

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 September, 2012, and commencing at 10:02 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
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 L. Ricci
Steuben	John Clifford
Wayne	Ken Lauderdale
Wyoming	Jim Foley

Absent:

P. Lattimore

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; William R. White, Vice President - Administration; Cindy DeCarlo, Controller/Finance Manager, ; Mark Wolf, Director of Video Gaming & Marketing; Barb Mruczek, Deputy Comptroller; Joann Algier, Director of Real Estate & Property Management; Jim Haas, Mutuels Manager; Ryan Hasenauer, Director of Marketing-WROTb and Video Gaming; Steven J. Haigh, Internal Auditor; EJ Merriman, Manager of Branch Operations and Sean Schiano, Director of Branch Operations. Also attending was Tom Rivers, Daily News Reporter.

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

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

Chairman Bianchi asked Director Roger Ruckman 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 29, 2012. One correction was made. A motion was made by Mr. Darrow and seconded by Mr. Haberer to approve the minutes as corrected. The motion was carried by voice vote.

2. Communications:

No Communications.

3. Officers' Reports:

No Officers Reports.

4. Finance Committee Report:

Committee Chairman Ron Darrow reported that the Finance Committee meeting was held on Wednesday, September 26, 2012 at 2:33 p.m. and the following business was considered.

a. The Committee was advised of the two financial advisors Bonadio and CMA who will recommend the best financing options by Mrs. Leach for Batavia Downs capital projects.

b. The 2013 Preliminary Operating Plan was presented to the Committee for review. Mrs. Leach highlighted assumptions and certain revenues and expenses. A workshop to discuss the plan was suggested. Tentatively, the final Plan will be presented for approval at the December 2012 meeting.

c. Mrs. Leach presented the August 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, September 26, 2012 at approximately 1:30 p.m.

a. Messrs. Mike Nolan and William White provided the Committee with a summary of the Operations Review. The Department Heads have been reviewing the employee hours worked, analyzing the efficiency of staffing and making adjustments to become more cost effective.

5. Personnel Committee Report (continued):

- b. Mr. White informed the Committee that approximately 70 employees will participate in Harassment/Non-Discrimination Training sessions which will be held on October 10 and October 11, 2012.
- c. Department heads are in the process of completing employee evaluations.
- d. Union negotiations for supervisory, non-supervisory and gaming employee contracts will begin tentatively in two weeks.

6. Legislative Committee:

Chairman Richard Siebert reported that the Legislative Committee met on Wednesday, September 26, 2012 at 4:00 p.m. Mr. Nicholas Antenucci from Wilson Elser Moskowitz Edelman & Dicker, LLP, Mr. Mark Meyerhofer from Patricia Lynch Associates, and Mr. Rick Winter of Richardson Management were available via telephone conference.

- a. The Committee was provided with an update on the Albany Legislative activities regarding various issues.
- b. Mr. Mike Kane informed the Committee of information regarding the Legislator's Day to be held at Batavia Downs. The date of the meeting has not been confirmed.
- c. Mr. Nolan reported on recent County and City presentations seeking support of full casino gaming.
- d. Mr. Mike Kane provided the Committee with a schedule of future meetings.
- e. Messrs. Kane and Wojtaszek summarized the recent NYGA meeting which was held at Batavia Downs on September 11, 2012.
- f. Mr. Kane discussed the recent Seneca Nation of Indians arbitration to settle a dispute with NYS on gaming issues with the Committee.
- g. The Directors discussed the NYS Racing & Wagering ADW Report.

7. Insurance Committee:

Vice Chairman Dennis Bassett reported that the Committee did not meet this month.

8. Advertising Committee:

Chairman John Clifford reported that the Committee met on Wednesday, September 26, 2012 at 4:00 p.m.

- a. Director Clifford recapped the recent visit to Darien Lake which included himself, Director Tuohey, Ryan Hasenauer, and Mike Nolan. A mini tour of the facility was conducted. The four sponsorship programs were presented.
- b. Messrs. Hasenauer, Haight, and Schiano recapped the coupon program with the Directors.
- c. Ryan Hasenauer recapped September's IGT themed promotions. October's Halloween themed promotions were previewed. A recent customer survey was conducted. A summary was presented to the group.
- c. Todd Haight provided a recap events of Live Racing.

9. Audit Committee:

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

10. Property/Real Estate Committee:

Chairman Marcia Tuohey reported that the Committee met on Wednesday, September 26, 2012 at 3:30 p.m.

Mrs. Algier provided the Committee with a review of the following branches:

- a. A purchase offer for the State Street property has been received from Antonio Cilino in the amount of \$125,000. Staff recommends that the Board approves the sale of 131-133 State Street, Rochester, New York.

A motion was made by Mr. Clifford and seconded by Mr. Ruckman to accept the purchase offer for \$125,000 for the Sale of State Street Property. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was carried.

10. Property/Real Estate Committee (continued):

- b. An interest in the Hudson Avenue property has been received from a realtor. More information will follow at the next meeting.
- c. The façade repair and other work are continuing at the Bullshead branch.
- d. A meeting with a fence vendor for the Delaware Avenue location was held on 11-20. Quotations are pending.
- e. Parking lots at Albion, Jamestown, Newark Phoenix and all Rochester owned locations have been patched, sealed and striped. Buffalo locations have been patched.

11. Batavia Downs Committee:

Vice Chairman Richard Siebert reported that the Committee meeting was held on Wednesday, September 26, 2012 at 1:59 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. A summary of the capital project was provided by Mr. Mike Kane.
- d. Mr. Kane briefed the Committee on the energy savings project. National Grid, FlexTech, and NYSERDA have provided information on indoor and outdoor lighting options.
- e. Mr. Mike Kane informed the Committee that the new Case Loader will be delivered shortly.
- f. Mr. Mike Nolan indicated that Staff recommends the purchase of coffee for the restaurants from Boston's Best Coffee vendor.

After discussion by members, a motion was made by Mr. Siebert and seconded by Mr. Darrow to purchase coffee from Boston's Best Coffee at a cost of \$7,500. A roll call vote was taken. Ayes: 14; Nays: 1, Clifford; Absent: 2, Lattimore and Garner. The motion was carried. **(See Resolution # 45-2012).**

12. Branch Operations:

Chairperson Maurice Garner reported that the Committee met on Thursday, September 27, 2012 at approximately 9:30 a.m.

- a. Messrs. Sean Schiano and Jim Haas provided the Committee with information regarding PCs, Kiosk, and printers in branches. Various vendors have provided quotations which will be reviewed.
- b. Messrs. Ryan Hasenauer and Jim Haas updated the Committee on the status of the gaming website and a recent meeting with CORE101.
- c. An update of the Tote contract was provided by Mr. Haas.
- d. Mr. Jim Haas provided the Committee with the Internet (ADW) pending approval of the Racing & Wagering Board.
- e. Messrs. Schiano and Merriman reported activities at the EZ Bet locations.
- f. Mr. Sean Schiano provided the Committee with the status of the Olean smoking waiver and the actions to be taken.
- g. The Phoenix concessionaire, Mike Lattimore, has recently purchased the NFL package, at no expense to WROTBC. Mr. Schiano also reported that a full liquor license has been received for Phoenix.

13. Resolutions:

45-2012 Boston's Best Coffee Purchase Authorization

14. Unfinished Business:

Mr. Mike Kane provided the Board with a proposed proclamation for former Director Mr. Joseph Gallo. After minor changes, the Board accepted the proclamation. More information regarding the presentation to Mr. Gallo will follow.

15. New Business:

- a. Director Clifford acknowledges Staff's efforts on the transition to iPads. A suggestion was made to hold a workshop on the use of Face Time for Director's to use when not attending meetings.

15. New Business (continued):

- b. Mr. Kane advised the Board of the 2012 Symposium in Tucson, Arizona and the need for approval for out-of-state travel for Messrs. Bill White, Henry Wojtaszek and himself. A motion was made by Mr. Clifford and seconded by Mr. Bassett. A voice vote was taken. Ayes: 16; Nays: 0; Absent: 1, Lattimore. The motion was carried.
- c. Mr. Kane advised the Board of the newly appointed Director of NY Lottery, Mr. Rob Williams who will be visiting WROTBC in October.
- d. Mention was made that the 10th annual Robert J. Kane Memorial Pace will be held on October 6th.
- e. The next Committee and Board meetings will be held on October 24 and October 25, 2012 respectively.

16. Adjournment:

A motion was made by Mr. Ruckman to adjourn the meeting which was seconded by Mr. Clifford at 10:27 a.m.

Respectfully submitted,

Henry F. Wojtaszek
Secretary to the Board

HFW/dmf