

**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 24th day of February, 2011, and commencing at 10:05 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
City of Rochester	Dennis Bassett
Erie	Beverly A. Mazur
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
Wayne	Joseph Gallo
Wyoming	James A. Foley

**Absent:**

Richard E. Siebert  
John Clifford

constituting the Directors of all participating municipalities. Also participating were: Martin C. Basinait, President & Chief Executive Officer; Michael D. Kane, Vice-President of Operations & Live Racing; Henry F. Wojtaszek, General Counsel and Secretary; Jacquelyne A. Leach, Comptroller; Barbara Mruczek, Deputy Comptroller; Mark Wolf, Sr. Director of Video Gaming & Marketing; Ryan Hasenauer, Director of Marketing-WROTBC & Video Gaming; Jim Haas, Communications Manager; Cindy DeCarlo, Controller; Steven J. Haigh, Internal Auditor; Edward Merriman, Buffalo District Branch Manager; Sean Schiano, Rochester, District Branch Manager; and Gayle Ashbery, Director of Purchasing. Also attending was Patrick T. Murphy, Consultant; Tom Rivers, Daily News Reporter and Rocco Laurienzo, Daily News Photographer.

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 President Martin Basinait to lead the assemblage in the Pledge of Allegiance.

Chairman Bianchi made several comments regarding the change in the Committee structure consisting of five members. The Committee meetings will be run concurrently. With this change Chairman Bianchi believes that the Committees will be more productive. After additional comments from Directors Tuohey, Smith, Darrow, Wamp, White and Foley, the Board agreed to Chairman Bianchi's suggestion of trying the changed meeting schedule for two or three months as arranged.

Chairman Bianchi pointed out that the Ethics Committee has been eliminated at this time. After consideration, the General Counsel will select three individuals, one each from Genesee/Orleans, Monroe County and Erie County to evaluate ethics and moral principals of the Corporation's Board members. General Counsel assured the Board that he will provide options and suggestions at the next Board meeting regarding this matter.

Chairman Bianchi informed the Board that the monthly Board minutes and Board agenda will be displayed on the WROTBC website. This action would allow the community to be better informed on various aspects of Western Regional.

**1. Approval of Previous Minutes:**

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of January 27<sup>th</sup>, 2011. Mr. Ruckman noted that the dates of the February meeting were incorrect. With those noted corrections, a motion was made by Mr. Lattimore and seconded by Mr. Haberer to approve the minutes.

**2. Communications:**

There were no communications.

**3. Officers' Reports:**

Mr. Mike Kane reported that he will be in Tarrytown, New York for a Tote meeting on March 8, 2011. On March 15<sup>th</sup>, 2011 Mr. Kane will be attending an USTA meeting in Columbus, Ohio.

**4. Finance Committee Report:**

Committee Chairman William White reported that the Finance Committee meeting was held on Wednesday, February 23, 2011 at 4:45 p.m. and the following business was considered.

a. General Counsel Wojtaszek stated that in accordance with the Corporation's Procurement Policy, the Directors are required to appoint a Chairman of the Ethics Board. The appointed Chairman shall be the addressed as the Ethics Officer for purposes of the policy. The Committee recommends that the Corporation's General Counsel have the role as Ethics Officer.

A motion was made by Mr. Haberer and seconded by Ms. Mazur to appoint General Counsel as Ethics Officer. A unanimous voice vote passed the motion.

b. Mr. Wojtaszek stated that in accordance with the Corporation's Procurement Policy, Western OTB's Directors have the power to select a Procurement Officer.

A motion was made by Mr. Garner and seconded by Mr. White to authorize the President of the Corporation to name the Procurement Officer for each bid. A unanimous voice vote passed the motion.

c. Mrs. Leach addressed the Committee regarding approval for Marsha Blew to attend a Great Plains Microsoft Dynamics Conference on April 10-13, 2011 in Atlanta Georgia. The Conference would provide knowledge to benefit the Corporation as utilized. The Committee recommended that out-of-state travel for this event is permitted. The Board discussed the possibility of sending more than one person and the possible expenses incurred.

A motion was made by Director Darrow and seconded by Director Ruckman for out-of-state travel for Marsha Blew in the amount of \$1595 plus travel expenses. A roll call vote was taken. Ayes: Garner, Haberer, Lattimore, Ruckman, Mazur, Wamp, Bianchi, Tuohey, Darrow, Bassett, Smith, White, Gallo, Foley. Nays: Kiedrowski. Absent: Siebert, Clifford. The motion was carried.

d. Mrs. Jackie Leach presented the January 2011 Comptroller's Report to the Committee for informational purposes only.

The Committee adjourned at 5:30 p.m. with no further actions required from of the Board.

**5. Personnel Committee Report:**

Committee Chairperson Wamp reported that the Personnel Committee met on Wednesday, February 23, 2011 at 4:00 p.m.

a. Mr. Kane distributed the Batavia Downs Casino Employee, the OTB Supervisory, and the OTB Non-Supervisory Collective Bargaining Agreements for reviewing purposes for the new members of this Committee.

b. The Committee received copies of the Non-Represented Personnel Policies for reviewing purposes.

c. The Committee was provided with a copy of the new Employee Entry/Exit Policy procedures required by any and all employees and Directors to comply with Lottery requirements. Lottery has installed cameras at north and south entrance doors. The procedure requires all to swipe their badges in the designated electronic readers as they enter doors within the Batavia Downs facility.

d. Chairman Wamp discussed with the Committee the need to review the position responsibilities and salaries of the OTB/Batavia Downs Casino administrative employees. This is to ascertain that salary levels and responsibilities are comparative to market standards. Mr. Kane communicated with Mr. Nick Noce from Monroe County's Water Authority for recommendation of an individual used for this similar situation. The Committee will be meeting with this individual in the future and will report to the Board at the next meeting.

The Committee adjourned at 4:30 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, February 23, 2011 at 3:30 p.m. Lisa Marrello and Emily Waylin, Lobbyists from Wilson Elser Moskowitz Edelman & Dicker, LLP were available via telephone conference.

a. The Committee discussed the Bonacic Committee report which was submitted by Senator John Bonacic. Topics covered within this report were horse racing, off-track wagering, distribution network, video gaming and consolidation of the remaining regional off-track betting corporations. Mr. Haberer noted that several Directors are in receipt of their county's resolutions opposing the consolidation.

**6. Legislative Committee (continued):**

b. Ms. Lisa Marrelio discussed with the Committee the Senate Lanza Bill #S3334. This bill could possibly modify or eliminate items such as uncashed tickets and hold harmless maintenance of payments. There is no Assembly bill attached to this bill. Chairman Haberer indicated that General Counsel Wojtaszek will be in Albany to meet with several members of the Senate and Assembly.

c. Ms. Marrelio conveyed some information regarding the Governor's Budget message.

d. Chairman Haberer informed the Committee that Mr. Kane will be attending a Tote meeting on March 8, 2011. Results of the statewide Tote Contract will be reported to the Board Members.

**7. Insurance Committee:**

Chairman Paul Lattimore reported that the Insurance Committee met on Thursday, February 24, 2011 at 9:16 am.

a. Ms. Wellman informed the Committee of a potential change in HRA Plan administrators. A proposal from Benefit Resource, Inc. has been received which would reduce Western's annual cost by approximately \$5400. This will be presented to the Board for approval at the March Board meeting.

b. Chairman Lattimore informed the Committee that review of Worker's Compensation loss ratio will be conducted by a Consultant at a 25% compensation rate of any funds recovered. The Board will be updated on this matter in the near future.

There was no action required by the Board.

**8. Advertising Committee:**

Chairperson James Foley reported that the Committee met on Wednesday, February 23, 2011 at 4:40 p.m.

a. Mr. Hank Nevins, Director of Public Relations provided the Committee with the Branch Marketing update. Kentucky Derby race advertisements and e-mails will be designed nearing the race date.

**8. Advertising Committee (continued):**

b. Continued training on the use the new self vending terminals training at the Buffalo and Rochester branches is scheduled.

c. Mr. Ryan Hasenauer provided the Committee with events of the March promotional gaming events. Past February events included a Grandstands visit of Mr. Terry Anderson, former hostage held in Lebanon crisis in 1985.

d. The meeting attendees addressed staff members with questions regarding the cost of billboard advertisement.

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 February 23<sup>rd</sup> at approximately 3:20 p.m.

a. The Committee reviewed the "Internal Audit Notice of Non-Compliance" form which was created by Steven Haigh, Internal Auditor. The form will be used when audit notes compliance items and this will be a means of communication to management. The documents will be forwarded to Lottery.

b. The Committee was presented with a summary of the quarterly reports for the fourth quarter of 2010.

c. The Committee discussed the draft observations and recommendations from Ernst & Young. The Committee was informed that a conference call between Ernst & Young and WROTBC management was held recently to discuss same. After some discussion, Steve Haigh noted that there will be another draft and the final report provided at a later date.

d. The Office of the State Comptroller is conducting an audit of Video Gaming Revenue and had some preliminary findings. Response to the findings had taken place. Responses to these findings will be continued, collected and submitted to Lottery and OSC.

**9. Audit Committee(continued):**

e. A recent e-mail correspondence from the Lottery auditors was provided to the Committee. The items discussed have been corrected without any issuance of violations. Chairman Bassett voiced that the communication with Lottery demonstrated that staff and Mr. Haigh are developing a better working relationship with Lottery.

The meeting was adjourned at 4:00 p.m.

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

Due to the absence of both Chairman Clifford and Vice-Chairman Smith, Committee Member Paul Lattimore reported that the Committee met on February 23<sup>rd</sup> at approximately 3:00 p.m.

a. Mrs. Joann Algier informed the Committee that the transactions for the sale of the Genesee County Mall property have been completed.

b. Mrs. Algier updated the Committee regarding the floor repair at the Ridge Lea branch. There have been some problems with the present contractor and the ability to complete the project. Consequently, another contractor is being obtained to finalize the work.

c. Mrs. Algier stated that Mr. Tom Frazer has been obtained to finalize the Seneca Falls parking lot problem.

d. The Committee was informed by Mrs. Algier regarding the Wehrle Drive Branch repairs to prevent ice buildup.

e. Mr. Kane brought to the Committee's attention that the 2009 Appraisal of the Hudson Avenue Branch's front parking area and the potential sale. He noted that more information will be brought to the Committee in March.

f. Mrs. Algier discussed with the Committee issues regarding the sale of the State Street property. It was recommended by the Committee to adjust the sale price to \$250,000.

A motion was then made by Mr. Haberer and seconded by Mr. Wamp to reduce the sale price for the State Street property to \$250,000. A unanimous voice vote was taken. Ayes: 15; Nays: 0. Absent: 2; Siebert, Clifford.

The meeting was adjourned at 3:58 p.m.

**11. Batavia Downs Committee:**

Committee Chairperson Paul Lattimore reported to the Board that the Batavia Downs Committee had met on Wednesday, February 23, 2011 at approximately 4:00 p.m.

- a. The monthly Status Report with gaming statistics was provided to the Committee by Mark Wolf.
- b. The Committee was provided with financial statistics by Ms. Cindy DeCarlo.
- c. The Committee reviewed the Public bid opening which was held on February 15, 2011 for Marketing's monthly newsletter for the period of March 1, thru July 31, 2011. The Committee reviewed sixteen bids and recommended to the Board to award the bid to Tucker Printing in the amount of \$18,914.80.

A motion was then made by Mr. Lattimore and seconded by Mr. Foley to award the bid to Tucker Printing as noted. A roll call vote was taken. Ayes: 14; Nays: 1, Kiedrowski; Absent: 2; Siebert, Clifford. **(See Resolution # 5-2011)**

- d. Mr. Kane reviewed with the Committee the Corporate Policy required by NY Lottery regarding the procedure to be followed effective February 16<sup>th</sup> regarding swiping entrance doors. A sample document that was distributed to all employees which will be signed and returned to Human Resources was provided to the members.
- e. Mr. Kane noted that the smoking waivers extension have been granted by Genesee County Health Department.
- f. Mr. Dan Maloney reported to the Committee that security and surveillance employee training is continuing on.
- g. Mr. Kane reported that NYS Racing & Wagering Board's agenda included three Batavia Downs items. They were approval of Mike Kane as President/CEO, approval of the request to withdraw \$21,059.23 from the Capital Improvement Fund, and approval to demolish a dilapidated stable and replace with new fencing.
- h. A complimentary e-mail was read by Mr. Kane from a customer that lost a \$100 bill and was returned as a result of quick response by Gaming and Security personnel.

The meeting adjourned at 4:40 p.m.



**12. Branch Operations:**

Committee Chairman Maurice Garner reported that the Committee met on Thursday, February 24<sup>th</sup> at approximately 9:15 a.m.

a. Messrs. Kane, Schiano and Merriman provided the Committee information regarding changes in branch hours and staffing in part to due to early Sunday closings to the Committee. The effect of these changes will be reported at the April meeting.

b. Mr. Merriman reported that the solar energy system at Ridge Lea branch has been installed at no expense to the Corporation and is operating.

c. The Committee was informed by Mr. Kane and Mr. Wojtaszek of the possibilities for the relocation of the Main Street property. There was discussion regarding the Crowne Plaza or Rainbow Mall as possible leasing locations.

d. An upcoming program printing test is being planned for the Phoenix Branch. Mr. Kane believes this will lead to savings both in printing and courier expenses.

e. Messrs. Lattimore and Schiano will study the Auburn concession contract which expires at the end of March. The present concessionaire would like to continue services. A report will be provided to the Committee in the future.

f. The Committee will be provided with further analysis regarding the relocation of the Broadway Branch to the East Mohawk property.

g. The Committee was informed by Mr. Kane regarding the renewal of simulcast contracts for various tracks. There was detailed discussion regarding the Tampa Bay Downs contract negotiations with their agent, Monarch.

h. Status of EZ Bet applications was presented by Ms. Wellman. One application is pending approval from the NY Racing and Wagering Board. Eight sites are pursuing applications. Director Darrow commented that there is interest with numerous Oswego County businesses.

The meeting was adjourned at 9:58 a.m.

**13. Resolutions:**

# 5-2011 Tucker Printers approval for Newsletter

**14. Unfinished Business:**

General Counsel Henry Wojtaszek noted that the WROTBC Rules of Order were provided to all Board members for review and comments during the past month.

A motion was made by Director Lattimore and seconded by Director Tuohey to approve the Rules of Order as is with no modifications required. A voice vote was taken. Ayes: 14; Nays: 1, Garner; Absent: 2; Siebert, Clifford.

Chairman Richard Bianchi commended Marty Basinait for his dedication to the Corporation during his past 30+ years of service. Chairman Bianchi wished him well in all of his future endeavors. Director Phil Smith commented that Mr. Basinait has done an excellent job. Director Joseph Gallo noted that he has served with Marty for some 33 years and Mr. Basinait will be greatly missed. He believes that Marty was an asset to the Corporation. Director Roger Ruckman thanked Mr. Basinait as one who has "endured and prevailed". Mr. Ruckman praised Mr. Basinait for his wisdom and persistence, and noted that the Corporation's condition is due to Mr. Basinait's knowledge. Director Garner acknowledged Mr. Basinait's vision for the Corporation's future.

Mr. Marty Basinait thanked the Board members for the opportunity that was given to him to purchase the Downs in 1998 against some of their better judgment. He believed that the Corporation is stable at this point in time in terms of the OTB business. Mr. Basinait strongly believes that WROTBC is a leader in the State and WROTBC is a "poster boy" to others.

Vice Chairman Tuohey asked Mr. Basinait of the status of the Capital Plan. At this time Jim Nielson has decided not to move it up the ladder to the next step and has requested more information which will be provided by Mr. Kane.

Director Dennis Bassett made a serious plea to Mr. Kane for the Corporation's consideration to become a paperless environment. Director Garner agreed with the comments from Director Bassett.

**15. New Business:**

The next Committee and Board meetings will be held on March 23 and March 24, 2011 respectively.

**16. Adjournment:**

Mr. Kiedrowski made a motion to adjourn which was seconded by Ms. Tuohey. The meeting was adjourned at 11:27 a.m.

Respectfully submitted,

  
Secretary to the Board