

**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 March, 2011, and commencing at 10:08 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
City of Rochester	Dennis Bassett
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 B. Tuohey
Oswego	Ronald B. Darrow
Schuyler	Philip C. Smith
Seneca	William R. White

**Absent:**

Paul Lattimore  
John Clifford  
Joseph Gallo  
James Foley

constituting the Directors of all participating municipalities. Also participating were Michael D. Kane, President & Chief Executive Officer; Henry F. Wojtaszek, General Counsel and Secretary; Jacquelyne A. Leach, Comptroller; Barbara Mruzek, 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; Gayle Ashbery, Director of Purchasing, Luba Szyszkowski, Graphics & Creative Design Manager, and Todd Haigh, Promotional Marketing Specialist. Also attending was Patrick T. Murphy, Consultant; Tom Rivers, Daily News Reporter and Steve DePerriere, representing First Niagara Bank.

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 Director Richard Siebert 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 February 24<sup>h</sup>, 2011. Director Garner noted one error. A motion was made by Mr. Wamp and seconded by Mr. Garner to approve the minutes as amended.

**2. Communications:**

Director Siebert reported that he was in receipt of a letter from Assemblyman Daniel Burling in opposition to the consolidation of the remaining five Regional OTB Corporations into one entity.

**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, March 23, 2011 at 4:30 p.m. and the following business was considered.

a. Mrs. Gayle Ashbery advised the Committee that the Bid opening for lawn care services was held on March 21, 2010 for five Erie County Branches. A complete listing as provided. **(See Resolution # 7-2011)**

A motion was made by Mr. Garner and seconded by Ms. Mazur to award Erie County lawn care to CPM Property NY. A roll call vote passed the motion. Ayes: 13; Nays: 0; Absent: 4; Lattimore, Clifford, Gallo, Foley.

b. Mrs. Ashbery advised the Committee that the bid opening for lawn care services for two Niagara County branches was also held on March 21, 2011. (A complete listing of the results was provided.) **(See Resolution # 7-2011)**

A motion was made by Mr. White and seconded by Mr. Kiedrowski to award Niagara County lawn care to Henry Services. A roll call vote passed the motion. Ayes: 13; Nays: 0; Absent: 4; Lattimore, Clifford, Gallo, Foley.

c. The Committee was advised by Mrs. Ashbery of the results of the bid for lawn services which was held on March 21, 2011 for Monroe County. (A complete listing of the results was provided.) **(See Resolution # 7-2011)**

A motion was made by Mr. Bianchi and seconded by Mr. Wamp to award CPM Property NY for lawn care in Monroe County. A roll call vote passed the motion. Ayes: 13; Nays: 0; Absent: 4; Lattimore, Clifford, Gallo, Foley.

**4. Finance Committee Report (continued):**

d. Mrs. Barbara Mruczek presented the February 2011 Comptroller's Report to the Committee for informational purposes only.

The Committee adjourned at 5:18 p.m. with no further actions required from of the Board.

**5. Personnel Committee Report:**

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

a. Chairman Wamp noted that the Committee discussed the need to review Batavia Downs employees position responsibilities and salaries of the OTB/Batavia Downs Casino administrative employees. Mr. Kane introduced Mr. Steven DePerriere, a representative of First Niagara to discuss their services regarding an analysis of WROTBC employee's salaries and benefits in comparison to other similar positions in the Western NY market. A preliminary overview was provided to Mr. Wamp for reviewing purposes. An estimated cost of their recommendations and services would be approximately \$6,000-\$7,000. The Board members briefly discussed their concerns regarding this type of study/analysis. After studying First Niagara's overview of services, Mr. Kane will determine if Western will go forward with the analysis.

b. Mr. Patrick Murphy informed the Board that a requirement of our auditors, The Bonadio Group, is annually to review a Conflict of Interest Policy. Mr. Murphy presented the Board with a draft policy. The Board members will review and action on the Policy will be delayed until the April meeting.

c. Ms. Cyndie Wellman presented the Committee with the Pre-120 Day Written Employee Evaluation Procedure recently adapted.

d. General Counsel Wojtaszek noted that the required Financial Disclosure Statements has been completed by all members present at the meeting. However, review of the Ethics Policy is pending for several Directors and may be completed following the Board meeting.

A motion was made by Chairman Wamp and seconded by Ms. Tuohey to enter into Executive Session at 10:28 a.m. to discuss Personnel issues. The meeting reconvened at 11:42 a.m.

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

Note: Directors Richard Siebert and Scott Kiedrowski are absent upon resumption of the Board Meeting.

e. The Committee reviewed the proposed Management Structure which was provided by President Michael Kane.

A motion was made by Mr. Bassett and seconded by Mr. Garner to approve the amended management structure as submitted. A voice call vote passed the motion. Ayes: 11; Nays: 0; Absent: 6; Lattimore, Clifford, Gallo, Foley, Siebert, Kiedrowski.

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, March 23, 2011 at approximately 3:30 p.m. Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP was available via telephone conference.

a. The Committee discussed the State Budget and the effects of the "Racing Initiatives". Negotiations between the Governor and both Houses in Albany are continuing.

b. Mr. Kane updated the Committee on the status of ETGs in Western New York casinos.

c. General Counsel Wojtaszek provided a report on the status of anti-consolidation resolutions from participating municipalities' Legislative bodies and associated correspondence.

d. President Kane advised the Committee of his attendance at the statewide OTB/Tote meeting on March 8, 2011. Discussion was pertaining to possible statewide Tote Contract.

e. President Kane attended a USTA Board of Directors meeting on March 13, 2011 which was also discussed with the Members.

No action required by the Board.

**7. Insurance Committee:**

Vice Chairman of the Board Marcia Tuohey reported that the Insurance Committee met on Thursday, March 24, 2011 at 9:30 am.

a. Mr. Kane provided the Committee with a review of the Workmen's Compensation Insurance for a possible recovery of monies overpaid.

A motion was made by Ms. Tuohey and seconded by Mr. Ruckman to enter into an agreement with Mr. Mark Barbaro of Larchmont, NY at a compensation of 25% of any recovered monies. A roll call vote passed the motion. Ayes: 11; Nays: 0; Absent: 6; Lattimore, Clifford, Gallo, Foley, Siebert, Kiedrowski. (**See Resolution # 8-2011**).

b. Ms. Cyndie Wellman provided the Insurance Committee with an update on the discussions on 2012 Health Insurance options.

There was no action required by the Board.

**8. Advertising Committee:**

Vice Chairman Roger Ruckman reported that the Committee met on Wednesday, March 23, 2011 at approximately 4:40 p.m.

a. Mr. Hank Nevins, Director of Public Relations provided the Committee with an update on the Kentucky Derby and the Dubai World Cup races. The winner of the OTB Battle of the Branches has ended with Marway in the Rochester District as the champions. On April 4<sup>th</sup> there will be a party for the Marway Branch winners. Continued SVT training efforts in Buffalo and Rochester were noted by Mr. Nevins. A notation was made that the annual Weiner Dog Family Day has been scheduled for August 28<sup>th</sup>, 2011 at Batavia Downs Casino.

b. Mr. Ryan Hasenauer provided the Committee with events of the March promotional gaming events. The upcoming Car Drawing and the "Minute to Win It" events were discussed.

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 March 23<sup>rd</sup> at approximately 3:25 p.m.

a. The Committee reviewed the draft audit report received from Ernst & Young. The Committee discussed many changes throughout the report. It was concluded that the draft revealed improvement or updates to communication, training or policies and procedures.

A motion was made by Mr. Garner and seconded by Mr. White to accept the draft report as submitted by Ernst & Young. A voice vote passed the motion. Ayes: 11; Nays: 0; Absent: 6; Lattimore, Clifford, Gallo, Foley, Siebert, Kiedrowski. The motion was carried.

The meeting was adjourned at 3:50 p.m.

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

Vice Chairman Philip Smith reported that the Committee met on March 23<sup>rd</sup> at approximately 3:00 p.m.

a. President Michael Kane discussed with the Committee the appraisal of the Hudson Avenue parking lots and the potential sale.

A motion was made by Mr. Smith and seconded by Mr. White to list the Hudson Avenue, Rochester, NY front parking lot area for sale. A voice vote passed the motion. Ayes: 11; Nays: 0; Absent: 6; Lattimore, Clifford, Gallo, Foley, Siebert, Kiedrowski.

b. Mrs. Algier informed the Committee that the Seneca Falls parking lot is in need of repair due to a sink hole. A vendor has been contacted and the repairs will be made.

c. Messrs. Sean Schiano and Edward Merriman advised the Committee that they have been working with NYSEG regarding an Energy Savings Incentive Program in their respective regions. Audits are presently being conducted and proposals will soon be submitted.

d. Mrs. Algier reported that the Woodlawn property has been listed for sale in the amount of \$135,000.

e. Mrs. Algier reported that the Ridge Lea branch had the ceiling tiles replaced in the front area of the building. The cost of this replacement will be deducted from the contractor's funds that were withheld. Further repairs are ongoing.

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

f. Mrs. Algier discussed with the Committee the selling price of \$250,000 for the State Street property. A verbal offer of \$150,000 had been received. A written offer is still pending.

The meeting was adjourned at 3:15 p.m.

**11. Batavia Downs Committee:**

Due to the absence of Committee Chairperson Paul Lattimore, Vice Chairman Richard Siebert called the Committee meeting to order on Wednesday, March 23, 2011 at approximately 4:00 p.m. The following items were discussed:

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 was briefed on the MGAM Player Tracking System Maintenance Contract renewal by Mr. Mark Wolf. The current contract expires on April 1, 2011.

A motion to suspend the rules to consider this request was made by Mr. Haberer and seconded by Mr. Ruckman. The motion was carried unanimously by a voice vote.

A motion was then made by Mr. Darrow and seconded by Mr. Wamp to renew the MGAM Maintenance contract at \$40,000. A roll call vote was taken. Ayes: 11; Nays: 0; Absent: 6; Lattimore, Clifford, Gallo, Foley, Siebert, Kiedrowski. **(See Resolution 6-2011).**

d. Mr. Mark Wolf informed the Board that a necessary MGAM upgrade is planned on April 4, 2011. The Casino will be closing at 12:00 midnight on that date to allow the upgrade to be performed.

e. Mr. Kane provided the Committee with the status of the Capital Improvement Plan submittal to NYS Lottery.

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

The meeting adjourned at 4:40 p.m.

**12. Branch Operations:**

Committee Chairman Maurice Garner reported that the Committee met on Thursday, March 24<sup>th</sup> at approximately 9:30 a.m.

a. Mr. Schiano recommended to the Committee that the concession contract with the present Auburn Branch concessionaire, Dean Hollister, be extended for one year with no changes.

A motion was then made by Mr. Wamp and seconded by Mr. Bassett to extend the concessionaire contract at the Auburn Branch for a one-year period. A roll call vote was taken. Ayes: 11; Nays: 0; Absent: 6; Lattimore, Clifford, Gallo, Foley, Siebert, Kiedrowski.

b. Mr. Kane discussed with the Committee the potential Broadway to East Mohawk Branch move. No Board action was required.

c. The Committee was briefed by Mrs. Algier and Mr. Schiano regarding the potential Webster relocation/consolidation.

d. The Committee was informed by Mr. Kane and Ms. Cyndie Wellman on the pending EZ Branch application submittals for NYS Racing & Wagering Board's approval.

e. An update on the site selection for the relocation of the Main Street, Niagara Falls facility was given by Mrs. Algier and Mr. Edward Merriman.

**13. Resolutions:**

# 6-2011	MGAM Maintenance Renewal
# 7-2011	Lawn Care for Branches
# 8-2011	Review of Worker's Compensation Monies

**14. Unfinished Business:**

Mr. Wamp discussed with the Board a review of the salary structure of the Corporation's Administration Personnel. Mr. Kane has been given Board's permission by voice approval to enter into a contract regarding this process with First Niagara, not to exceed \$15,000.




15. **New Business:**

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

16. **Adjournment:**

Mr. Garner made a motion to adjourn which was seconded by Mr. Ruckman. The meeting was adjourned at 11:57 a.m.

Respectfully submitted,

  
Secretary to the Board