by Mr. Garner to approve the minutes. The motion was carried by voice vote.

2. Communications:

One communication was presented by General Counsel Wojtaszek. A letter of gratitude regarding funds raised in the amount of \$4,000 for the Breast Cancer Coalition of Rochester which supports advances in gene research, needed services and programs for those coping with breast cancer.

3. Officers' Reports:

No Officers Reports.

4. Finance Committee Report:

Committee Chairman Ron Darrow reported that the Finance Committee meeting was held on Wednesday, December 12, 2012 at 2:43 p.m. and the following business was considered.

a. Mr. Ron Darrow informed the Board that Mrs. Leach advised the Committee that the annual NYS and Local Retirement System's invoice will be due in February 2013 in the amount of \$2,243,900.

b. Mr. Darrow reported to the Board that the financing proposals were provided to Mrs. Leach for financing of the renovation of the Batavia Downs facility. It was recommended that the most favorable proposal was provided by First Niagara Bank.

A motion was made by Mr. Darrow and seconded by Mr. Smith to approve the proposal from First Niagara Bank as noted. A roll call vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion was carried. **(See Resolution #69-2012)**

4. Finance Committee Report (continued):

- c. The 2013 Operating Plan was accepted by the Committee.

A motion was made by Mr. Darrow and seconded by Mr. Lauderdale to approve the 2013 Operating Plan as presented. A voice vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion was carried.

- d. Mrs. Leach presented the October 2012 Comptroller's Report to the Committee as informational.

5. Personnel Committee Report:

Committee Chairman Tom Wamp reported the Personnel Committee met on Wednesday, December 12, 2012 at 1:30 p.m.

- a. Committee Chairman Wamp reported that all Bargaining Agreements passed the Committee.

A motion was made by Mr. Wamp and seconded by Mr. Garner to approve the 2013 BDC Collective Bargaining Agreement – 1 year Extension as presented. A voice vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion was carried.

A motion was made by Mr. Wamp and seconded by Mr. Foley to approve the 2013 Supervisory Collective Bargaining Agreement – 1 year Extension as presented. A voice vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion was carried.

A motion was made by Mr. Wamp and seconded by Mr. Ricci to approve the 2013 Non-Supervisory Collective Bargaining Agreement – 1 year Extension as presented. A voice vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion was carried.

Mr. Wamp noted that the Committee entered into Executive Session for approximately 20 minutes and then adjourned.

- b. Committee Chairman Wamp provided the Board with the following Staff recommendation:

- 2% salary adjustment for corporate & gaming administrative (all non-unionized staff) employees effective January 1, 2013

5. Personnel Committee Report (continued):

Additionally specific adjustments that are recommended to take effect on January 1, 2013 are noted:

		Annual Increase
• Danielle Perry	Human Resource Analyst	\$2,080
• Paulette Laesser	F&B Office Staff	\$1,600
• Casey Sisson	Floor Supervisor	\$1,000
• Luba Szyszkowski	Graphics & Creative Design Mgr	\$ 550
• Leslie Hintz	Graphics Specialist	\$3,100
• Stephanie Underhill	Graphics Specialist	\$1,000
• Player Tracking Clerks	\$.30/hr.	\$3,420

A motion was made by Mr. Wamp and seconded by Mr. Ricci to approve wage increases as noted. A voice vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion was carried.

c. Staff has informed the Committee that the Director of Property/Real Estate, Joann Algier, will be retiring on January 24, 2013. At that time Ms. Glor's salary will be pro-rated on the annual adjustment as provided to the Committee. The new job descriptions for the positions noted were also approved by the Committee. Mr. White's job description required no change. The changes will be effective on the date of Ms. Joann Algier's retirement. Mr. Garner recapped his experience of working with Ms. Algier as a pleasure to work with, that she did an outstanding job and the Corporation will be at a loss with her absence.

A motion was made by Mr. Wamp and seconded by Mr. Foley to approve wage increased as noted. A voice vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion was carried.

6. Legislative Committee:

Chairman Richard Siebert reported that the Legislative Committee met on Wednesday, December 12, 2012 at approximately 4:30 p.m. Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP, Ms. Lisa Marrello and 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.

b. Chairman Siebert indicated it necessary to consider renewal of the 2013 contract with Wilson Elser Moskowitz Edelman & Dicker, LLP.

6. Legislative Committee (continued):

b. A motion was made by Mr. Siebert and seconded by Mr. Ruckman to renew the one year agreement with Wilson Elser at the annual rate of \$50,000, payable at the monthly rate of \$4,166.67 plus expenses commencing on January 1, 2013. A roll call vote was taken. Ayes: 15; Nays: 1, Clifford; Abstain: 1, Garner. The motion was carried. **(See Resolution #61-2012).**

c. Mr. Mike Kane summarized the meeting with New York Gaming Association in Albany.

d. General Counsel Wojtaszek briefed the Committee regarding the 2012 Global Symposium on Racing and Gaming held in Tucson which Directors Siebert, Kiedrowski and Clifford attended. Also attending were Messrs. Kane, Wojtaszek and White.

e. Mr. Nolan reported on the presentations given at Niagara and Chautauqua Counties for full casino gaming.

f. The Legislator's Day meeting which was held on November 28, 2012 at Batavia Downs was reviewed by Mr. Kane. Directors Siebert and Tuohey were also in attendance along with a number of Legislators and Assemblymen.

Chairman Siebert commented on an article from the Batavia Daily News regarding the development of approximately 1243 acres for an upcoming industry in the township of Alabama which will employ approximately 9300 jobs. This will have a major impact on BDC.

7. Insurance Committee:

Chairman Paul Lattimore reported that no Committee meeting was held.

8. Advertising Committee:

Chairman John Clifford reported that the Committee met on Wednesday, 24, 2012 at 4:00 p.m.

a. Messrs. Hasenauer, Haight, and Schiano summarized the coupon program with the Directors and upcoming events.

b. The Breeder's Cup Party was recapped. Mr. Haight summarized the end of the live racing meet along with Customer Appreciation Night.

8. Advertising Committee (continued):

- c. Ryan Hasenauer provided a recap of December's Reindeer themed promotions. Plans for the New Year's Eve Party were previewed. Notation was made that 200 reservations have already been made.
- d. January's Travel Giveaway Promotion was previewed.
- e. A customer survey that would dictate where BDC may spend 2013 monies was summarized.

9. Audit Committee:

Chairman Bassett informed the Board that the Committee met on Thursday, December 13, 2012.

- a. The Committee met in Executive Session.

10. Property/Real Estate Committee:

Chairman Marcia Tuohey reported that the Committee met on Wednesday, December 12, 2012 at 3:30 p.m.

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

- a. The sale of 131-133 State Street property of Antonio Cilino is moving forward. The completion of the sale will be complete prior to January 31, 2012.
- b. A purchase offer for Hudson Avenue property to Mighty Taco, Inc in the amount of \$300,000 for .50 acres of vacant land has failed.
- c. The façade repair at the Bullshead branch has been completed.
- d. There have been no offers for the Mohawk Street property.
- e. A five-year lease extension for 1460 French Road, Cheektowaga, with the landlord, Joseph Bueme has been negotiated. The rent will remain the same as the previous lease, \$31,020 per year for the 3,760 sq. ft. area. The landlord has requested that the addition of "a 3% late charge to CAM and tax bill charges if no received on a timely basis".

A motion was made by Mr. Garner and seconded by Mr. Lattimore to waive the rules. A voice vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion was carried.

10. Property/Real Estate Committee (continued):

e. A motion was made by Ms. Tuohey and seconded by Mr. Ruckman to approve the 5 year lease for French Road property as noted. A roll call vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion was carried. **(See Resolution #71-2012).**

f. Staff has negotiated sale of the portion, the Corner Tavern, in an as is condition in the amount of \$170,000 to Pat & Bunny, Inc.

A motion was made by Ms. Tuohey and seconded by Mr. Garner to waive the rules for the sale of the portion of 101 West Union Street, the Corner Tavern property.

Mr. Clifford asked for discussion regarding the motion. A motion was made by Mr. Clifford and seconded by Mr. Garner to table the motion and to ask General Counsel and the Internal Auditor to review the matter to see if this is suitable to bring to the next Board meeting. A voice vote was taken. Ayes: 17; Nays: 0; Absent: 0. This unanimously passed the Board.

g. Ms. Algier provided updates for Hornell, Mohawk and Central Square.

11. Batavia Downs Committee:

Chairman Paul Lattimore reported that the Committee meeting was held on Wednesday, December 12, 2012 at 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. Thomas Balk summarized the FlexTech Study which will upgrade the present exterior lighting with lower operating cost lighting.

d. Mrs. Gayle Ashbery provided results of a public bid for the Capital Awards project which was held on November 16th for the fireproofing of Batavia Downs Casino. After review of the bids by Fraser Engineering & Design Services, Staff has provided the recommendation to the Board.

11. Batavia Downs Committee (continued):

A motion was made by Mr. Lattimore and seconded by Mr. Lauderdale for the fireproofing contract to be awarded to Shield Industries, Inc. of Woodstock, Ga., for fireproofing required for the Capital Awards project, in the base amount of \$98,989.57. (Alternate of 5% excess paint supply lump sum of \$103,939.04. If required, additional mastic, above 105% of base will be at a cost of \$50.00 per gallon). A roll vote was taken. Ayes: 15; Nays: 0; Abstain: 2, Darrow, Clifford. The motion passed. **(See Resolution # 62-2012).**

e. Mr. Kane informed the Board of the slight delay of the Capital Project per recommendation of the Engineering staff and the Financial Advisors. A delay of the nine bid openings to December 21st has been set. Thusly, a special Board meeting has been scheduled for January 8, 2012 at 11:00 a.m. to award the bid. The project start date will be February 8, 2013.

f. General Counsel Wojtaszek updated the Committee with finding of the Arbitration Hearing with Milherst.

g. Mr. Mike Nolan informed the Board of the necessary extensions of and new purchase orders for the Food & Beverage Department.

A motion for an increase in financial limits for ordering from Harris Supply for the 2012 calendar year in the amount of \$10,000 was made by Mr. Garner and seconded by Ms. Tuohey. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #50-2012).**

A motion for an increase in financial limits for ordering supplies for the facility in general, parking lots and stalls from Hanson for the 2012 calendar year in the amount of \$5,000 was made by Mr. Garner and seconded by Mr. Bassett. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #51-2012).**

A motion for an increase in financial limits for ordering fuel from Townsend Energy for the 2012 calendar year in the amount of \$5,000 was made by Mr. Garner and seconded by Mr. Foley. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #52-2012).**

A motion for purchasing beverages from Boston's Best Coffee for the 2013 calendar year in the amount of \$24,000 was made by Mr. Lattimore and seconded by Mr. Darrow. A roll vote was taken. Ayes: 16; Nays: 1, Garner; Absent: 0. The motion passed. **(See Resolution #53-2012).**

11. Batavia Downs Committee (continued):

A motion for purchasing beverages from CH Wright for the 2013 calendar year in the amount of \$95,000 was made by Mr. Lattimore and seconded by Mr. Garner. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #54-2012).**

A motion for purchasing beverages from Empire Merchants for the 2013 calendar year in the amount of \$30,000 was made by Mr. Lattimore and seconded by Mr. Ruckman. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #55-2012).**

A motion for purchasing paper products from Hills & Markes for the 2013 calendar year in the amount of \$85,000 was made by Mr. Lattimore and seconded by Mr. Ruckman. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #56-2012).**

A motion for purchasing tobacco products from Jacob Kern for the 2013 calendar year in the amount of \$30,000 was made by Mr. Lattimore and seconded by Mr. Ruckman. A roll vote was taken. Ayes: 16; Nays: 1, Garner; Absent: 0. The motion passed. **(See Resolution #57-2012).**

A motion for purchasing food supplies from Maines for the 2013 calendar year in the amount of \$125,000 was made by Mr. Lattimore and seconded by Mr. Garner. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #58-2012).**

A motion for purchasing beverages from Pepsi Products for the 2013 calendar year in the amount of \$75,000 was made by Mr. Lattimore and seconded by Mr. Ruckman. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #59-2012).**

A motion for HVAC system improvements from U & S Services required by the Capital Awards Project not to exceed the amount of \$350,000 was made by Mr. Lattimore and seconded by Mr. Ruckman. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #60-2012).**

A motion for purchasing food supplies from Tarrantino Foods for the 2013 calendar year in the amount of \$26,000 was made by Mr. Lattimore and seconded by Mr. Garner. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #63-2012).**

11. Batavia Downs Committee (continued):

A motion for purchasing quality beverage items from Southern Wine for the 2013 calendar year in the amount of \$33,000 was made by Mr. Lattimore and seconded by Mr. Ruckman. A roll vote was taken. Ayes: 12; Nays: 4, Garner, Bianchi, Ricci, Clifford; Abstain: 1, Bassett. The motion passed. **(See Resolution #64-2012).**

A motion for purchasing quality beverage items from Sanzo for the 2013 calendar year in the amount of \$40,000 was made by Mr. Lattimore and seconded by Mr. Ruckman. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #65-2012).**

A motion for purchasing food items from Palmer Foods for the 2013 calendar year in the amount of \$200,000 was made by Mr. Lattimore and seconded by Mr. Ruckman. A roll vote was taken. Ayes: 16; Nays: 1, Clifford; Absent: 0. The motion passed. **(See Resolution #67-2012).**

12. Branch Operations:

Chairperson Maurice Garner reported that the Committee met on Thursday, December 13, 2012 at approximately 9:30 a.m.

a. Messrs. Ryan Hasenauer and Jim Haas provided the Committee with an update on the progress of the website.

b. Mr. Jim Haas updated the Committee on the status the Tote Contract. A cost analysis was provided. Negotiations with United Tote have been completed. The contract has been submitted to the New York Racing and Wagering Board for approval.

A motion to accept the United Tote contract as negotiated for a ten year period commencing on January 1, 2013 was made by Mr. Garner and seconded by Mr. Ruckman. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #70-2012).**

c. An update report of Internet (ADW) testing was provided by Mr. Haas. There will be some staff training for customer service purposes. A start date of January 1, 2013 has been targeted.

d. Messrs. Schiano and Merriman reported activities at the EZ Bet locations. Danny's North in Erie County will be closing and Cruiser's will hold a grand opening in Niagara County.

12. Branch Operations (continued):

- e. Mr. Schiano informed the Committee that the Olean smoking waiver has been extended for one year.
- f. Mr. Sean Schiano provided the Committee with the status of cleanup of the area around the Bullshead Branch by City of Rochester.
- g. A decision for a kiosk printer has been delayed due to the need of final testing from Eastern and a pending proposal from Ricoh.
- h. After analysis of the bid which was held on October 11, 2012 by Mr. Jim Haas for televisions, the Committee was informed of the results. Staff has recommended purchases be made from Stereo Advantage and Modern Electronics.

A motion to purchase various types of televisions in projected quantities on an as needed basis from Stereo Advantage or Modern Electronics for the 2013 calendar year in the amount not to exceed \$150,000 was made by Mr. Garner and seconded by Mr. Haberer. A roll vote was taken. Ayes: 17; Nays: 0; Absent: 0. The motion passed. **(See Resolution #46-2012).**

- i. Mr. Mike Kane informed the Board of a recent letter from Thoroughbred Racing Protective Bureau. Mr. Kane summarized TRPB's plan to charge all betting entities a fee which will protect tote services. The intention of TRPB seems to be unnecessary and an example of the industry "shooting itself in the foot".

13. Resolutions:

- # 39-2012 Financing for Relocation to First Floor
- # 46-2012 Television Purchase
- # 50-2012 Harris Supply Purchase
- # 51-2012 Hanson Purchase
- # 52-2012 Townsend Energy Purchase
- # 53-2012 Boston's Best Coffee Purchase
- # 54-2012 CH Wright Purchase
- # 55-2012 Empire Merchants Purchase
- # 56-2012 Hill & Market Purchase
- # 57-2012 Jacob Kern Purchase
- # 58-2012 Maines Purchase
- # 59-2012 Pepsi Products Purchase
- # 60-2012 US Services Purchase
- # 61-2012 Wilson Elser Agreement Renewal
- # 62-2012 Shield Industries Fireproofing

13. Resolutions (continued):

- # 63-2012 Tarantino Foods Purchase
- # 64-2012 Southern Wine Purchase
- # 65-2012 Sanzo Purchase
- # 67-2012 Palmer Foods Purchase
- # 70-2012 United Tote Contract Renewal
- # 71-2012 French Road 5-Year Lease

14. Unfinished Business:

There was no unfinished business.

15. New Business:

- a. The next Committee and organizational Board meetings will be held on January 16 and January 17, 2013 respectively.
- b. Mr. Ryan Hasenauer cordially invited the Directors to the Employee Holiday Party which will be held on December 17th at 5:00pm.

Chairman Bianchi wished everyone a Merry Christmas and a very Happy New Year.

16. Adjournment:

A motion was made by Mr. Darrow to adjourn the meeting which was seconded by Mr. Lauderdale at 11:11 a.m.

Respectfully submitted,

Henry F. Wojtaszek
Secretary to the Board