

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

PUBLIC MEETING
Cadillac Place
3062 W. Grand Blvd., Suite L-700
Detroit, Michigan 48202

May 7, 2018 9:30 a.m.
MEETING MINUTES

On Monday, May 7, 2018, the Michigan Gaming Control Board held a public meeting at the Board's office in Cadillac Place, 3062 W. Grand Boulevard, Suite L-700, Detroit, Michigan 48202.

Present: In attendance were the following Board Members:

Mr. Robert Anthony, Chairman
Mr. Patrick McQueen
Mr. Andrew Palms
Ms. Barbara Smith

Absent:

Ms. Carla Walker-Miller

Also attending:

Richard Kalm, Executive Director
Philip Menna, MSP
Don McGehee, Assistant Attorney General
Bethany McCune, Assistant Attorney General
Diane Brown, Board Secretary

Business:

Mr. Anthony called the meeting to order at 9:44 a.m. There was no preliminary business to discuss.

Mr. Anthony stated the first order of business was to approve the minutes from the Board's regular public meeting held March 13, 2018. It was noted Board Members previously received copies of the minutes. Board Members were asked if there were any questions, concerns, or corrections. Mr. Anthony requested an amendment be made as follows:

*"Mr. Anthony then requested **suggested** Mr. Kalm research and design a system whereby there could be standardized fines for certain levels of Acknowledgement of Violation matters. Mr. Anthony believes there is too much time wasted wordsmithing documents and dealing with routine matters. A standardized fine schedule will be worthwhile for everybody involved when dealing with routine matters. Mr. Anthony requested **suggested** Mr. Kalm present a proposal to the Board at the next meeting."*

A motion was made by Mr. McQueen and supported by Ms. Smith that the Board accept and approve the minutes of the March 13, 2018, regular public meeting with the requested amendment. A voice vote was taken.

Motion carried.

Executive Director Kalm presented his report to the Board stating since the March 2018 meeting four new employees were hired and one employee resigned. MGCB has 138 full-time employees and 11 vacant positions.

Regarding the Board's budget, as of April 30, 2018, total expenditures were \$13,801,804 leaving an unexpended balance of \$17,286,305 in appropriated funding for fiscal year 2018, which includes funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

For casino operations, Mr. Kalm reported aggregate revenue for the three Detroit casinos for the month of April 2018 was up 2.5% when compared to April 2017. Revenue was down 10.5% when compared to March 2018. For year-to-date April 30, 2018, the aggregate revenue for the Detroit casinos was up .6% compared to the same period last year.

For the month ending April 30, 2018, MGM revenue was up 3.2% to \$51.2 million, MotorCity was up 3.7% to \$43.7 million, and Greektown was down .5% to \$29.1 million, when compared to the same month last year.

Market shares for April were MGM 41%, MotorCity 35%, and Greektown 24%.

For the month ending April 30, 2018, the three Detroit casinos reported gaming taxes of \$10 million compared to \$9.8 million for the same period last year. The three Detroit casinos reportedly submitting \$14.8 million in wagering taxes and development agreement payments to the City of Detroit during 2018.

For the three-month period ending April 30, 2018, aggregate revenue was up .9% compared to the same three-month period in 2017. Compared to 2017, revenue for all three casinos was MGM up 2.2 percent to \$155.2 million, MotorCity up 2.7% to \$131.3 million, and Greektown down 3.9% to 86.3 million.

Regarding supplier licensing and vendor registration, Mr. Kalm advised the Board that as of April 30, 2018, 695 active vendor exemptions were registered. As of April 30, 2018, 289 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of seven active temporary nongaming-related and three active temporary gaming-related supplier licenses in effect. There are 101 annual supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised the Board as of April 30, 2018, the Board's Employee Licensing section issued a total of 2,153 occupational licenses to MGM employees; 1,704 occupational licenses to MotorCity employees; and 1,461 occupational licenses to Greektown employees. In addition, 1,598 employees of various licensed casino suppliers have been granted occupational licenses. Currently, there are 72 temporary occupational licenses outstanding.

Mr. Kalm advised the Board since the March 2018 meeting, the required background investigations of 143 pending Level 1 and Level 2 occupational licenses have been completed. Mr. Kalm previously approved 600 renewal requests and 99 Level 3 requests on behalf of the Board.

Mr. Kalm also reported Michigan State Police (MSP) Board-related activity and staffing update.

Next, the Board considered for approval, the recommendation of the Executive Director and the Licensing & Regulation (sic) Division's Employee Licensing staff regarding the 143 Level 1 and Level 2 occupational license applications.

There being no questions from Board Members, it was moved by Mr. Palms and supported by Mr. McQueen and Ms. Smith that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Regulation (sic) Division for the pending Level 1 and Level 2 occupational license applications. A voice vote was taken.

Motion carried.

The next agenda item was consideration of the Licensing & Investigations Division's recommendations regarding the pending supplier license applications of Concept 3, LLC; Gaming Laboratories International, LLC; MarxModa, Inc.; and Surveillance System Integration, Inc.

There were no questions from Board Members. A motion was made by Mr. McQueen 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 requests of Atlas Wholesale Foods Company with New Key Person David (sic) Charles Van Tiem; Carmela Foods Distributing, Inc. with New Key Persons Francis Ralko III, Paul Anthony Buscemi, and Carmela Vicari Gray; Conti Corporation with New Key Person Joseph Edward Rieger; Everi Payments, Inc.; Gable Sign & Graphics, Inc.; Gaming Partners International USA, d/b/a GPI USA; Gasser Chair Co., Inc.; Halifax Security, Inc., d/b/a North American Video; International Market Place, Inc., d/b/a Fishbones Rhythm Kitchen Café; Konami Gaming, Inc.; Lavdas Enterprises, Inc., d/b/a Lavdas Limousines, Inc.; and Tier One Marketing, LLC.

There being no questions from Board Members, Mr. Palms supported the motion put forth by Ms. Smith that the Board enter Orders finding the mentioned suppliers and their qualifiers eligible and suitable for license renewal and, accordingly, grant the requests for a one-year period. A voice vote was taken.

Motion carried.

The next agenda item was to consider the Licensing & Investigations Division's recommendation regarding the Suitability of New Key Person of supplier licensee Northern Lakes Seafood & Meats LLC, Blake Alexander Groskind. There was no discussion or questions regarding the recommendation, therefore, a motion was made by Mr. Palms and supported by Mr. McQueen to approve the request. A voice vote was taken.

Motion carried.

Next on the agenda was to consider the Licensing & Investigations Division's recommendation regarding the pending transfers of interest for Carmela Foods Distributing, Inc.; Incredible Technologies, Inc.; Mastercraft FC; and Northern Lakes Seafood & Meats, LLC. There were no questions from Board Members. Mr. McQueen put forth the motion for approval which was supported by Mr. Palms and Ms. Smith. A voice vote was taken.

Motion carried.

The next item on the agenda was to consider the Licensing & Investigations Division's recommendation regarding the withdrawal of the supplier license application of supplier licensee Dumas Construction Services, Inc. There were no questions from Board Members. A motion to approve the withdrawal was made by Ms. Smith and supported by Mr. Palms. A voice vote was taken.

Motion carried.

The next item on the agenda was to consider the Casino Audit & Enforcement Division's recommendation regarding the Acknowledgement of Violation of occupational licensee Brandon Gary. It was noted for the record that neither Mr. Gary nor his representative were present at the meeting. There were no questions from Board Members. A motion to approve the violation was made by Mr. Palms and supported by Ms. Smith. A voice vote was taken.

Motion carried.

Mr. Anthony stated that the research and design on a system for standardized fines for certain levels of Acknowledgement of Violation matters requested at the March 13, 2018 board meeting will be considered at the next meeting.

After the business portion of the meeting concluded, Mr. Anthony asked if there were any members of the public wishing to address the Board. There were none.

Mr. Anthony announced the Board's next regular public meeting would be held Tuesday, July 10, 2018, at 9:30 a.m.

A motion to go into closed session was made by Mr. McQueen and supported by Ms. Smith. A roll call vote was taken.

Motion carried.

Following the closed session, the Board resumed the public meeting for the purpose of approving the March 13, 2018 closed session minutes.

Mr. McQueen put forth the motion for approval which was supported by Mr. Palms. A voice vote was taken.

Motion carried.

Mr. Anthony then asked for a motion to adjourn the public meeting. A motion was made by Mr. Palms and supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Mr. Anthony adjourned the meeting at 10:31 a.m.

A handwritten signature in cursive script that reads "Diane Brown". The signature is written in black ink on a light-colored background.

Diane Brown, Board Secretary