

**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 31st day of May, 2012, and commencing at 10:09 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
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
Rochester	Dennis Bassett
Schuyler	Philip C. Smith
Seneca	Richard Ricci
Steuben	John Clifford
Wyoming	Jim Foley

Absent:

J. Gallo

constituting the Directors of all participating municipalities. Also participating were Michael D. Kane, President & CEO; Michael P. Nolan, Vice President – Administration; Jacquelyne Leach, Comptroller; Henry F. Wojtaszek, General Counsel; Steven J. Haigh, Internal Auditor; William White, Director of Human Resources; Sean Schiano, Director of Branch Operations; Edward Merriman, Manager of Branch Operations; Gayle Ashbery, Director of Purchasing; Cindy DeCarlo, Controller/Finance Manager, Joann Algier, Director of Real Estate & Property Management; Ryan Hasenauer, Director of Marketing-WROTb and Video Gaming; Mark Wolf, Senior Director of Video Gaming & Marketing; Barb Mruczek, Deputy Comptroller; and Todd Haight, General Manager of Live Racing. Also attending was Ken Lauderdale from Wayne County and Tom Rivers, Daily News Reporter.

A roll of the membership of the Board having been called and General Counsel Henry Wojtaszek declared a quorum present.

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

Chairman Bianchi asked Mr. Ken Lauderdale 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 April 26, 2012. A motion was made by Mr. Ruckman and seconded by Mr. Garner to approve the minutes. The motion was carried by voice vote.

**2. Communications:**

Mr. Henry Wojtaszek read communications regarding the replacement of the roof sign with an LED sign from the City of Batavia's Historic Preservation Commission and the Landmark Society of Genesee County. Each letter expressed concern with replacing the Batavia Downs sign with one very similar to the existing.

A letter was read from the Health & Safety Institute recognizing achievement of completing the training program required to be recognized as a safety and health training center.

A letter was read from the Landmark Society of Genesee County regarding the signage and the concern of losing a landmark. Preservation of the sign with new technology and energy-efficient products will compliment the historic building. A request for the possibility of a tour of the facility by its members on July 6<sup>th</sup> was made.

**3. Officers' Reports:**

No Reports.

**4. Finance Committee Report:**

Committee Chairman Ron Darrow reported that the Finance Committee meeting was held on Wednesday, May 30, 2012 at 2:35 p.m. and the following business was considered.

a. Mrs. Leach presented the April 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, May 30, 2012 at approximately 1:30 p.m.

a. Mr. Kane recommended to the Committee a change to the Personnel Policy as noted below:

- Add:

Sub heading (9)                      Section 9.6 – “Medical and Health Plan”

Each employee, Director, or retiree is required to notify the Corporation in the event of a change in marital status and/or dependent status that may affect Medical and Health Insurance coverage requirements. This notification shall be required within thirty (30) days of the change of status. Failure to inform the Corporation as required may lead to significant penalties up to and including loss of coverage.

A motion was then made by Mr. Wamp and seconded by Ms. Mazur to adopt the change to the Personnel Policy as presented. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried.

b. The Committee was advised by General Counsel of the status of the Rosario case. It is believed that it will be going to trial shortly.

c. The Committee was informed of the upcoming Union contract negotiations.

Ms. Tuohey questioned the status of the updating of the Job Compendium. Mr. Kane indicated that it has been completed. Ms. Tuohey requested a copy of the Job Compendium.

**6. Legislative Committee:**

Committee Chairman Richard Siebert reported that the Legislative Committee met on Wednesday, May 30, 2012 at approximately 5:00 p.m. Ms. Lisa Marrello and Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP. were available via telephone conference. Also in attendance was Mr. Rick Winters representing Richardson Management obtained through Greenburg Traurig.

a. Wilson Elser representatives provided the Committee with an update on the Albany Legislative activities regarding various issues.

**6. Legislative Committee (continued):**

- b. Mr. Noian reported to the Members of the Committee on the recent presentations to Counties regarding their support in full casino gaming.
- c. Mr. Kane informed the Committee of the New York Gaming Association's Board meeting which will be held on June 5<sup>th</sup>.
- d. Mr. Kane introduced Mr. Ken Lauderdale to the Committee as the newly appointed Director from Wayne County pending NY Lottery's approval. Mr. Lauderdale provided the Committee with a brief biography.
- e. Mr. Kane provided the Committee with information regarding the Saratoga Institute's annual event on Racing and Gaming Laws which will be held on August 14<sup>th</sup> and 15<sup>th</sup>, 2012.
- f. Mr. Kane presented to the Committee recent activities regarding NYRA.
- g. General Counsel Henry Wojtaszek updated the Committee on the Milherst Construction case.
- h. Mr. Kane and Mrs. Leach provided the Committee with information regarding the NY Racing & Wagering Board's impact on NYRA's future takeout. This would limit direct payments to NYRA.
- i. Mr. Siebert asked General Counsel Wojtaszek to look into legislation in regards to the possibility of the elimination of the Special Betting District.

**7. Insurance Committee:**

Chairman Paul Lattimore reported that the Committee met on May 31, 2012 at 10:00 a.m.

- a. A presentation was provided by Messrs. Tim McMullen and Joseph Teresi of Commercial Insurance Consultants. A compensation proposal was given.

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

**7. Insurance Committee (continued):**

A motion was then made by Mr. Lattimore and seconded by Mr. Ruckman to adopt the proposal as presented at the Insurance Committee meeting. A roll vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried.

**8. Advertising Committee:**

Chairman John Clifford reported that the Committee met on Wednesday, May 30, 2012 at approximately 3:20 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, events relating to the Kentucky Derby and the Preakness.
- b. Mr. Ryan Hasenauer provided the Committee with graphic samples for the Belmont Stakes advertisements.
- c. Mr. Hasenauer informed the Committee of the June casino promotions which included customer appreciation events.
- d. Ms. Tuohey suggested that the BDC Shuttle vehicle appear in local parades.
- e. Mr. Hasenauer recapped May's promotions including the success of the Mystery Vouchers.
- f. Progress on the gaming website was provided to the Committee.

The meeting adjourned at 4:00 p.m.

**9. Audit Committee:**

Chairman Dennis Bassett informed the Board that the Committee did not meet.

- a. The Board was informed that the Committee is reviewing time card audits of four departments, Internal Controls of Food & Beverage Sales and the NY Lottery policy compliances.

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

Chairman Marcia Tuohey reported that the Committee met on Wednesday, May 30, 2012 at 3:30 p.m.

a. Mrs. Joann Algier provided the Committee with information regarding the purchase offer for the sale of State Street from Christian Schemke, Chris Reeg and Alex Wirth in the amount of \$160,000 and that the offer has been withdrawn.

A purchase offer from S. C. Kohli of Rochester, NY has been received in the amount of \$125,000. Staff recommends approval of the sale to Mr. Kohli which the Committee passed.

A motion was made by Ms. Tuohey and seconded by Mr. Bassett to accept the purchase offer as presented. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried.

b. The Committee was informed by General Counsel Wojtaszek that a closing date for Hudson Avenue has not been established.

c. General Counsel Wojtaszek informed the Committee that a closing date for Grant Street should be scheduled in the near future.

d. Summaries for Auburn, Hornell, and Phoenix properties were provided.

The Committee meeting was adjourned at 4:40 p.m.

**11. Batavia Downs Committee:**

Chairman Paul Lattimore reported that the Committee meeting was held on Wednesday, May 30, 2012 at approximately 2:15 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. A approval from the Racing & Wagering Board has been received. Pre-construction meetings have been scheduled.

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

d. Mr. Michael Nolan informed the Board that the contract with surveillance maintenance ADT needs to be renewed.

A motion was made by Mr. Lattimore and seconded by Mr. Foley to renew the one-year agreement with ADT for the surveillance systems at an annual fee of \$68,952.00. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried. **(See Resolution # 21-2012).**

e. Mrs. Gayle Ashbery reported that a bid opening was held on May 21, 2012 for the necessary purchase of paper and plastic products to be used in concessions stands, Grandstands, and the Clubhouse restaurant.

A motion was made by Mr. Lattimore and seconded by Mr. Wamp for the estimated annual purchase of paper and plastic goods from Hill & Markes in the amount of \$23,060.41. A roll call vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried. **(See Resolution # 22-2012).**

The Committee meeting adjourned at approximately 2:25 p.m.

**12. Branch Operations:**

Committee Chairperson Maurice Garner reported that the Committee met on Thursday, May 31, 2012 at approximately 9:30 a.m.

a. Mr. Schiano requested the Board's approval for a one-year contract extension for Kim's Trackside Concessionaire at Auburn.

A motion was made by Mr. Garner and seconded by Mr. Lattimore to extend the concessionaire contract for Kim's Trackside at the Auburn branch without changes to contract. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Gallo. The motion was carried.

b. Mr. Henry Wojtaszek provided the Committee with the status of the Niagara Falls property issue.

c. The Committee was updated on the Website development by Core101. A decision will be made to determine if a continued relationship with Core101 will continue.

d. Mr. Kane informed the Committee that a Draft Plan of Operation from Saratoga has been received with anticipation of finalization to follow prior to submission to the Racing & Wagering Board for approval.

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

- e. Newest EZ Bet locations, Harry's Place in Waterlooc and Matt's News in Dunkirk will be open in time for the Belmont Stakes.
- f. Mr. Schiano provided the Committee with a Year-to-Date Budget update.

The meeting adjourned at approximately 10:04 a.m.

**13. Resolutions:**

- # 21-2012 ADT Maintenance Agreement
- # 22-2012 ADT Maintenance One-Year Agreement

**14. Unfinished Business:**

There was no unfinished business.


**15. New Business:**

The next Committee and Board meetings will be held on June 27 and June 28, 2012 respectively.

**16. Adjournment:**

A motion was made by Mr. Garner to adjourn the meeting which was seconded by Mr. Bassett at 10:33 a.m.

Respectfully submitted,

  
Henry F. Wojtaszek  
Secretary to the Board