

**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 May, 2011, and commencing at 10:14 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road, Batavia, New York.

**Participating were:**

**Absent:**

Buffalo	Maurice L. Garner	Richard E. Siebert
Cattaraugus	Richard E. Haberer	
Cayuga	Paul W. Lattimore, Jr.	
City of Rochester	Dennis Bassett	
Chautauqua	Roger E. Ruckman	
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	
Steuben	John Clifford	
Wayne	Joseph Gallo	
Wyoming	Jim 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; Michael 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, Cyndie Wellman, Director of Human Resources; Joann Algier, Director of Real Estate & Property Management; Sean S. Schiano, Director 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, 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 Mr. Michael Nolan to lead the assemblage in the Pledge of Allegiance.

Mr. Nolan expressed to the Board his enthusiasm as he begins with WROTBC and that he is willing to help when needed.

1. **Approval of Previous Minutes:**

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of April 28<sup>th</sup>, 2011. A motion was made by Mr. Garner and seconded by Mr. Haberer 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, May 25, 2011 at 3:03 p.m. and the following business was considered.

a. Mrs. Leach provided the Committee the Ernst and Young Consulting Fee invoices. Details of the invoices were discussed and required no action by the Board.

b. The Board was presented with the April 2011 Comptroller's Report by Comptroller Jackie Leach.

5. **Personnel Committee Report:**

Committee Chairperson Thomas Wamp reported that the Personnel Committee met on Wednesday, May 25, 2011 at approximately 4:30 p.m.

a. The Committee discussed a request by Ryan Hasenauer for a department titled Casino Hosts. Further discussion of this proposal will be continued at the June meeting.

b. Mr. Kane presented and updated our auto replacement policy for the Committee to review. The Committee tabled any action on this matter until the June meeting.

c. Mr. Kane informed the Committee that Mr. Kevin McDougall has been hired to fill the vacant Marketing Compliance Accountant position.

d. The evaluation of the Administrative salary schedule will be provided in June.

**6. Legislative Committee:**

Committee Chairman Haberer reported that the Legislative Committee met on Wednesday, May 25, 2011 at approximately 4:45 p.m. Mrs. Lisa Marrello and Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP were available via telephone conference.

a. The Committee discussed activities in Albany. A recent meeting that was held in Albany with the Senate, Assembly, and Governor's staff involved discussion of OTB statutory payments and consolidation of services such as Tote and phone services.

No action required by the Board.

**7. Insurance Committee:**

Chairman Paul Lattimore reported that the Insurance Committee met on Thursday, May 26, 2011 at 9:30 am.

a. Chairman Lattimore informed the Board that the policy with Commercial Insurance Consultants, Inc. has been reviewed and discussed which is in the amount of \$452,405.

A motion was made by Mr. Lattimore and seconded by Mr. Ruckman to renew the policies as submitted. A roll call vote passed the motion. Ayes: 16; Nays: 0; Absent: 1, Siebert. The motion was carried.

b. The Committee is also working on the present Health Insurance review.

c. Ms. Tuohey inquired about the cost of insurance coverage for the proposed bus for the casino parking lot. Information will be provided at the next meeting.

**8. Advertising Committee:**

Committee Chairman James Foley reported that the Committee met on Wednesday, May 25, 2011 at approximately 3:00 p.m.

a. Mr. Hank Nevins, Director of Public Relations provided the Committee with branch summary which included the newest EZ Bet opening at McKenzie's Irish Pub.

b. Mr. Todd Haight, Promotional Marketing Specialist, provided the Committee with the Kentucky Derby review.

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

c. Mr. Ryan Hasenauer, Director of Marketing, provided the Committee a recap of the April, May and July monthly promotions. Statistics from the mystery voucher promotions were provided. New marketing expenditures were provided to the Committee which included the B-Line shuttle bus stopping at the Downs and sponsorship of local entertainment venues.

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 met on May 25, 2011 at approximately 2:30 p.m. Gratitude was expressed to Mr. Steve Haigh for the work to obtain compliance with various issues with Ernst & Young and Lottery.

a. The Committee discussed the changes to the card access list restricting access to the north end of the building and the restricted hall in detail. These changes comply with the NY Lottery Minimum Internal Control Standards.

b. The Committee reviewed the summary of the first quarter 2011 Audit Reports.

c. Minimum Internal Control Standards related to Ernst & Young audit changes were discussed. Training is the largest remaining improvement which is ongoing.

d. Notice of Non-Compliance forms # IA 11-03 and # IA 11-04 were discussed by the Committee regarding overall incident report issues.

The meeting was adjourned at 3:00 p.m.

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

Chairman John Clifford reported that the Committee met on May 25, 2011 at 2:30 p.m.

a. Mrs. Algier advised the Committee that she and Mr. EJ Merriman, Manager of Branch Operations, will be adjusting forms and procedures, if needed, regarding necessary branch repairs.

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

b. Mrs. Algier provided review of several branches to the Committee. Selected updates were from Bullshead, Auburn, Hornell, Corning, Seneca Falls, Ridge Lea, and Hudson Avenue.

c. Mr. Tom Balk, Director of Building and Grounds, provided the Committee with a Repairs and Capital Projects Report regarding Batavia Downs.

d. Chairman Clifford provided the Committee with an update on the Batavia Downs roof bid.

c. Chairman Clifford provided the Committee with results from the branch inspections which he conducted at the Jefferson Road and Marway locations.

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, May 25, 2011 at approximately 3:30 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 informed the Committee and Board that the NYS Racing & Wagering Board will be conducting their annual "walk-through" inspection of the property on June 15, 2011.

d. Mrs. Gayle Ashbery provided the Committee with results from the bid opening which was held on May 16, 2011 for supply paper and plastic goods for Grandstands. This passed the Committee.

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

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

A motion was then made by Mr. Lattimore and seconded by Mr. Wamp to authorize purchasing paper products from Hill & Marks Company. A roll call vote was taken. Ayes: 14; Nays: 2, White, Clifford; Absent: 1, Siebert. (See **Resolution # 12-2011**).

d. Mr. Mike Kane requested of the Committee and Board renewal of ADT, a Tyco International Limited Company, maintenance service provider to be approved with the agreement of ADT availability of 12 hours per week vs. the previous eight hours per week at an annual fee of \$63,610.56 for a one-year term.

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

A motion was then made by Mr. Lattimore and seconded by Mr. Garner to extend the maintenance agreement with ADT in the amount of \$63,610.56. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Siebert. (See **Resolution # 11-2011**).

The meeting adjourned at 4:00 p.m.

**12. Branch Operations:**

Committee Chairman Maurice Garner reported that the Committee met on Thursday, May 26, 2011 at approximately 9:30 a.m.

a. Mr. Schiano explained to the Committee the current small business energy efficiency program in place at several Branches. A program is provided by the Airius Company is considered for air quality in smoking rooms is being considered.

b. Statistics and updates were provided for East Mohawk, Niagara Falls, Webster and Phoenix branches by Mrs. Leach, Mr. Wojtaszek, Mrs. Algier and Mr. Schiano respectively.

A motion was made by re-open the East Mohawk branch and to close the Broadway branch pending NYS Racing and Wagering Board's approval by Director Mazur and seconded by Director Darrow. A voice roll call carried the motion. Ayes: 16; Nays: 0; Absent: 1, Siebert.

**12. Branch Operations:**

c. Ms. Cyndie Wellman informed the Committee that two EZ Bet facilities are on the agenda for NYS Racing & Wagering Board's approval, Matella's in Rochester and Lighthouse Lanes in Oswego.

d. Mr. Mike Kane discussed with the Committee two different possibilities for beginning an Internet Wagering Program.

e. Chairman Maurice Garner informed the Committee that beginning June 8<sup>th</sup>, he will be travelling with Mr. Sean Schiano and other members visiting branches.

f. The Committee discussed the possibility of moving the Webster location subject to the NYS Racing & Wagering Board's approval and General Counsel's final review.

A motion was made by Director Garner to approve the new lease for the above matter and seconded by Director Lattimore. A voice roll call carried the motion. Ayes: 16; Nays: 0; Absent: 1, Siebert.

**13. Committee Meeting Scheduling Discussion**

Directors Smith, Tuohey, and Ruckman expressed their opinions, discussed their past experiences and conveyed the opposition to the current setup of Committee meetings. It was noted by Chairman Bianchi that some changes have been made to minimize conflicts.

**14. Resolutions:**

- # 11-2011 ADT One Year Maintenance Agreement
- # 12-2011 Hill & Marks Company Paper Goods Purchase

**15. Unfinished Business:**

Director Dennis Bassett requested consideration to provide IPAD's for all Board members. Director Clifford indicated that Steuben County did so for their Legislators. There was extended discussion regarding the advantages of going paperless and the efforts that the Corporation has already accomplished. Further discussion will be forthcoming.

**16. New Business:**

The next Committee and Board meetings will be held on June 22 and June 23, 2011 respectively.

**17. Adjournment:**

Mr. Darrow made a motion to adjourn which was seconded by Mr. Ruckman. The meeting was adjourned at 11:02 a.m.

Respectfully submitted,



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Henry F. Wojtaszek  
Secretary to the Board

HFW/dmf