

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, June 16, 2015
9:30 a.m.

MINUTES

On Tuesday, June 16, 2015, the Michigan Gaming Control Board held a public meeting at the Board's 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. Michael Watza
Ms. Carla Walker-Miller

Also attending was:

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

Absent: None

Business:

Mr. Anthony called the public meeting to order at 9:33 a.m. It was noted for the record, all members were present. Mr. Anthony introduced Ms. Carla Walker-Miller as the newest Board member. Ms. Walker-Miller will fill the vacancy left by Dennis Beagen and her term will expire December 31, 2016. There was no other preliminary business for discussion.

Mr. Anthony stated the first order of business was to approve the minutes from the Board's last regular public meeting held May 12, 2015. Mr. Anthony noted all Board members 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. McQueen, which was supported by Mr. Watza for the Board to accept and approve the minutes of the May 12, 2015, regular public meeting. A voice vote was taken.

Motion carried.

Mr. Kalm presented his report to the Board stating Auditor Elizabeth Orr was promoted to a Lead Auditor position, Mirralle Bennet was hired as a Departmental Technician in the Administration

Division, and Charlotte Goodnough was hired as a Regulation Officer Intern in the Licensing & Investigations Division. MGCB currently has 138 employees and 11 vacant positions.

In regard to the Board's budget, as of May 31, 2015, total expenditures were \$14,764,634 leaving an unexpended balance of \$12,416,166 in appropriated funding for fiscal year 2015 which includes funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

Mr. Kalm next reported for the month ending May 31, 2015, aggregate revenue for the three Detroit casinos was up 4.6 percent when compared to the same period last year. Year-to-date gaming revenue for the three Detroit casinos was up 5.6 percent compared to the same period in 2014.

For the three-month period ending May 31, 2015, aggregate revenue was up 3.6 percent compared to the same period last year. Gaming revenue for the three-month period was: MGM \$153.4 million, MotorCity \$123.8 million, and Greektown \$87.1 million.

For the three-month period MGM was up 5.7 percent, MotorCity was up 2.9 percent, and Greektown was up 0.8 percent compared to the same three-month period last year.

Taxes for the three-month period ending May 2015 for the three Detroit casinos were \$29.5 million compared to \$28.5 million for the same three months in 2014.

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board as of May 31, 2015, 795 active vendor exemptions were registered. As of May 31, 2015, 438 casino supplier companies have been granted exemptions from supplier licensing requirements. As of May 31, 2015, there was a total of 13 active temporary nongaming-related and three active temporary gaming-related supplier licenses in effect. In addition, there are 106 annual supplier licenses in effect.

In regard to occupational licensing, Mr. Kalm advised the Board as of May 31, 2015, the Board's Employee Licensing section issued a total of 2,182 occupational licenses to MGM employees; 1,732 occupational licenses to MotorCity employees; and 1,480 occupational licenses to Greektown employees. In addition, through the month of May 2015, 1,619 employees of various licensed casino suppliers have been granted occupational licenses. There are currently 69 temporary occupational licenses.

Mr. Kalm advised the Board since the May meeting, the required background investigations for 57 pending Level 1 and 2 occupational licenses have been completed. Pursuant to Board Resolution No. 2002-02, Mr. Kalm previously approved 249 renewal requests and 70 Level 3 requests on behalf of the Board.

Mr. Kalm reported on Michigan State Police (MSP) Board-related activity. It was noted MSP has several vacancies.

Concluding his report, Mr. Kalm informed the Board of several noted MSP activities for the month of May 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 & Investigations Division's staff regarding the 57 Level 1 and 2 occupational license applications.

There being no questions from Board members, it was moved by Mr. McQueen and supported by Mr. Watza that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Investigations Division's staff for the pending 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 Dee Cramer, Inc.; Diversified Construction Specialists, Inc.; Johnson and Wood, LLC; and Mastercraft FC LLC.

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

Motion carried.

Next agenda item was consideration of the pending supplier license renewal applications of Aristocrat Technologies, Inc.; Dillon Energy Services, Inc.; Gold Star Equipment, Inc. d/b/a Gold Star Products; Heldon Shoe Company d/b/a Red Wing Shoes; Hercules & Hercules, Inc.; Interblock Luxury Gaming Products D.d. d/b/a Interblock D.d.; Just For Fun, Inc. d/b/a JFF Uniforms; Kimprint, Inc. d/b/a Progressive Printing; Konami Gaming; Rhiannon Creations, Inc. d/b/a Body Bliss; Thermal-Netics, Inc.; Tier One Marking, LLC; Tom Maceri and Son, Inc.; and Ultralevel, Inc.

There being no questions from Board members, Mr. Palm made a motion which was supported by Mr. Watza that the Board enter Orders finding the above-listed suppliers and their qualifiers eligible and suitable for license renewal and, accordingly, grant the requests for a new one-year period. Mr. McQueen recused himself from the vote on Dillon Energy Services, Inc. A voice vote was taken.

Motion carried.

Next on the agenda was to consider the request for withdrawal of the supplier license application of WMS Gaming, Inc.

There being no questions from Board members, a motion was made by Ms. Walker-Miller and supported by Mr. Watza that the Board enter an Order granting the request. A voice vote was taken.

Motion carried.

Next was the consideration of the suitability of Daniel B. Gilbert Property Trust u/a/d October 31, 2011 and DG Ohio Ventures LLC as new Key persons of Greektown Casino, LLC. There were no questions from Board members therefore it was moved by Mr. McQueen and supported by Mr. Watza that the Board enter an Order finding and concluding Daniel B. Gilbert Property Trust u/a/d October 31, 2011 and DG Ohio Ventures LLC are suitable as new Key persons of Greektown Casino, LLC. A voice vote was taken.

Motion carried.

Mr. Anthony announced the next public meeting would be held on Tuesday, September 8, 2015 at 9:30 a.m.

Lastly, a motion was made by Mr. Watza which was supported by Mr. Palms for the Board to go into closed session. A roll call vote was taken. All members voted aye.

Motion carried.

The Board returned from closed session at 10:18 a.m. and Mr. Anthony then asked for a motion to approve the minutes from the closed session held May 12, 2015. Mr. Watza put forth the motion which was supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Lastly, Mr. Anthony asked for a motion to adjourn the public meeting which was made by Mr. Watza and supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Meeting adjourned at 10:18 a.m.

Diane Brown, Board Secretary