

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 28th day of September, 2011, and commencing at 10:03 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	William R. White
Steuben	John Clifford
Wyoming	Jim Foley

Absent:

D. Bassett
J. Gallo

constituting the Directors of all participating municipalities. Also participating were Michael D. Kane, President & Chief Executive Officer; Jacquelyne A. Leach, Comptroller; 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; and Sean S. Schiano, Director of Branch Operations. Also attending was Tom Rivers, Daily News Reporter.

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. Bill White 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 August 24, 2011. A motion was made by Mr. Haberer and seconded by Mr. White to approve the minutes. The motion was carried unanimously by voice vote.

2. Communications:

Mr. Michael Kane read a letter which was received by Mr. John Clifford from St. James Mercy Health Systems in Hornell (Steuben County). The letter of appreciation was in regards to the donation to McAuley Manor at Mercycare for four televisions from the surplus of Batavia Downs.

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, September 28, 2011 at 3:05 p.m. and the following business was considered.

a. Comptroller Jackie Leach presented to the Board the August 2011 Comptroller's Report for informational purposes.

b. Mrs. Leach presented the 2012 Preliminary Operating Plan to the Directors. A 2-3 hour workshop for Directors is planned in the future which will discuss and understand how the budget is developed and other information regarding budget items. The Staff members anticipate that the Board will vote on the Final Plan at the December 2012 meeting.

c. Mrs. Gayle Ashbery presented to the Board the results of the bid held on September 21, 2011 for the purchase of televisions as needed for Batavia Downs Casino, Batavia Downs Live Racing and OTB branches. After a review of the bid results by staff, Stereo Advantage and Video Center Repair were recommended to be awarded the bids as the lowest possible bidders.

4. Finance Committee Report(continued):

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

A motion was made by Mr. White and seconded by Mr. Garner to purchase televisions as needed from Stereo Advantage and Video Center Repair not to exceed a total of \$150,000. A roll call vote was taken. Ayes: 14; Nays: 1, Kiedrowski; Absent: 2, Gallo, Bassett. The motion was carried. **(See Resolution # 27-2011).**

The Committee adjourned at 4:00 p.m.

5. Personnel Committee Report:

Committee Chairman Tom Wamp reported that the Personnel Committee met on Wednesday, September 28, 2011 at approximately 2:00 p.m.

The Committee discussed the development of an Ethics Committee. Mr. Henry Wojtaszek informed the Board that a five person committee will be in place by January 1, 2012.

Statistics of the newly developed Host Department were provided to the Directors. There was discussion regarding Staff's recommendation regarding further development of the Department.

A motion was made by Mr. Wamp and seconded by Mr. Lattimore to add one full-time and 2 part-time personnel to the Host Department. A unanimous voice roll call was taken. Ayes: 12; Nay: 0; Absent: 2, Bassett and Gallo.

c. Chairman Lattimore reminded the Directors of the retirement of Ms. Cyndie Wellman on November 11, 2011 as Human Resources Director. It is the recommendation of the Committee to fill this position.

A motion was made by Mr. Wamp and seconded by Mr. Lattimore to appoint Mr. William White as Director of Human Resources at a beginning annual salary of \$68,000 effective November 1, 2011. A roll call vote was taken. Ayes: 12; Abstain: 3; Haberer, Ruckman and White; Absent: 2, Bassett and Gallo.

6. Legislative Committee:

Committee Chairman Haberer reported that the Legislative Committee met on Wednesday, September 28, 2011 at approximately 4:00 p.m. Ms. Lisa Marrello and Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP were 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. Ms. Marrello discussed with the Committee the Senate hearings conducted by Senator Bonacic at which Messrs. Kane and Wojtaszek attended on September 6th and gave a testimony on behalf of WROTBC. Directors Garner and Siebert discussed their concerns with Mr. Kane briefly.

b. Messrs. Kane, Nolan and Wojtaszek discussed numerous communications with the New York Gaming Association (NYGA), which WROTBC is a member of. On October 13th Mr. Kane and NYGA members will be meeting with NY Lottery in Schenectady. Other meetings with NYGA are planned in October.

c. On September 20th Messrs. Kane and Nolan participated in a roundtable discussion in Albany with Assemblyman Pretlow's Racing Committee regarding out-of-state ADWs prohibition on licensing.

d. It was noted that the 2011 Symposium on Racing & Gaming will be held in Tucson, Arizona on December 5-8.

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

No action required by the Board.

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, September 28, 2011 at 3:00 p.m

8. Advertising Committee(continued):

- a. Director of Branch Operations, Sean Schiano commented on our ongoing Wednesday Night Handicapping Tournaments.
- b. Mr. Ryan Hasenauer provided the Committee with a display of advertisements for the upcoming month.
- c. Mr. Todd Haight recapped the OTB promotions and upcoming October events planned for the Batavia Downs Casino. The Committee was presented with the October "Show Me the Mummy" promotion, Player's Club and VIP promotions for October.
- d. Mr. Hasenauer briefed the Committee of the September "His & Hers" double car giveaway on September 30th and October 1st.
- e. The success of the Valet program statistics were provided to the Members. The new shuttle bus for the parking lot will be driven by staff from the Valet Service.
- f. A discussion of suggestions for the Clubhouse was held in support of Breast Cancer Awareness during the month of October.
- g. A motion was made by Ms. Tuohey and seconded by Mr. Ruckman to approve Promotions Manager Adam Bisbee and Host Supervisor Lisa Clark to attend a training seminar provided by Raving Marketing Consulting entitled "Drive Revenue & Grow Business – An Advanced Sales Model for Your Host Department" which will be held on December 4-6, 2011. A voice vote was taken. Ayes: 15; Nays: 0; Absent: 2, Bassett and Gallo.

The Committee meeting adjourned at 3:45 p.m.

9. Audit Committee:

Vice Chairman Richard Siebert reported that the Committee did not meet.

10. Property/Real Estate Committee:

Chairman John Clifford reported that the Committee met on September 28, 2011 at 3:55 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 office for installation by maintenance employees.
- c. Letters to corresponding municipalities' code/fire departments for required annual inspections have been mailed.
- d. The Committee entered into executive session to discuss real estate matters.

The meeting was adjourned at 4:08 p.m.

11. Batavia Downs Committee:

Committee Chairman Paul Lattimore called the Committee meeting to order on Wednesday, September 28, 2011 at approximately 5:00 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 approval for the smoking room expansion has been unofficially verbally approved with written approval pending. An additional 32 machines will be placed in this area. Upon approval the expansion will be out to bid as quickly as possible with a possible completion within 100 days after commencement. Genesee County Health Department has approved the expansion.
- d. On September 12, 2011 bids were opened for the replacement of the Maintenance Building Garage Roof. After review from Fraser Engineering and Design Services, the recommendation of the most reliable bidder offering the lowest bid was recommended to the Officers and Staff.

11. Batavia Downs Committee (continued):

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: 2, Bassett and Gallo.

A motion was made by Mr. Lattimore and seconded by Mr. White to award the bid for replacement of the Maintenance Building Garage Roof to A. M. Stern, Inc. in the amount of \$108,360.00. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2, Bassett and Gallo. **(See Resolution # 25-2011)**. The motion passed.

e. Mrs. Gayle Ashbery informed the Board of the bid opening for a 14 Passenger Electric Shuttle Bus. The sole source for this per specifications was Gorman Enterprises in the amount of \$42,737.00.

A motion was made by Mr. Lattimore and seconded by Mr. Garner to purchase the 14 Passenger Electric Coach Bus from Video Gaming Marketing Fund from WNY Bus Parts, Inc./dba Gorman Enterprises in the amount of \$42,737.00. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2, Bassett and Gallo. **(See Resolution # 26-2011)**. The motion passed.

f. Mr. Todd Haight informed the Committee of that annual Robert J. Kane Memorial Pace will be held on October 8, 2011. The Corporation was asked to contribute \$30,000 to the race purse and the Western New York Harness Horsemen's Association contracted obligation is \$10,000. Staff requests Board's authorization to fund the purse in the amount of \$30,000.

A motion was made by Mr. Lattimore and seconded by Mr. White to contribute \$30,000 to the Robert J. Kane Memorial Pace purse. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2, Bassett and Gallo. The motion passed.

g. The Committee was informed of the desire to purchase a 2012 Ford SUV for the Marketing Department to travel to various events being held at branches or EZ Bet locations which has been approved by NY Lottery to be purchased from State contract.

A motion to waive the rules was made by Mr. Lattimore and seconded by Mr. Garner. A unanimous voice vote moved the motion.

A motion was made by Mr. Garner and seconded by Mr. White to purchase a 2012 Ford SUV for use of the Marketing Department. A roll call vote was taken. Ayes: 15; Nays: 0; Absent: 2, Bassett and Gallo. The motion passed.

11. Batavia Downs Committee (continued):

Chairman Bianchi noted that on Wednesday, September 21, 2011 Batavia Downs sponsored a fund raiser for the Breast Cancer Coalition which 50-60 people from the foundation attended. Approximately \$2500 was donated to the Coalition. A request to share words of thanks to staff that assisted in the evening's events.

The meeting adjourned at approximately 5:15 p.m.

12. Branch Operations:

Committee Chairperson Maurice Garner reported that the Committee met on Thursday, September 29, 2011 at approximately 9:30 a.m.

- a. Messrs. Mike Kane and Sean Schiano discussed with the Committee with various branch topics.
- b. An update on the concessionaire for Niagara Falls was provided by General Counsel Wojtaszek and Sean Schiano.
- c. Mrs. Joann Algier and Mr. Sean Schiano provided the Committee with an update on the progress of the Webster branch.
- d. During the month branches have been visited. A report was provided to the Committee by Chairman Garner and Messrs. Sean Schiano and Edward Merriman.
- e. Messrs. Schiano and Merriman informed the Committee that a concessionaire has been found for the Phoenix branch. Mr. Mike Lattimore has agreed to be the concessionaire at the Phoenix Branch.

A motion was made by Mr. Darrow and seconded by Mr. Garner to enter into an agreement with Mr. Mike Lattimore as the concessionaire for the Phoenix Branch. A voice vote was taken. Ayes: 14; Nays: 0; Abstain: 1, Lattimore; Absent: 2, Bassett and Gallo. The motion passed.

f. Ms. Cyndie Wellman provided an update on pending EZ Bet applicants and approved applications.

g. Mr. Kane provided information regarding internet/phone proposal. It was indicated that tentatively this platform should be in place by or near 2012.

12. Branch Operations (continued):

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

13. Resolutions:

- # 25-2011 Maintenance Building Garage Roof Repair
- # 26-2011 Electric 14-Passenger Bus Purchase Approval
- # 27-2011 Television Purchase Approval

14. Unfinished Business:

Director John Clifford inquired about the operation of the shuttle bus. Mr. Kane informed the Board that this service will be contracted with the present valet Service, Valet Park of America.

15. New Business:

Chairman Bianchi asked for one volunteer from the Board of Directors to meet with the Officers every other month in preparation of focusing on the referendum, whenever it passes, to be prepared to put into motion the next phase of construction.

Director Haberer noted that the September after meeting tour of Finger Lakes Race Track was very impressive. Attention was paid to the shuttle bus which is anticipated to be similar to the Batavia Downs shuttle bus.

The next Committee and Board meetings will be held on October 26 and October 27, 2011 respectively.

16. Adjournment:

Mr. Darrow made a motion to adjourn which was seconded by Mr. Haberer. The meeting was adjourned at 10:36 a.m.

Respectfully submitted,



Henry F. Wojtaszek
Secretary to the Board