Colorado Limited Gaming Control Commission

Minutes of Public Session
April 19, 2012

Public Session

I. Call to Order

The April 19, 2012 meeting of the Colorado Limited Gaming Control Commission was called to order by Chairman Robert Webb at approximately 9:30 a.m. at the Division of Gaming office, 17301 West Colfax Avenue, Suite #135, Golden, Colorado. Commissioners Roger Hutson, Douglas Darr, Jannine Mohr and Chuck Murphy were present, and a quorum existed.

Officials & Administrators in Attendance
Robert Webb, Chairman
Roger Hutson, Vice-Chairman
Jannine Mohr, Commissioner
Chuck Murphy, Commissioner
Ron Kammerzell, Director
Brenda Davis, Director of Administration
Laura Manning, Chief of Investigations
Ceri Williams, Senior Assistant Attorney General
Geri Clerkin, Chief Auditor
Vickie Floyd, Controller
Cameron Lewis, Public Information Officer
Flavio Quintana, Agent in Charge, Golden
Lad Sullivan, Agent in Charge, Central City
Gary Watada, Agent in Charge, Cripple Creek
Wendy Spaulding, Secretary to the Commission

Chairman Webb stated that Commissioner Darr, Sheriff of Adams County, was not sitting with the other Commissioners as he was resigning his Commission seat due to the redistricting that recently took place that put him in the same Congressional District as another Commissioner. The Chair thanked Mr. Darr for his service to the Division of Gaming and the State of Colorado.

Public Session

II. Opportunity for the Public to Address the Commission

The Chairman extended an opportunity for the public in attendance to address the Commission on any topic not on the agenda.

Mr. Darr, Sheriff of Adams County, came forward to express his gratitude for being part of the Commission, which, in his opinion is one of the best boards on which he has served. Mr. Darr stated he felt he learned a great deal in a short period of time and will miss being on the Gaming Commission.

Andy Hamblen, President, Colorado Gaming Association (CGA) and Senior Vice President and General Manager, Ameristar Casino in Black Hawk, gave an update on the March gaming statistics for the industry and apprised the Commission that the VLT bill discussed at the last meeting is still active and is currently in the Finance Committee.

III. Consideration of Disciplinary Actions

Ceri Williams, Senior Assistant Attorney General, presented the Order to Show Cause in Case No. SC 12-06, In the Matter of Jonathan D. Tibbs, Support License No. 40390 and the Findings, Conclusions and Orders in Case No. SC 11-36, In the Matter of Christina Marie Hilt, Support License No. 34696, Case No. SC 12-01, In the Matter of Monica Paradise, Support License #39957 and Case No. SC 12-02, In the Matter of Kelley Barrs, Support License #35711.

The Commission voted unanimously to approve and authorize the Chair to sign the disciplinary actions.

IV. Fiscal Year 2013 Budget Requests

Presentation by the Colorado Department of Local Affairs – Clay Brown, Regional Manager and Bret Hillberry, Program Administrator, presented the FY2013 budget request in the amount of $153,939 for the *Local Government Limited Gaming Impact Fund*, which is within the Colorado Department of Local Affairs. The Commission voted unanimously to approve the request as presented.

Presentation by the Colorado Department of Public Safety – Jim Davis, Executive Director and Terri Anderle, Budget Director, presented an overview of the budget requests for the three CDPS divisions that receive gaming funds.

- *Colorado State Patrol* – Colonel James Wolfenbarger, Chief, presented the FY2013 budget request of $2,627,941 and also provided detailed statistics and handouts concerning CSP activities in the gaming areas. The Commission voted unanimously to approve the request as presented.

- *Colorado Bureau of Investigation* – Ron Sloan, Director and Steve Johnson, Director, Gaming Unit, presented the FY2013 budget request in the amount of $877,917. The Commission voted unanimously to approve the request as presented.

- *Division of Fire Safety* – Theresa Staples, Acting Director, presented the FY2013 budget request in the amount of $179,060. The Commission voted unanimously to approve the request as presented.

Presentation by the Division of Gaming – Jill Vaughan, Budget Director, Enforcement Business Group, presented the FY2013 budget in the amount of $10,353,618. The Commission voted unanimously to approve the request as presented.

V. Rulemaking Hearing on Colorado Gaming Regulation 47.1-1401, Gaming Tax

The Commission voted unanimously to open the hearings on proposed amendments to Colorado Gaming Regulation 47.1-1401, Gaming Tax. Brenda Davis, Director of Administration, presented an overview of the methodology used in the process of setting tax rates for each fiscal year. In April, tax hearings are held to receive projections of the costs related to gaming from the State Judicial Department, the Department of Public Health and Environment, and the State Historical Society. The entities scheduled to provide testimony in May include the Cities of Black Hawk, Central and Cripple Creek, Gilpin and Teller Counties, the Colorado Gaming Association, Anton Collins Mitchell (contract CPA firm) and the Division of Gaming. Public comment is received following the scheduled testimony at each meeting.

The following presentations were then made:

- *Colorado State Judicial Branch* – Brenda Davis provided the Commission with a letter from the Office of the State Court Administrator, which contained projections for FY 2013 costs related to the impacts of legalized gaming. The impacts involve the workload of court clerks and county court judgeships in Gilpin and Teller Counties.

- *History Colorado* - Ed Nichols, President, History Colorado and Steve Turner, Director, State Historical Funds, presented an overview of projects that are funded by gaming revenue.

- *Public Testimony* – The public was given an opportunity to address the Commission on Regulation 47.1-1401. Nancy McCallin, President, Colorado Community College System, came forward to apprise the Commission that legislation passed requiring the Commission to take Amendment 50 recipients into account when setting the annual gaming tax rate. She respectfully requested that the Commission restore the tax rates to the levels that were in effect for the 2010/2011 tax year**.**

  The Commission voted unanimously to close and continue the hearings on May 24, 2012, stating that the meeting will be a week later then originally scheduled due to scheduling conflicts.

VI. Division Financial Statement

Vickie Floyd, Controller, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the eight (8) months ending February 29, 2012.

The Commission voted unanimously to approve the financial statement and authorize its distribution.

VII. Consideration of Organizational Matters

Approval of Minutes – Minutes of the March 15, 2012, Public Session of the Colorado Limited Gaming Control Commission were approved as presented.

Directors' Update:

Barb Brohl, Executive Director, was in attendance and had no comment.

George Thomson, Director, Enforcement Business Group, thanked Sheriff Darr for his service as a Commissioner.

Ron Kammerzell, Director, thanked the Commission for the support and approval of the Division's budget request. He also thanked Sheriff Darr for serving on the Gaming Commission and for his service to the State of Colorado.

Executive Session

Review of confidential reports from the Division of Gaming.

Public Session (Reconvened)

VIII. Approval of Licensing Actions

The Commission voted unanimously to approve the Change in Ownership of the Retail licenses for the Riviera Black Hawk, Inc. d/b/a Riviera Black Hawk Casino and the Horseshoe Casino, LLC d/b/a Canyon Casino and d/b/a Grand Plateau Casino, and to approve the Change in Ownership and renewal of the Manufacturer/Distributor and Operator licenses for Atlantic City Coin & Slot Service Company, Inc. d/b/a ACS, which shall expire two years from the date of their current expirations. The Commission also voted unanimously to issue the First Manufacturer/Distributor license for Monarch Growth, Inc. which shall expire two years from the date of its issuance.

Representatives from Monarch Growth, Inc. came forward to thank the Commission for the approval of their license and to thank the Division for their professional and supportive demeanor and hard work throughout the investigation. John Farahi, CEO, stated it was a pleasure to work with the team at the Division of Gaming.

Adjournment – The meeting was adjourned at approximately 12:25 p.m.

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Wendy Spaulding, Secretary to the Colorado Limited Gaming Control Commission