

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

PUBLIC MEETING
Cadillac Place
3062 W. Grand Blvd., Suite L-700
Detroit, Michigan

Tuesday, April 8, 2014
9:30 a.m.

MINUTES

On Tuesday, April 8, 2014, the Michigan Gaming Control Board held a public meeting at the Board office in the Cadillac Place, 3062 W. Grand Boulevard, Suite L-700, Detroit, Michigan.

Present: In attendance were the following Board members:

Mr. Robert Anthony, Chairperson
Mr. Patrick McQueen
Mr. Andrew Palms
Mr. Dennis Beagen
Mr. Michael Watza

Also attending was:

Richard Kalm, Executive Director
Darryl Hill, Inspector, MSP
Donald McGehee, Assistant Attorney General
Diane Brown, Board Secretary

Absent: None

Business:

Mr. Anthony called the public meeting to order at 9:32 a.m. It was noted for the record, all members were present. There was no preliminary business for discussion.

Mr. Anthony stated the first order of business was to approve the minutes from the Board's special public meeting held March 12, 2014. Mr. Anthony noted all Board members had previously received copies of the minutes and asked if there were any questions, concerns, or corrections.

There being none, a motion was made by Mr. Watza which was supported by Mr. Palms that the Board accept and approve the minutes of the March 12, 2014, special public meeting. A voice vote was taken.

Motion carried.

Mr. Kalm reported since the last Board meeting Anita Mullins and Bruce Gentry resigned their positions with the Board. Adrienne St. Peter was hired as a Departmental Technician in the Enterprise Licensing Section and Holli Doyle was promoted to Manager in the Financial Services Section. There are currently 121 employees working and 26 vacant positions. The full Board roster includes the millionaire party enforcement and regulation group.

In regard to the Board's budget, as of March 31, 2014, total expenditures were \$9,113,608 which leaves an unexpended balance of \$17,355,692 in appropriated funding for fiscal year 2014; this includes funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

Mr. Kalm next reported aggregate revenue for the three Detroit casinos for the month ending March 31, 2014, was down 7.3% compared to March 2013. Revenue was up 13.0% compared to February 2014. Year-to-date through March 31, 2014, aggregate revenue was down 5.9% compared to the same period last year.

Revenue for MGM was down 6.6% to \$50.8 million, MotorCity revenue was down 6.1% to \$43.0 million, and Greektown was down 10.0% to \$31.2 million, when compared with March 2013.

The market shares for MGM, MotorCity, and Greektown for March 2014 were 41%, 34%, and 25%, respectively.

For the month ending March 31, 2014, gaming taxes for the three Detroit casinos were \$10.1 million compared to \$10.9 million for the same period in 2013.

For the quarter ending March 31, 2014, aggregate revenue was down 5.9% compared to the same period last year. Gaming revenue for MGM, MotorCity, and Greektown for the quarter ending March 31, 2014, was \$139.6 million, \$111.9 million, and \$80.1 million, respectively.

Revenue for the quarter ending March 31, 2014, for MGM was down 4.3%, MotorCity was down 8.2%, and Greektown was down 8.2% when compared to the same period last year.

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board as of March 31, 2014, 1,211 active vendor exemptions were registered. Vendors with exemptions are authorized to conduct business with the three Detroit casinos without having to go through the full licensure requirement. As of March 31, 2014, 409 casino supplier companies were granted exemptions from supplier licensing requirements. As of March 31, 2014, there were a total of 11 active temporary nongaming-related and four active temporary gaming-related supplier licenses in effect. In addition there are 127 annual supplier licenses in effect.

In regard to employee licensing, Mr. Kalm advised the Board as of March 31, 2014, the Board's Employee Licensing section issued a total of 2,168 occupational licenses to MGM employees; 1,727 occupational licenses to MotorCity employees; and 1,477 occupational licenses to Greektown employees. In addition, through the month of March 2014, 1,626 employees of various licensed casino suppliers have been granted occupational licenses. There are currently 45 temporary occupational licenses issued.

Mr. Kalm advised the Board for the month of February and March the required background investigations for 92 pending Level 1 and 2 licenses had been completed and would be

considered for approval by the Board at this meeting and pursuant to Board Resolution No. 2002-02, Mr. Kalm stated he previously approved 378 renewal requests and 37 Level 3 requests on behalf of the Board.

Mr. Kalm reported on Michigan State Police (MSP) Board-related activity. Since the last public meeting, one detective lieutenant position, two detective sergeant positions, and nine detective specialist positions remain vacant.

Mr. Kalm informed the Board of several noted MSP activities for the month of March, which were not available in the public forum but for Board information only.

Next, the Board considered for approval the recommendations of the Executive Director and the Licensing & Regulation Division's staff regarding the 92 Level 1 and 2 occupational license applications.

There being no questions from Board members, it was moved by Mr. Beagen and supported by Mr. Palms that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Regulation Division's staff for the pending 92 Level 1 and 2 occupational license applications. A voice vote was taken.

Motion carried.

The next agenda item was consideration of the pending supplier license applications of Happ Controls, Inc., and Sachse Construction and Development Company, LLC d/b/a Sachse Construction.

There being no questions from Board members a motion was made by Mr. Palms and supported by Mr. Beagen that the Board enter Orders finding and concluding the applicants are eligible and suitable for licensure and accordingly, grant the request. A voice vote was taken.

Motion carried.

Next agenda item was consideration of the pending supplier license renewal applications of Chef Source, Inc.; General Linen Supply Company d/b/a General Linen and Uniform Service; House Advantage LLC; Midwest Game Supply Company; MIG East, LLC; The End Zone Chicken & Ribs, LLC; and Women's Economic Empowerment Group, Inc.

There being no questions from Board members a motion was made by Mr. Watza and supported by Mr. Beagen that the Board enter Orders finding and concluding the above-listed suppliers and their qualifiers are eligible and suitable for licensure and, accordingly, grant the requests for a new one-year period. A voice vote was taken.

Motion carried.

Next on the agenda item was the consideration of the suitability of Michael William Slaughter as a new key person for supplier licensee, The United States Playing Card Company. There being no questions from Board members it was moved by Mr. McQueen and supported by Mr. Watza that the Board enter an Order finding and concluding Mr. Slaughter is suitable as a new key person of The United States Playing Card Company. A voice vote was taken.

Motion carried.

Next was the consideration of the suitability of Todd Francis McTavish as a new key person for supplier licensee, MultiMedia Games, Inc. There being no questions from Board members it was moved by Mr. Beagen and supported by Mr. Palms that the Board enter an Order finding and concluding Mr. McTavish is suitable as a new key person of MultiMedia Games, Inc. A voice vote was taken.

Motion carried.

The next agenda item was the consideration for approval of the Transfer of Interest for The End Zone Chicken & Ribs, LLC. There being no questions from Board members, a motion was made by Mr. Palms and supported by Mr. Watzka that the Board approve the Transfer. A voice vote was taken.

Motion carried.

There were no requests for public comment.

Mr. Anthony then stated the Board's next regular public meeting is scheduled for Tuesday, May 13, 2014, at 9:30 a.m.

Mr. Anthony then announced the Board would entertain a motion to go into closed session. A motion was made by Mr. Watzka and supported by Mr. Beagen. A roll call vote was taken.

Motion carried.

Following the closed session, Mr. Anthony asked for a motion to adjourn the public meeting. It was moved by Mr. Beagen and supported by Mr. McQueen to adjourn the meeting. A voice vote was taken.

Motion carried.

Meeting adjourned at 10:40 a.m.

Diane Brown, Board Secretary