

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 27th day of October, 2011, and commencing at 10:01 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 W. Lattimore, Jr.
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	Vacant
Steuben	John Clifford
Wayne	Joseph Gallo
Wyoming	Jim Foley

Absent:

D. Bassett

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

A roll of the membership of the Board having been called, Secretary Henry Wojtaszek declared a quorum present.

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

Chairman Bianchi asked Mr. Scott Kiedrowski to lead the assemblage in the Pledge of Allegiance.

On behalf of the Members of the Board, Officers, and Staff, Ms. Cyndie Wellman was thanked for her 30+ years of dedication to WROTBC and was wished a Happy Retirement by Chairman Bianchi.

1. Approval of Previous Minutes:

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of September 29, 2011. A motion was made by Mr. Darrow and seconded by Mr. Lattimore to approve the minutes. The motion was carried unanimously by voice vote.

2. Communications:

Mr. Michael Kane read a letter which was received from The Justice for Children GLOW Foundation, Inc. which held a fundraiser sponsored by the Kiwanis Club of Batavia at the Batavia Downs. The letter expressed appreciation to customer service and culinary staff. Secondly, Mr. Kane read an e-mail from Cornell Extension for a conference, Labor Relations in Exceptionally Challenging Times, held at Batavia Downs. The document expressed appreciation for all involved.

3. Officers' Reports:

There were no Officer's reports.

4. Finance Committee Report:

Committee Vice-Chairman Ron Darrow reported that the Finance Committee meeting was held on Wednesday, October 26, 2011 at 5:36 p.m. and the following business was considered.

- a. Deputy Comptroller Barbara Mruczek presented to the Board the September 2011 Comptroller's Report for informational purposes.
- b. Mrs. Gayle Ashbery advised the Committee that a public bid was held on October 20, 2011 for snowplowing 2011-2012 and for lawn care for 2012 for the six Monroe county branches.

A motion was made by Mr. Lattimore and seconded by Mr. Garner to award the bid to L & R Property Services. A roll call vote was taken. Ayes: 14; Nays: 0; Absent: 1, Bassett. The motion was carried.

4. Finance Committee Report (continued):

c. Mrs. Gayle Ashbery presented to the Board the results of the combination snowplowing/spring cleanup bid which was held for Erie and Niagara counties. After a review of the bid results, staff requests rejection of this portion of the bids due to finding the combined services not to be cost effective. The new bid opening will be held on November 7, 2011 for the same services.

A motion was made by Mr. Darrow and seconded by Mr. Lattimore to reject the bids and to re-bid snowplowing for Erie and Niagara county branches with a new bid opening date of November 7, 2011. A voice vote was taken. Ayes: 14; Nays: 0; Absent: 1, Bassett. The motion was carried.

d. Mrs. Ashbery presented to the Board the results of the bid held on October 17, 2011 for the roof replacement of the Newark OTB branch. Only one bid was received which was higher than anticipated. Therefore, the staff requests that the Board reject the bid results.

A motion was made by Mr. Clifford to reject the bid for the roof replacement at the Newark OTB branch and seconded by Mr. Foley. A voice vote was taken. Ayes: 14; Nays: 0; Absent: 1, Bassett. The motion was carried.

e. Mr. Kane informed the Members of the Board of the 2011 Symposium on Racing & Gaming and the HTA meeting on December 5-8 in Tucson, Arizona. A motion for the attendance of three Directors and two staff members was requested.

A motion was made by Mr. Foley for registration for up to eight directors, Messrs. Kane and Haight to attend the Symposium and it was seconded by Mr. Clifford. A voice vote was taken. Ayes: 15; Nays: 0, Absent 1, Bassett. The motion was carried.

The Committee adjourned at 5:55 p.m.

5. Personnel Committee Report:

Committee Chairman Tom Wamp reported that the Personnel Committee met on Wednesday, October 26, 2011 at approximately 2:00 p.m.

a. The Committee was informed of the open position of the Marketing Compliance Accountant. Staff plans to fill this position next week.

5. Personnel Committee Report (continued):

b. Chairman Wamp reminded the Directors of the retirement of Ms. Cyndie Wellman on November 11, 2011 as Human Resources Director.

c. Mr. Kane informed the Members of the Board that the Discrimination and Harassment training program was held on October 25th presented by Susan M. McClaren of Webster Szanyi LLP. In attendance were department heads, several staff members, and Vice Chairman Tuohey. Information from the presentation will be passed to branch staff and remaining staff members who were not in attendance.

d. The Personnel Committee entered into executive session for approximately one hour to discuss operational changes.

After reconvening, a motion was made by Mr. Wamp and seconded by Mr. Siebert to approve the 2012 recommended operational changes as proposed. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 1, Bassett. The motion was carried.

6. Legislative Committee:

Committee Chairman Haberer reported that the Legislative Committee met on Wednesday, October 26, 2011 at approximately 4:00 p.m. Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP was available via telephone conference.

a. Representatives of Wilson Elser provided the Committee with points of interest to WROTBC regarding the future of gaming and racing in the State. They discussed ADWs and full scale-gaming operations within the State.

b. Messrs. Kane and Wojtaszek discussed numerous points of interest in regards to the New York Gaming Association (NYGA) meeting which as held on October 24th. A sample resolution was provided to the Members in relation to full scale gambling games.

c. On October 13th Mr. Kane attended a meeting with the Lottery. The Lottery indicated their support for full gaming. However, WROTBC may not be included in full gaming in regards to the electronic tables.

d. The Committee entered into executive session to briefly discuss contractual matters.

6. Legislative Committee (continued):

e. The Committee agreed that strong representation in Albany regarding legislation is needed to engage as lobbying municipal officials.

A motion was then made by Mr. Haberer and seconded by Mr. Lattimore to waive the rules. A voice vote was taken. Ayes: 15; Nays: 0; Absent: 1, Bassett.

A motion to enter into an agreement with Empire Strategic Planning to represent WROTBC effective December 1, 2011 through December 31, 2012 at a fee for this service in the amount of \$50,000, payable at the rate of \$4,167.00 per month. The motion was made by Mr. Haberer and seconded by Mr. Ruckman. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 1, Bassett. The motion was carried. **(See Resolution # 32-2011)**

f. The current agreement with Wilson, Elser, Moskowitz, Edelman & Dicker, LLP (Wilson Elser) to serve as Government Affairs Counsel in NYS for WROTBC needs to be renewed for 2012. The fee for these services will be \$50,000 or equal installments of \$4,166.67.

A motion was then made by Mr. Haberer and seconded by Mr. Lattimore to waive the rules. A voice vote was taken. Ayes: 15; Nays: 0; Absent: 1, Bassett.

A motion to enter into an agreement with Wilson Elser commencing on January 1, 2012 until December 31, 2013 was made by Mr. Haberer and seconded by Mr. Ruckman. A roll call vote was taken. Ayes 15; Nays: 0; Absent 1, Bassett. The motion was carried. **(See Resolution # 31-2011)**

7. Insurance Committee:

Chairman Paul Lattimore reported that the Insurance Committee did not meet.

8. Advertising Committee:

Committee Chairman James Foley reported that the Committee met on Wednesday, October 26, 2011 at approximately 5:00 p.m.

a. OTB promotions and events including the Handicapping Tournaments were recapped by Director of Marketing Ryan Hasenauer along with General Manager of Live Racing Todd Haight. November events were also presented.

b. Mr. Ryan Hasenauer discussed with the Committee advertisements for the Breeders Cup and events to help the Mohawk branch.

8. Advertising Committee (continued):

- c. Mr. Ryan Hasenauer updated the October's car give away promotion.
- d. Mr. Hasenauer provided a preview of the December promotions.
- e. The New England Gaming Summit will be held on November 14-15, 2011 at the MGM Grand at Foxwoods in Mashantucket, CT. A request for attendance at this conference was asked to be considered.

A motion was made by Mr. Darrow and seconded by Mr. Lattimore for Messrs. Ryan Hasenauer and Mark Wolf to attend the seminar with registration pricing of \$275.00 per person. A voice vote was taken. Ayes: 15; Nays: 0; Absent: 1, Bassett. The motion was carried.

The Committee meeting adjourned at 6:15 p.m.

9. Audit Committee:

Vice Chairman Richard Siebert reported that the Committee met on October 26th, 2011.

- a. A presentation from Mr. Craig Stevens from The Bonadio Group informed the Committee that there were no new accounting rules this year that might impact the Corporation.
- b. At 3:35 p.m. motion to enter into executive session was made by Mr. Bianchi and seconded by Mr. Lattimore. A motion was made by Mr. Foley and seconded by Mr. Lattimore at 3:39 p.m. to come out of executive session.
- c. The Committee was informed by Mr. Steve Haigh that Ernst & Young had conducted another implementation evaluation on October 3, 2011. Updated documents have not yet been received.

The Committee meeting adjourned at 3:44 p.m.

10. Property/Real Estate Committee:

Chairman John Clifford reported that the Committee met on October 26, 2011 at 3:40 p.m.

10. Property/Real Estate Committee (continued)

- a. Mrs. Algier provided the Committee with a review of the following branches: Ridge Lea, McKinley, Hornell, Corning, Grant Street, Auburn, Seneca Falls, Albion, and Clinton Street.
- b. Carbon monoxide detectors have been ordered for all branches. Upon arrival they will be distributed to the regional offices for installation by maintenance employees.
- c. Mr. Tom Balk provided the Committee with a Batavia Downs update on the maintenance building roof, the front entrance drainage and concrete work, and the Capital Projects.

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

11. Batavia Downs Committee:

Committee Chairman Paul Lattimore called the Committee meeting to order on Wednesday, October 26, 2011 at approximately 4:45 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. Kane indicated to the Board that the bid opening for the smoking room expansion will be opened on November 21, 2011. An additional 32 machines will be placed in this area. The bid results will be presented at the December meeting.
- d. Mr. Mike Nolan provided the Board with details of the agreement for the endorsement with Mr. Thurman Thomas as the official advertisement - ambassador for Batavia Downs Casino.

A motion was then made by Mr. Lattimore and seconded by Mr. Haberer to waive the rules. A voice vote was taken. Ayes: 15; Nays: 0; Absent: 1, Bassett.

A motion was made by Mr. Garner and seconded by Mr. Haberer to enter into an agreement with Mariacher Thomas LLC in regards to naming Thurman Thomas as an identifying "trademark/logo" of WROTBC/Batavia Downs Casino. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 1, Bassett. The motion passed.

11. Batavia Downs Committee (continued):

e. Mr. Mike Nolan informed the Board that the Committee was in agreement of a franchise agreement with Tim Hortons USA, Inc. for the initial fee of \$15,000 with agreed by Officers after review of contractual details. The area now being occupied by "Crumbs" will be replaced with a complete Tim Hortons kitchenette at no expense to the Corporation. There were some questions from Directors which were answered by Messrs. Kane and Nolan.

A motion was then made by Mr. Garner and seconded by Mr. Haberer to waive the rules. A voice vote was taken. Ayes: 15; Nays: 0; Absent: 1, Bassett.

A motion was made by Mr. Lattimore and seconded by Mr. Tuohey to enter into a franchise agreement with Tim Hortons USA, Inc. Ayes: 15; Nays: 0; Absent: 1, Bassett. The motion passed.

f. Mr. Mike Nolan informed the Board of the significantly increased consumption of food and alcohol at Grandstands and the Clubhouse. The staff requests authority for acquisition of such food from US Food Service in the amount of \$40,000 for the remainder of the 2011 calendar year.

A motion was made by Mr. Lattimore and seconded by Mr. Garner to authorize and additional purchase from U.S. Food Service in the amount of \$40,000. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 1, Bassett. The motion passed.

The Committee meeting adjourned at approximately 5:28 p.m.

12. Branch Operations:

Committee Chairperson Maurice Garner reported that the Committee met on Thursday, October 27, 2011 at approximately 9:30 a.m.

a. Messrs. Mike Kane and Sean Schiano discussed with the Committee with various branch topics.

b. Mrs. Joann Algier provided the Committee with an update on the progress of the Webster branch.

c. Mr. Kane provided the Committee with a change in regards to the Special Betting District.

12. Branch Operations (continued):

- d. Ms. Cyndie Wellman provided the Committee with EZ Bets applicants and application updates.
- e. Messrs. Schiano and Merriman informed the Committee on the Managers meeting that was held on October 20, 2011.
- f. Mr. Jim Haas provided the Committee with an update in regards to the website future changes.
- g. Messrs. Kane and Haas provided information regarding internet/phone proposal. It was indicated that tentatively this platform should be in place by or near 2012.
- h. Mr. Jim Haas presented the Committee with an update on the Tote Contract changes.

The meeting adjourned at approximately 9:50 a.m.

13. Resolutions:

- # 28-2011 U. S. Food Service Extension
- # 29-2011 Obtain Webster Szanyi to represent WROTBC
- # 30-2011 Award L & R Property Services for Monroe Co Branch
- # 31-2011 Wilson, Elser 2012 Contract
- # 32-2011 Empire Strategic Planning Contract

14. Unfinished Business:

There was no unfinished business.

15. New Business:

Mr. Kane informed the Board of the recent Budget in-house service of which eight Directors attended. Each member indicated that this meeting provided a better understanding of the process.

15. New Business (continued):

Mr. Henry Wojtaszek informed the Board of the numerous outstanding issues in the ongoing need of representation of WROTBC for the matter of Rosario versus WROTBC. Recommendation of obtaining Webster Szanyi was made by Mr. Wojtaszek. The rates noted are \$225/hour for services of a partner of the corporation, \$175/hour for services of an associate, and \$100/hour for services of a paralegal.

A motion to enter into an agreement with Webster Szanyi was made by Mr. Wamp and seconded by Mr. Lattimore. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 1, Bassett. The motion passed.

Mr. Kane informed the Board of a United Tote User's Group Conference which will be held on November 17th at Churchill Downs. A request for Sean Schiano or Jim Haas to attend this conference was requested.

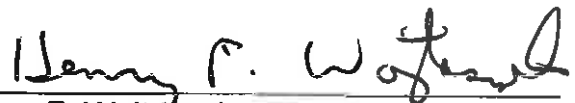
A motion was made by Mr. Haberer and seconded by Mr. Ruckman to approve out-of-state travel to one of two staff members. A voice roll call was taken. Ayes: 15; Nays: 0; Absent 1, Bassett. The motion passed.

The next Committee and Board meetings will be held on November 30 and December 1, 2011 respectively.

16. Adjournment:

Mr. Darrow made a motion to adjourn which was seconded by Mr. Haberer. The meeting was adjourned at 10:41 a.m.

Respectfully submitted,



Henry F. Wojtaszek
Secretary to the Board