

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 26th day of July, 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
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Niagara	Scott Kiedrowski
Orleans	Marcia Tuohey
Oswego	Ronald B. Darrow
Schuyler	Philip C. Smith
Seneca	Richard Ricci
Steuben	John Clifford
Wayne	Ken Lauderdale
Wyoming	Jim Foley

Absent:

D. Bassett

constituting the Directors of all participating municipalities. Also participating were Michael D. Kane, President & CEO; Michael P. Nolan, Vice President – Administration; Jacquelyne Leach, Comptroller; William R. White, Vice President - Administration; Gayle Ashbery, Director of Purchasing; Cindy DeCarlo, Controller/Finance Manager, Ryan Hasenauer, Director of Marketing-WROTB and Video Gaming; Mark Wolf, Director of Video Gaming & Marketing; Barb Mruzcek, Deputy Comptroller; Jim Haas, Mutuels Manager; Steven J. Haigh, Internal Auditor; EJ Merriman, Manager of Branch Operations and Todd Haight, General Manager of Live Racing. Also attending was Tom Rivers, Daily News Reporter.

A roll of the membership of the Board having been called and Vice President Mike Nolan 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 June 28, 2012. A motion was made by Mr. Haberer and seconded by Mr. Darrow to approve the minutes. The motion was carried by voice vote.

2. Communications:

No Communications.

3. Officers' Reports:

No Officers Reports.

4. Finance Committee Report:

Committee Chairman Ron Darrow reported that the Finance Committee meeting was held on Wednesday, July 25, 2012 at 3:07 p.m. and the following business was considered.

a. Mrs. Gayle Ashbery advised the Committee that the bids for blacktop patching, sealing and striping in six Monroe Country branch parking lots was opened on July 12, 2012. After review staff recommended the bid to be awarded to Cardwell Construction. The results are attached as part of the resolution.

A motion was made by Mr. Garner and seconded by Mr. Haberer to waive the rules. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion was carried.

A motion was then made by Mr. Darrow and seconded by Mr. Smith to enter into an agreement with Cardwell Construction in the amount of \$28,000.00. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 32-2012).**

b. Mrs. Gayle Ashbery advised the Committee that a bid was opened on July 12, 2012 for blacktop patching, sealing and striping in Niagara County branches. After review, Committee recommended the bids to be rejected. The results are attached as part of the resolution.

A motion was then made by Mr. Darrow and seconded by Mr. Smith to reject the parking lot repairs to Niagara County branches. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously.

4. Finance Committee Report (continued):

c. Mrs. Leach presented the June 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, July 25, 2012 at approximately 1:30 p.m.

a. Mrs. Leach briefed the Board of the changes to the 457 Plan Renewal Policy. She noted that the policy is to expire on August 30, 2012. A one year extension is requested. Evaluation of effectiveness of the program is requested.

A motion was made by Mr. Wamp and seconded by Mr. Siebert to waive the rules. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion was carried.

A motion was then made by Mr. Wamp and seconded by Mr. Lattimore to extend the Deferred Compensation contract with Hartford Life Insurance Company for a one-year period with an expiration date of August 29, 2013. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 31-2012).**

b. Mr. Kane advised the Committee of changes in Gaming Administrative Staffing. One position has been eliminated and one Food & Beverage employee has been moved into a Gaming Administrative position.

c. Mr. Kane provided a recommendation to the Committee regarding a change to be made to the Personnel Policy regarding Bereavement Leave. The policy is now to include a "registered domestic partner".

A motion was made by Mr. Wamp and seconded by Mr. Lattimore to amend the Bereavement Leave section in the Personnel Policy to make the necessary change as noted. A roll call vote was taken. Ayes: 14; Nays: 2, Siebert, Tuohy; Absent: 1, Bassett.

6. Legislative Committee:

Committee Chairman Richard Siebert reported that the Legislative Committee met on Wednesday, July 25, 2012 at approximately 4:15 p.m. Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP was available via telephone conference. Paul Tokasz from Patricia Lynch Associates also was on the phone call. Also present were Mr. Richard Winter and Mr. Elliot Winter of Richardson Management.

6. Legislative Committee (continued):

- a. Mr. Antenucci provided the Committee with an update on the Albany Legislative activities regarding various issues.
- b. Mr. Kane updated activities of the New York Gaming Association.
- c. Mr. Kane informed the Committee of the recent request regarding pending legislation that would allow for an extension of the Lottery Capital Awards program.
- d. Mr. Nolan reported that County presentations in support of full casino gaming have been planned at Niagara and Schuyler Counties and the City of Buffalo.
- e. Mr. Kane provided the Committee with information on the upcoming trade show. On October 1-4, 2012 the G2E (Global Gaming Expo) will be held in Las Vegas, NV. Mark Wolf and Ryan Hasenauer have been recommended to attend the expo.

A motion was made by Mr. Lattimore and seconded by Ms. Tuohey to allow Mr. Wolf and Mr. Hasenauer out-of-state travel to attend the G2E. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed.

- f. The Committee was briefed of the formation of the board of directors for NYRA. Mr. Siebert suggested Mr. Kane to consider this position and that members request consideration from their Albany representatives regarding this.

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, July 25, 2012 at approximately 4:30 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 and events. The Marway Branch will hold a 25th anniversary. Upcoming EZ Bet Grand Openings were provided.

8. Advertising Committee (continued):

- b. Mr. Todd Haight provided a recap of the first night of the 2012 Live Racing. Racing promotions were previewed.
- c. Mr. Hasenauer recapped the July "Superhero" themed casino promotions. Augusts' Olympic themed promotions were provided. A presentation of the new Batavia Downs signage and removal of the old sign on the main building was shown.
- d. Community involvement at various functions was shown along with appearances by Thurman Thomas.
- e. Casino marketing updates were provided by Mr. Hasenauer.

No Board action was required.

9. Audit Committee:

Chairman Bianchi informed the Board that the Committee did not meet. However, Vice Chairman Haberer told the Members that a summary of the second quarter Video Gaming Audit Reports was sent to all Directors.

10. Property/Real Estate Committee:

Chairman Marcia Tuohey reported that the Committee met on Wednesday, July 25, 2012 at 3:50 p.m.

- a. The Committee was informed that a temporary easement has been granted to Carrolls Corporation for an ingress and egress from the Burger King establishment associated with the Hudson Avenue property. The easement is due to the extensive DOT work being done in front of the Burger King restaurant which is expected to entail 6-8 weeks.
- b. On July 6, 2012 the Grant Street property was sold for \$525,000.
- c. The Auburn branch's exterior siding has been completed.

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

11. Batavia Downs Committee:

Chairman Paul Lattimore reported that the Committee meeting was held on Wednesday, July 25, 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 with an update on the Capital Project. The approval of the floor plan by Lottery was noted. The installation of the roof signage has been completed. The roofing project is nearing completion. Mrs. Leach provided information regarding financing of the project.
- d. Mrs. Gayle Ashbery provided the results of the bid opening which was held on July 10, 2012 for Labor and materials for the HVAC labor and materials for the Batavia Downs' Maintenance Building Storage Addition. After review of the bids, Fraser Engineering and Design Services and Staff recommended the next lowest responsible bidder, due to the lowest bidder being non-responsive. A request for the bid to be awarded to Cogenic Mechanical for \$54,780.00, with a 10% contingency was made.

A motion was made by Mr. Bianchi and seconded by Mr. Lattimore to waive the rules. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion was carried.

A motion was made by Mr. Ruckman and seconded by Mr. Garner to award the HVAC for the Maintenance Building Storage Addition to Cogenic Mechanical for \$54,780.00. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 35-2012).**

- e. Mrs. Gayle Ashbery provided the results of the bid opening which was held on July 10, 2012 for general construction of the Batavia Downs' Maintenance Building Storage Addition. After review of the bids, Fraser Engineering and Design Services and Staff recommended the lowest responsible bidder, D'Agostino General Contractors, Inc. to be awarded the bid in the amount of \$488,000.00, with a 10% contingency.

A motion was made by Mr. Lattimore and seconded by Mr. Garner to waive the rules. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion was carried.

11. Batavia Downs Committee (continued):

e. A motion was made by Mr. Garner and seconded by Mr. Ruckman to award the General Construction of the Maintenance Building Storage Addition to D'Agostino General Contractors, Inc. for \$488,000.00 with a 10% contingency. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 37-2012).**

f. Mrs. Gayle Ashbery provided the results of the bid opening which was held on July 10, 2012 for electric labor and materials for the Batavia Downs' Maintenance Building Storage Addition. After review of the bids, Fraser Engineering and Design Services and Staff recommended the lowest responsible bidder, Suburban Electric of Albion, Inc., in the amount of \$78,300.00, with a 10% contingency to be awarded the bid.

A motion was made by Mr. Lattimore and seconded by Mr. Garner to waive the rules. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion was carried.

A motion was made by Mr. Darrow and seconded by Mr. Ruckman to award the electrical labor and materials for the Maintenance Building Storage Addition to Suburban Electric of Albion, Inc. for \$78,300.00 with a 10% contingency. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. **(See Resolution # 36-2012).**

g. Mr. Mike Kane informed the Committee that necessary steps have been taken to comply with the DEC – CAFO facility Inspection which was conducted on May 31, 2012 to insure compliance with the regulations of the State Pollutant Discharge Elimination System regarding bathing horses.

12. Branch Operations:

Chairperson Maurice Garner reported that the Committee met on Thursday, July 26, 2012 at approximately 9:30 a.m.

a. The website demonstration was provided.

b. The internet update was provided.

c. Mr. Merriman informed the Board of the termination of the cleaning service company for the Monroe Counties and the City of Rochester branch facilities. On June 14, 2012 bid proposals were opened.

12. Branch Operations(continued):

c. A motion was made by Mr. Garner and seconded by Mr. Lattimore to waive the rules. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion was carried.

A motion was made by Mr. Lattimore and seconded by Mr. Garner to award the cleaning services for Monroe County and the City of Rochester branch facilities in the amount of \$72,600.00 to Frank's Detailing Cleaning Services. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Bassett. The motion passed unanimously. (**See Resolution # 34-2012**).

13. Resolutions:

- # 31-2012 457 Plan Extension
- # 32-2012 Monroe Parking Lots Repair
- # 34-2012 Monroe County Cleaning Service
- # 35-2012 HVAC Maintenance Building Addition
- # 36-2012 Electrical Maintenance Building Addition
- # 37-2012 General Construction Maintenance Building Addition

14. Unfinished Business:

Mr. Kane recapped the upcoming conferences and provided the following:

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| G2E | October 1-4, 2012 |
| Symposium on Racing & Gaming | December 3-6, 2012 |
| 2013 Harness Racing Congress/HTA | February 28-March 4, 2013 |

15. New Business:

The next Committee and Board meetings will be held on August 29 and August 30, 2012 respectively.

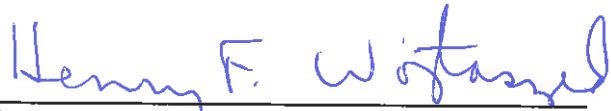
The combined November/December Committee and Board meetings will be held on December 12 and 13, 2012.

The Chairman of the Board informed the Members of a possibility to call a special meeting at some point to necessitate the award of bids.

16. Adjournment:

A motion was made by Mr. Haberer to adjourn the meeting which was seconded by Mr. Garner at 10:29 a.m.

Respectfully submitted,



Henry F. Wojtaszek
Secretary to the Board

HFW/dmf