

**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 23th day of June, 2011, 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 W. Lattimore, Jr.
City of Rochester	Dennis Bassett
Chautauqua	Roger E. Ruckman
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Monroe	Richard D. Bianchi
Niagara	Scott Kiedrowski
Orleans	Marcia B. Tuohey
Oswego	Ronald B. Darrow
Schuyler	Philip C. Smith
Seneca	William R. White
Steuben	John Clifford
Wayne	Joseph Gallo
Wyoming	Jim Foley

**Absent:**

T. Wamp

constituting the Directors of all participating municipalities. Also participating were Michael D. Kane, President & Chief Executive Officer; and Secretary; Jacquelyne A. Leach, Comptroller; Michael P. Nolan, Vice President – Administration; Barbara Mruczek, Deputy Comptroller; Mark Wolf, Sr. Director of Video Gaming & Marketing; Ryan Hasenauer, Director of Marketing-WROTBC & Video Gaming; Cindy DeCarlo, Controller; Steven J. Haigh, Internal Auditor; Edward Merriman, Buffalo District Branch Manager; Gayle Ashbery, Director of Purchasing, Joann Algier, Director of Real Estate & Property Management; Sean S. Schiano, Director of Branch Operations, and Todd Haight, General Manager of Live Racing.

A roll of the membership of the Board having been called, Vice President, Mr. Nolan, declared a quorum present.

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

Chairman Bianchi asked 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 May 26, 2011. A motion was made by Mr. Garner and seconded by Mr. Siebert to approve the minutes. The motion was carried unanimously by voice vote.

**2. Communications:**

There were no communications.

**3. Officers' Reports:**

There were no Officer's reports.

**4. Finance Committee Report:**

Committee Chairman William White reported that the Finance Committee meeting was held on Wednesday, June 22, 2011 at 3:12 p.m. and the following business was considered.

- a. Mrs. Gayle Ashbery presented the purchasing policy for Board's approval. There were no revisions necessary.
- b. There was discussion regarding the paperless office environment which included discussion of iPads for Directors. As alternate approach it was suggested that materials be displayed on the screen in the Board Room. It was determined that a hard copy of handouts, agendas, or other supporting documents could be provided.
- c. The Board was presented with the May 2011 Comptroller's Report by Comptroller Jackie Leach.
- d. Mrs. Leach provided the Committee with the Consulting fee invoice from Ernst & Young regarding the NYS Lottery audit. After review of the documents, it was determined that a payment of \$13,340 will be paid on the invoice. It was mentioned that a review of remediation will be in the early part of July and the final review should be in October.

**5. Personnel Committee Report:**

Committee Vice Chairman John Clifford reported that the Personnel Committee met on Wednesday, June 22, 2011 at approximately 2:00 p.m.

a. The Committee discussed the present WROTBC Job Applications. It has been recommended that two additional questions be added. First, if the applicant is applying for a security license or 8 hour course, their security license number will be provided. Secondly, a question regarding if the person has ever been excluded from Batavia Casino will also be added. Director Lattimore asked for clarification on the second addition.

A motion was then made by Mr. Darrow and seconded by Mr. White to change the job applications with two additions as noted above. A voice roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Wamp.

b. The Committee discussed the distributed Auto Replacement Policy. After discussion, the Committee would like the Hybrid type vehicles to be included as a purchasing consideration.

A motion was then made by Mr. Lattimore and seconded by Mr. White to change the Auto Replacement Policy with the additional item as noted above. A voice roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Wamp.

c. The Sexual Harassment Policy was discussed at the Committee meeting. There were no additions or corrections.

d. Ms. Cyndie Wellman presented to the Committee the results of the recent unemployment hearings which we have prevailed.

e. Ryan Hasenauer presented to the Committee the proposal for a department titled Casino Hosts. A supervisor for this new department will be hired. If this proposal proves successful further development and personnel needs of this department will be presented to the Committee.

A motion was then made by Ms. Mazur and seconded by Mr. Ruckman to proceed with training of one Hostess. A voice roll call vote was taken. Ayes: 15; Nays: 0; Clifford; Absent: 2, Wamp, Garner.

f. After discussion in executive session, a decision was made to eliminate the position of Public Relations Director saving the Corporation approximately \$62,000 based on this year's compensation. The existing responsibilities will be absorbed by Staff.

**5. Personnel Committee Report (continued):**

A motion was then made by Mr. Lattimore and seconded by Mr. Bassett to eliminate the Publication Relations position. A voice roll call vote was taken. Ayes: 14; Nays: 1; Kiedrowski; Absent: 2, Wamp, Garner.

**6. Legislative Committee:**

Committee Chairman Haberer reported that the Legislative Committee met on Wednesday, June 22, 2011 at approximately 4:05 p.m. Mrs. Lisa Marrello and Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP were available via telephone conference. Also on the conference call was General Counsel Henry Wojtaszek.

a. The Committee discussed one of the ongoing issues regarding NYRA. Senate gave final legislative mandate for NYRA to have its call centers in New York State.

b. Another Senate bill discussed was regarding the medical insurance cost for the recently closed NYC OTB. This item did not pass in the Legislature.

No action required by the Board.

**7. Insurance Committee:**

Chairman Paul Lattimore reported that the Insurance Committee met on Thursday, June 23, 2011 at 9:30 am.

No action required by the Board.

**8. Advertising Committee:**

Committee Chairman James Foley reported that the Committee met on Wednesday, June 22, 2011 at approximately 3:00 p.m.

a. Mr. Todd Haight, Promotional Marketing Specialist, recapped the Belmont Stakes media expenses.

b. Additional information regarding the remotes in the Buffalo and Rochester branches was provided. The remotes will be included in 2012 calendar year along with advertising on billboards.

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

- c. Ryan Hasenauer, Director of Marketing, provided information on the promotion for the next several months which included June's lawnmower giveaway and July's motorcycle giveaway.
- d. The graphics staff provided samples of our in-house designed advertising.
- e. It was noted by Chairman Foley that live racing begins on July 25, 2011.
- f. Director Roger Ruckman discussed the recent editorial in the Buffalo News. Vice President Michael Nolan agreed that we should continue to publicize the virtues of WROTBC as a Public Benefit Corporation and continue to market the facilities as an entertainment venue.

The Committee meeting adjourned at 3:30 p.m.

No action was required by the Board.

**9. Audit Committee:**

Chairman Dennis Bassett reported that the Committee did not meet.

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

Chairman John Clifford reported that the Committee met on June 22, 2011 at 3:30 p.m.

- a. Mrs. Algier indicated to the Committee that the build out of new space at the Webster branch is pending approval from NYS Racing & Wagering Board. Also, the landlord is seeking an offer from OTB on a potential lease buyout.
- b. Relocation of the Niagara Falls branch is considering the Quality Hotel on Old Falls Street.
- c. Mrs. Algier indicated that there are issues with the front parking lot drains at the Transit Road branch.
- d. Progress of work at the remaining branches was provided.

**10. Property/Real Estate Committee (continued):**

e. It was noted that a purchase offer was made for the Hudson Avenue branch. Staff has recommended that the offer be rejected due to it having no substantial financial benefit to Western.

The meeting was adjourned at 2:54 p.m.

**11. Batavia Downs Committee:**

Committee Chairman Paul Lattimore called the Committee meeting to order on Wednesday, June 22, 2011 at approximately 4:30 p.m. The following items were discussed:

a. The monthly 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. Mike Kane presented the Committee with the Capital Plan Update. Tom Fraser should have a conception design for review shortly. Mr. Bianchi informed the Board that he had met with Mr. Fraser and feels confident in having Mr. Fraser perform these tasks and that we should go forward on these.

d. Mr. Kane provided an update on the smoking room expansion.

e. Preparation of roof repair bids was noted by Mr. Kane. The main facility building which will be part of the Capital Project and the maintenance building are the two buildings involved in these bids.

f. The Committee was provided with results from various providers for Grooms Quarters for the 2011 Racing Season by Mr. Todd Haight.

A motion was then made by Mr. Lattimore and seconded by Mr. Garner to authorize approval of the Marketing agreement with Days Inn of Batavia to pay a total rental of \$24,225 for accommodations for up to 16 grooms. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Wamp. (**See Resolution # 13-2011**).

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

g. The Committee was provided with results of the bid for manure removal for the 2011 season.

A motion was then made by Mr. Lattimore and seconded by Mr. Garner to award Jeff Hoffman of Attica to remove manure at the sum of \$1,595.00 per week based on 350 horses with the stipulation of fuel charge additional. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Wamp. (See Resolution # 14-2011).

h. The Committee discussed contracting with Joe Zambito for the 2011 racing season.

A motion was then made by Mr. Lattimore and seconded by Mr. Smith to retain the services of Mr. Joseph Zambito as Race Secretary/Stall Man/Announcer for the 2011 season at a contract price of \$41,700. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Wamp. (See Resolution # 15-2011).

i. The Committee discussed contracting with Virginia Rosenfeld as Batavia Downs Program Director for the 2011 Racing Season at a contract price of \$31,098. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Wamp. (See Resolution # 16-2011).

j. Mr. Kane informed the Board that this year's Global Gaming Expo, G2E, conference will be held on October 2-6, 2011 in Las Vegas, NV. Messrs. Mark Wolf and Ryan Hasenauer requested interest in attending the conference.

A motion was made by Mr. Garner and seconded by Mr. Ruckman to authorize out-of-state travel for Messrs. Mark Wolf and Ryan Hasenauer to the G2E conference. A voice roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Wamp.

The meeting adjourned at approximately 5:00 p.m.

**12. Branch Operations:**

Committee Chairman Maurice Garner reported that the Committee met on Thursday, June 23, 2011 at approximately 9:30 a.m.

a. Mr. Kane and Mrs. Algier provided the Branch Committee with an update regarding the Webster branch. The approval for the build out of new space is pending NYS Racing & Wagering's Board's approval.

**12. Branch Operations (continued):**

b. Messrs. Mike Kane and EJ Merriman and Mrs. Algier discussed with the Committee the status of the East Mohawk branch

c. Mrs. Algier informed the Committee of the consideration of the Quality Inn on Old Niagara is being a possible relocation for the Niagara Falls branch.

d. Mr. Sean Schiano provided the Committee with an overview of branch activities and branch recommendations.

e. Ms. Cyndie Wellman informed the Committee that two were recently approved and EZ Bet applications are pending NYS Racing Board's approval and a third's paperwork is near completion.

f. Ms. Algier provided the Committee with the status of the Olean smoking waver.

g. Mr. Michael Kane briefed the Committee with the recent internet/phone proposals received from various sources.

h. Committee Chairman Maurice Garner recapped the recent tour of various area branches and the findings. The Board members were asked to think about a way to attract our Branch and EZ bet customers to Batavia Downs Casino rather than visiting other casinos.

**13. Resolutions:**

# 13-2011	Grooms Quarters Agreement
# 14-2011	Manure Removal
# 15-2011	Joe Zambito Contract
# 16-2011	Virginia Rosenfeld Contract

**14. Unfinished Business:**

None



**15. New Business:**

Chairman Bianchi addressed the Board if there was any interest in visiting Finger Lakes Raceway. After some discussion it was determined the Mr. Kane would contact Mr. Riegle at Finger Lakes with the possibility of having Board members touring the facility possibility in August.

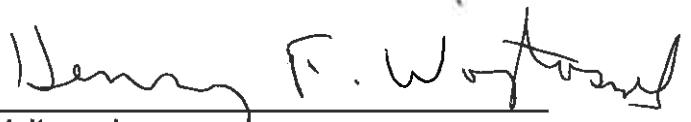
The next Committee and Board meetings will be held on July 27 and July 28, 2011 respectively.

Director Richard Siebert informed the Board that on July 18<sup>th</sup> Mr. Jack Davis, a U. S. Presidential candidate, will be making a stop at Batavia Downs to greet people.

**16. Adjournment:**

Mr. Lattimore made a motion to adjourn which was seconded by Mr. Ruckman. The meeting was adjourned at 10:32 a.m.

Respectfully submitted,



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Henry F. Wojtaszek  
Secretary to the Board