

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 23rd day of February, 2012, and commencing at 10:17 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
Chautauqua	Roger E. Ruckman
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Oswego	Ronald B. Darrow
Rochester	Dennis Bassett (Dismissed: 10:19)
Schuyler	Philip C. Smith
Seneca	Richard L. Ricci
Wayne	Joseph Gallo
Wyoming	Jim Foley

Absent:

J. Clifford
S. Kiedrowski
P. Lattimore
M. Tuohey

constituting the Directors of all participating municipalities. Also participating were Michael D. Kane, President & Chief Executive Officer; Michael P. Nolan, Vice President – Administration; Henry F. Wojtaszek, General Counsel and Secretary; Jacquelyne Leach, Comptroller; Barbara Mruczek, Deputy Comptroller; Cindy DeCarlo, Controller; Steven J. Haigh, Internal Auditor; William White, Director of Human Resources; Edward Merriman, Manager of Branch Operations; Gayle Ashbery, Director of Purchasing; Joann Algier, Director of Real Estate & Property Management; Todd Haight, General Manager of Live Racing; Jim Haas, Communications Manager; Ryan Hasenauer, Director of Marketing-WROTb and Video Gaming 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 and Chairman Bianchi declared a quorum present.

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

Chairman Bianchi asked Mr. 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 January 19, 2012. A motion was made by Mr. Haberer and seconded by Mr. Ruckman to approve the minutes. The motion was carried unanimously by voice vote.

2. Communications:

Mr. Henry Wojtaszek read a letter of thanks from The ARC of Orleans County for a donation which was used as one of their prizes at their 2011 Golf Tournament.

3. Officers' Reports:

There were no Officer's reports.

4. Finance Committee Report:

Committee Chairman Ron Darrow reported that the Finance Committee meeting was held on Wednesday, February 22, 2012 at 4:00 p.m. and the following business was considered.

a. Comptroller Jacquelyne Leach presented to the Board the January 2012 Comptroller's Report for informational purposes.

5. Personnel Committee Report:

Committee Chairman Tom Wamp reported that the Personnel Committee met on Wednesday, February 22, 2012 at approximately 2:30 p.m.

a. The current travel policy will be reviewed by Staff and a report will be provided at the March meeting.

b. Mr. White informed the Committee that Job Descriptions for personnel are being evaluated, updated and then provided to the Committee for review at the March meeting.

5. Personnel Committee Report (continued):

c. Mr. Wamp reported to the Personnel Committee that Patrick Murphy's consultant agreement expires February 29, 2012. He agrees to continue his services, if approved by the Chairman of the Board. The Committee unanimously approved renewal of this contract with unaffected terms and conditions during the one year contract.

A motion was made by Mr. Wamp and seconded by Mr. Garner to renew the consulting contract with Patrick Murphy with no changes to the previous agreement which will extend through February 28, 2013. A voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford. The motion was carried.

6. Legislative Committee:

Committee Chairman Haberer reported that the Legislative Committee met on Wednesday, February 22, 2012 at approximately 4:20 p.m. Ms. Lisa Marrello and Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP were available via telephone conference.

a. Wilson Elser representatives provided the Committee with an update on the Suffolk bankruptcy. The Suffolk stand alone bill vs. Statewide OTB Bill a possibility (will include ability to access CAF fund, allow Pub Benefit Corps the ability like all other authorities in the State to seek Chapter 9 should they need it - does not make it mandatory). At this point we will wait to see what the legislature is more comfortable pursuing.

b. Wilson Elser representatives discussed the introduction of a bill that would begin the process to amend the constitution to authorize full scale Casino Gaming at racetracks in New York State. An explanation was given in regards to what it defined and where the casinos would be located if the State acted on this amendment.

c. Mr. Kane informed the Committee that President Porter of the Seneca Nation cancelled the meeting with Western. The reason for the cancellation is unknown.

d. Mr. Kane informed the Committee of the NYGA meeting which he attended on January 30th in Albany. He noted that Thurman Thomas attended the public function sponsored by New York Gaming Association that evening and was very well received as Western's representative.

6. Legislative Committee (continued):

e. Mr. Kane provided the Committee with results of the NY Racing Cooperative meeting in Yonkers. At this meeting progress was made toward cooperative efforts by NYS OTBs and Racetracks to address items of mutual concern.

f. Mr. Nolan briefed the Committee on passage of a resolution by the Genesee County Legislation on February 22nd supporting full casino gaming in the nine existing racinos in New York State. The Resolution did pass the Genesee County Legislature. Mr. Nolan thanked Director Siebert for being the first county to support this legislation. Presentations for the remaining counties will be ongoing.

A motion was made by Mr. Haberer and seconded by Mr. Ruckman to terminate lobbying representation by Empire Strategic Planning effective February 17, 2012. A voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford. The motion was carried.

7. Insurance Committee:

The Committee did not meet.

8. Advertising Committee:

Vice Chairman James Foley reported that the Committee met on Wednesday, February 22, 2012 at approximately 5:15 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, EZ Bet training at branches and leads to interested parties for EZ Bets.

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

c. Mr. Hasenauer recapped the success for February casino promotions which included the Mystery Voucher. Record numbers for both Credits Played and New Win have been achieved.

d. A preview of the March promotions for the Mustang Drawing and the Leprechaun Loot was provided.

11. Batavia Downs Committee (continued):

A motion was made by Mr. Siebert and seconded by Mr. Garner to award the contractual labor and material costs for HVAC and roof replacement bid to Leo J. Roth Corporation of Webster, New York for the amount as stated in the attached documents for hourly rates and material costs, pending NY Lottery's approval. A roll vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford. The motion was carried. **(See Resolution # 8-2012).**

g. Mr. Kane provided the Committee with the results from the public bid which was held on November 10, 2011 for the electrical contract for labor and materials for miscellaneous work on the roof replacement project. The bids were reviewed by Fraser Engineering & Design Services.

A motion was then made by Mr. Ruckman and seconded by Mr. Wamp to waive the rules. A voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford.

A motion was made by Mr. Siebert and seconded by Mr. Garner to award the contractual labor and material costs for electrical work and roof replacement bid to Hewett Young Electric for the amount as stated in the attached documents for hourly rates, pending NY Lottery's approval. A roll vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford. The motion was carried. **(See Resolution # 9-2012).**

h. A report was given by Mr. Kane on the recently completed south smoking room.

i. Mr. Tom Balk provided the Committee with information regarding Batavia Downs water usage from the horse barns area because the water used does not enter the sewer, an adjustment of the sewer bill in the amount of \$5,633.55 has been made by the Town of Batavia to Western's account.

j. Mr. Mike Nolan informed the Committee that an Alcohol Awareness training will be provided to employees and staff on February 29th. The presentation will include serving limits, consumption limitations, and other related information.

k. Mr. Kane reviewed a previous resolution with the Committee. It has been determined that Resolution # 10-2011 should be amended with the change to the reimbursement as an expenditure through Video Gaming Marketing Reimbursement Fund rather than a Capital Project.

11. Batavia Downs Committee (continued):

A motion was made by Mr. Siebert and seconded by Mr. Garner to amend Resolution # 10-2011 as noted. A voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford. The motion was carried. **(See Resolution # 10-2012 and amendment dated February 23, 2012).**

l. The Committee entered into executive session for approximately 3:31 pm to discuss contractual matters. After reconvening, the meeting adjourned at approximately 3:59 p.m.

m. Vice Chairman Siebert thanked Messrs. Kane and Nolan for the recent presentation at the Genesee County Ways and Means meeting held on February 15th and the County Legislative meeting supporting full casino gaming at the nine existing racinos in New York state. An abbreviated synopsis of the presentation was provided to the entire Board.

n. Mr. Siebert informed the Board that Thurman Thomas entered into an agreement to be the ambassador of Batavia Downs Casino and Western Regional Off-Track Betting Corporation on November 1, 2011.

A motion was then made by Mr. Ruckman and seconded by Mr. Haberer to waive the rules. A voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford.

A motion was made by Mr. Siebert and seconded by Mr. Garner to compensate Thurman Thomas \$32,000 annually and to agree to five appearances annually in addition to press conferences as previously agreed to. A voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford. The motion was carried. **(See Resolution # 4-2012).**

12. Branch Operations:

Committee Chairperson Maurice Garner reported that the Committee met on Thursday, February 22, 2012 at approximately 9:30 a.m.

a. Mr. Henry Wojtaszek and Mrs. Joann Algier provided the Committee with the status of the Niagara Falls property issue.

b. Mr. Sean Schiano provided the Committee with an update of the Phoenix concessionaire, Mr. Michael Lattimore.

12. Branch Operations (continued):

c. Mr. Schiano briefed the Committee on the bi-weekly branch operations sessions with staff members.

d. Mr. Jim Haas updated the Committee on the status of the search for website vendors along with tentative services to be provided.

A motion was made by Mr. Darrow and seconded by Mr. Ruckman to waive the rules. A voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford.

A motion was made by Mr. Garner and seconded by Mr. Ruckman authorize Michael D. Kane to execute a contract with Core101 to develop and launch two new websites for a fee of \$16,187.50 for services. A roll call vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford. The motion was carried. **(See Resolution #5-2012).**

e. The Committee was informed by Mr. Jim Haas that negotiations regarding the United Tote contract are ongoing.

f. Messrs. Mike Kane and Jim Haas reported to the Committee pricing for website changes are still pending.

g. Mr. Sean Schiano provided information regarding EZ Bet updates.

h. Branch closures of Grant, Dunkirk and East Rochester were noted by Mr. Schiano.

i. Mr. Schiano informed the Committee that a request to change the Teletheater to a branch facility is pending New York Racing and Wagering's approval which will be determined tentatively at their February 29th board meeting.

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

13. Resolutions:

- # 4-2012 Mariacher Thomas LLC Amendment
- # 5-2012 Website Development by Core101
- # 6-2012 BD Main Roof Replacement
- # 7-2012 BD Sign on Main Building Roof
- # 8-2012 BD HVAC on Main Building Roof
- # 9-2012 BD Electrical on Main Building Roof
- #10-2011 Amendment to Resolution for MGAM Hardware

14. Unfinished Business:

There was no unfinished business.

15. New Business:

The next Committee and Board meetings will be held on March 28 and March 29, 2012 respectively.

General Counsel Wojtaszek informed the Board that the selection of members for the Ethics Advisory Board consists of Lisa Siragusa from Monroe County, Gordon Brown from Wyoming County and Thomas Lewis from Niagara County.

16. Adjournment:

A motion was by Mr. Garner to adjourn the meeting which was seconded by Mr. Foley at 10:59 a.m.

Respectfully submitted,

Henry F. Wojtaszek
Secretary to the Board

11. **Batavia Downs Committee (continued):**

c. Mr. Kane briefed the Committee on the meeting held on January 31, 2012 with NY Lottery.

d. Mr. Kane presented the Batavia Downs main roof bid to the Committee in detail which was held on January 23rd. The bids were reviewed by Fraser Engineering & Design Services at staff requests.

A motion was then made by Mr. Haberer and seconded by Mr. Ruckman to waive the rules. A voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford.

A motion was made by Mr. Siebert and seconded by Mr. Garner to award the roof replacement bid with lightning protection plus an additional 10% contingency to Elmer W. Davis in the amount of \$1,122,677.00, pending NY Lottery's approval. A roll vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford. The motion was carried. **(See Resolution # 6-2012).**

e. The Committee was briefed by Mr. Kane regarding the replacement of the Signage and roof replacement in the front of the main building. A public bid was held on January 23rd. After review of the bids by Fraser Engineering & Design Services, staff requests award of the bid to the lowest responsible bidder.

A motion was then made by Mr. Ruckman and seconded by Mr. Foley to waive the rules. A voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford.

A motion was made by Mr. Siebert and seconded by Mr. Garner to award the sign replacement bid plus an additional 10% contingency to Premier Signs Systems, LLC, in the amount of \$123,441.25, pending NY Lottery's approval. A roll vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford. The motion was carried. **(See Resolution # 7-2012).**

f. After a detailed explanation of the public bid opening which was held on November 10, 2011 for the mechanical HVAC contract for labor and materials for miscellaneous work as part of the main roof replacement project by Mr. Kane, the Committee reviewed the bids.

A motion was then made by Mr. Ruckman and seconded by Mr. Haberer to waive the rules. A voice vote was taken. Ayes: 12; Nays: 0; Absent: 5, Lattimore, Kiedrowski, Tuohey, Bassett, Clifford.

8. Advertising Committee (continued):

- e. The "Clubhouse After Dark" has been well attended on Friday and Saturday nights. Sales and attendance were provided.
- f. The renovation of the south Smoking Room was shown as the latest Casino improvement.
- g. Group Sales were provided including the recent sports collectors show.

9. Audit Committee:

Chairman Dennis Bassett reported that the Committee did not meet.

It was noted that the iPads have been ordered with delivery should be soon. Plans for training will be scheduled after receipt of goods.

10. Property/Real Estate Committee

Director Ron Darrow reported that the Committee met on February 22, 2012 at 4:20 p.m.

- a. Mrs. Algier provided the Committee with a review of the following branches: State Street, Hudson Avenue, Grant Street, Woodlawn, Auburn, Seneca Falls, Clinton Street, Phoenix and Newark. The status of the closing and final walkthroughs for the Dunkirk and East Rochester locations were provided.

The meeting was adjourned at 4:28 p.m.

11. Batavia Downs Committee:

Vice Chairman Richard Siebert reported that the Committee meeting was held on February 22, 2012 at approximately 4:45 p.m. The following items were discussed:

- a. The monthly Status Report with gaming statistics was provided to the Committee.
- b. The Committee was provided with financial statistics by Ms. Cindy DeCarlo.