

Colorado Limited Gaming Control Commission

Minutes of Public Session
May 17, 2018

Public Session

I. Call to Order

The May 17, 2018 meeting of the Colorado Limited Gaming Control Commission was called to order by Chairman Roger Hutson at approximately 9:15 a.m. at the Division of Gaming office, 17301 W. Colfax Ave., Suite 135, Golden, Colorado. Commissioners Mohr, Mares and Carlson were present and a quorum existed. Commissioner Shirley was excused for good cause.

Officials & Administrators in Attendance

Roger Hutson, Chairman
Jannine Mohr, Vice Chairman
Tim Carlson, Commissioner
Cynthia Mares, Commissioner
Flavio Quintana, Senior Director, Enforcement
Donia Amick, Director
Kenya Collins, Director of Administration
Kirsten Gregg, Chief of Investigations
Paul Hogan, Chief Auditor
Vickie Floyd, Controller
Ceri Williams, Senior Assistant Attorney General
Lad Sullivan, AIC, Central City
Phil Spencer, Supervisory Investigator, Cripple Creek
John Madruga, AIC, Background Unit
Wendy Spaulding, Assistant to the Director and Secretary to the Commission
Terri Feagans, Licensing Specialist
Ryan Reather, Budget Director, Department of Revenue
Ramon Alvarado, Budget Manager, Enforcement Business Group
Jenna Culver, Budget Analyst, Enforcement Business Group

Executive Session

The Commission voted unanimously to go into Executive Session pursuant to sections 24-6-402(3)(a)(III), 12-47.1-522(1)(a) and 12-47.1-527(1) of the Colorado Revised Statutes to review confidential reports from the Division of Gaming.

Public Session (reconvened)

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. No one came forward.

III. Consideration of Licensing Actions

The Commission voted unanimously to approve the Renewal of the Retail License for G Investments, LLC d/b/a Colorado Grande Hotel and Casino. The license shall expire 2 years from the date of its current expiration.

IV. Consideration of Disciplinary Actions

Ceri Williams, Senior Assistant Attorney General, presented the Stipulation and Agreement in Case No. DOG17001258, In the Matter of Desi Paul Morejon, Support License No. 46671.

The Commission voted unanimously to approve and authorize the Chairman to sign the disciplinary action

V. Supplemental Budget Requests - Division of Gaming FY2018 and 2019

Flavio Quintana, Senior Director, presented the FY2019 Supplemental Budget Request for Criminal and Compliance Investigator Salary Increases.

The Commission voted unanimously to approve the changes to the budget as presented.

Kenya Collins, Director of Administration, presented the Supplemental Budget Request to address two impacts to the Division due to the passage of the Free Play rule change. The first is for required programming costs to the Division's tax system. The CGA agreed to pay \$250,000 in programming costs, however, spending authority of \$42,000 in FY18 and \$208,000 in FY19 is needed to accomplish this task. The second impact is due to the Division's increased workload and the proposed additional FTE to be filled as an Auditor II. The Division requested additional spending authority of \$84,000 for FY19 to accommodate this new position.

The Commission voted unanimously to approve the changes to the budget as presented.

VI. Consideration of Amendments to Colorado Gaming Rule 3 - Applications, Investigations, and Licensure

The Commission voted unanimously to open the hearing on Colorado Gaming Regulation, Rule 3 – Applications, Investigations and Licensure.

Ramon Alvarado, Budget Manager, Enforcement Business Group, presented a License Fee Analysis regarding Colorado Limited Gaming Regulation 47.1-305 for Fiscal Year 2018-19 and recommended no changes for this period.

Mr. Alvarado then presented a rate analysis prepared for the Background Investigation Hourly Rate for FY 2018-19. The analysis concluded the rate should be increased from \$69 to a rate of \$73 per hour.

The Chairman extended an opportunity for the public in attendance to address the Commission on Rule 3. No one came forward.

The Commission voted unanimously to close the hearing on Colorado Gaming Regulations, Rule 3, and to increase the hourly background investigation rate from \$69.00 to \$73.00, effective July 1, 2018.

VII. Division Financial Statement

Vickie Floyd, Controller, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the Nine (9) months ending March 31, 2018.

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

VIII. Consideration of Organizational Matters

Approval of Minutes – Minutes of the April 19, 2018 Public Session of the Colorado Limited Gaming Control Commission were approved as presented.

Directors' Update:

Donia Amick - Director, Division of Gaming, updated the Commission on Legislation beginning with SB18-191, Limited Gaming Impact Fund, which affects the distribution of money to DOLA and the General Fund. Director Amick also apprised the Commission of amendments to House Bill 18-1234 which clarifies laws governing simulated gaming activity.

Director Amick explained that as part of the Compact requirements, the Division will be meeting with both the Southern Ute and Ute Mountain Ute Tribes beginning next month. A conference call will be set up with the Ute Mountain Ute Tribe and the Southern Utes will attend the July Commission meeting. The Division will make its annual trip to visit both tribes in late September.

Director Amick proceeded to explain the Interagency Governmental Agreements (IGA's) that were included in the Commission packets. Most changes in the contracts were not substantive but were made to clarify requirements and promote more effective communication.

Director Amick then apprised the Commission that the Division prepared a Fact Sheet regarding Sports Betting that was posted on the website and distributed via email to Stakeholders regarding the Supreme Court decision. The Division fielded many calls and media requests regarding this issue. Director Amick explained that it is each State's right to allow Sports Betting but the activity is currently illegal in Colorado. Legalizing such activity would take a vote of the people of Colorado and would require legislative changes. Sports betting is currently criminalized under Title 18, and if it were to pass, determinations would need to be made regarding who, where and how it is regulated.

Chairman Hutson extended an opportunity for the public to address the Commission before it adjourned. No one came forward.

Adjournment – The meeting was adjourned at approximately 9:59 a.m.


Wendy Spaulding, Secretary to the Colorado Limited Gaming Control Commission