

Colorado Limited Gaming Control Commission

Minutes of Public Session
April 17, 2014

Public Session

I. Call to Order

The April 17, 2014 meeting of the Colorado Limited Gaming Control Commission was called to order by Chairman Roger Hutson at approximately 9:31 a.m. at the Division of Gaming office, 17301 W. Colfax Ave, Suite 135, Golden, Colorado. Commissioners Jannine Mohr, Chuck Murphy, Doug Darr and Bill Hughes were present, and a quorum existed.

Officials & Administrators in Attendance

Roger Hutson, Chairman
Jannine Mohr, Vice-Chairman
Chuck Murphy, Commissioner
Doug Darr, Commissioner
Bill Hughes, Commissioner
Ron Kammerzell, Deputy Senior Director, Enforcement Business Group
Laura Manning, Director
Brenda Davis, Director of Administration
Flavio Quintana, Chief of Investigations
Ceri Williams, Senior Assistant Attorney General
Geri Clerkin, Chief Auditor
Vickie Floyd, Controller
Jill Vaughan, Budget Director
Steven Paine, Budget Analyst
Kirsten Gregg, Agent in Charge, Golden
Lad Sullivan, Agent in Charge, Central City
Cameron Lewis, Communications Specialist
Allison Yunko, Secretary to the Commission

II. Opportunity for the Public to Address the Commission

Lois Rice, Executive Director, Colorado Gaming Association (CGA), provided the Commission with an update regarding the piece of legislation that the CGA is pursuing in the 2014 session, which would increase the amount of funding available in Colorado for gambling treatment and awareness. As a result of the proposed bill receiving opposition from the Colorado Municipal League, Colorado Counties, Inc. and the Special Districts Association, the CGA compromised with Representative Dianne Primavera to redraft the bill and call for a study committee to meet over the next year in order to determine problem gambling treatment and awareness impacts in Colorado. The study committee will also update a gambling prevalence analysis that has not been

revised since 1997. The new proposed bill is expected to be introduced into the 2014 legislative session within the next few days.

III. Fiscal Year 2015 Budget Requests

Presentation by the Colorado Department of Local Affairs – Kim Hernandez, Financial Administrator and Bret Hillberry, Program Manager, presented the FY2015 budget request in the amount of \$165,789 for the *Local Government Limited Gaming Impact Program*, 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 – Kathy Sasak, Interim Executive Director, and Teresa Anderle, Budget Director, presented an overview of the budget requests for the three CDPS divisions that receive gaming funds.

- *Colorado Bureau of Investigation* – Ron Sloan, Director, presented the FY2015 budget request in the amount of \$986,561. The Commission voted unanimously to approve the request as presented.
- *Colorado State Patrol* – Chief Scott Hernandez presented the FY2015 budget request in the amount of \$2,969,685 and also provided detailed statistics and handouts concerning CSP activities in the gaming areas. The Commission voted unanimously to approve the request as presented.
- *Division of Fire Prevention and Control* – Theresa Staples, Division Deputy Director, presented the FY2015 budget request in the amount of \$196,748. The Commission voted unanimously to approve the request as presented.

Presentation by the Colorado Division of Gaming – Jill Vaughan, Budget Director, Enforcement Business Group, and Steven Paine, Budget Analyst, Enforcement Business Group, presented the FY2015 budget request in the amount of \$11,276,620. The Commission voted unanimously to approve the request as presented.

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

The Commission voted unanimously to open the hearings on Colorado Gaming Regulation 47.1-1401, Gaming Tax. Geri Clerkin, Chief Auditor, 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, State Community College System and 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, State Share Recipients, Anton Collins Mitchell (contract CPA firm), the Division of Gaming, and the Colorado Gaming Association. Public testimony is received following the scheduled testimony at each meeting.

The following presentations were then made:

- *Colorado State Judicial Branch* – Geri Clerkin provided the Commission with a letter from the Office of the State Court Administrator, which contained projections for FY2015 costs related to the impacts of legalized gaming. The impacts involve the workload of court clerks and judgeships in Gilpin and Teller Counties.
- *Colorado Community College System, Colorado Mountain College, and Aims Community College* – Geri Clerkin provided the Commission with a letter from Dr. Nancy McCallin, President, Colorado Community College System, in which she expresses appreciation for the gaming tax proceeds and strongly requests that the Commission maintain the limited gaming tax rate schedule at its current levels. Next, Ms. Clerkin presented a letter of appreciation from Colorado Mountain College. Finally, Chief Auditor Clerkin indicated that Aims Community College was unable to attend the meeting; instead she relayed a message of gratitude from Aims Community College and informed the Commission that the gaming tax funds have been instrumental in maintaining tuition expenses and fees of Aims Community College at the same rate for the past four years.
- *Colorado Community College System* – Mark Superka, VP Finance and Administration, Colorado Community College System, presented an overview of the use of Gaming Tax proceeds by the Community Colleges in the State of Colorado and requested that the Commission make no change to the current tax structure. Commissioner Murphy requested additional information and Mr. Superka agreed to provide the same.
- *State Historical Society* – Ed Nichols, President, History Colorado, and Steve Turner, Vice-President, State Historical Fund, presented an overview of projects that are funded by gaming revenue and requested that the Commission make no change to the current tax structure.

The Chairman extended an opportunity for the public to testify on Regulation 47.1-1401, Gaming Tax. No one came forward.

The Commission voted unanimously to close and continue the Gaming Tax hearings on May 15, 2014 at its next regularly scheduled meeting.

V. Consideration of Disciplinary Actions

Flavio Quintana, Chief of Investigations, presented the Order of Summary Suspension in Case No. OSS DOG14001018, In the Matter of Miranda Sue Boswell, Support License No. 42748.

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

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 28, 2014.

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 20, 2014 Public Session of the Colorado Limited Gaming Control Commission were approved as presented.

Directors' Update:

Ron Kammerzell, Deputy Senior Director, Enforcement Business Group, welcomed back Commissioner Murphy.

Laura Manning, Director, Division of Gaming, informed the Commission and audience that Gary Watada, Agent in Charge, Cripple Creek, has announced his retirement after serving 24 years with the State of Colorado. Mr. Watada's final day will be Wednesday, April 30, 2014. Director Manning went on to discuss Agent in Charge Watada's service accomplishments and the wealth of experience that he brought to the Division of Gaming. Gary will certainly be missed!

Executive Session

Review of confidential reports from the Division of Gaming.

Public Session (Reconvened)

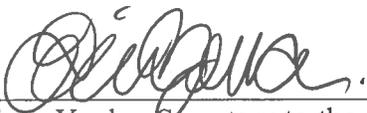
VIII. Approval of Licensing Actions

The Commission voted unanimously to approve the renewal of the Retail License and Change of Ownership for American Gaming Group, LLC d/b/a Wildwood Casino at Cripple Creek. The license shall expire two years from the date of its current expiration.

The Commission also voted unanimously to approve the renewal of the Operator and Manufacturer/Distributor licenses for Merit Cripple Creek, LLC. The licenses shall expire on April 17, 2016, so the expiration date of the licenses coincides with one another.

The Chairman extended an additional opportunity for the public to address the Commission; Kevin Warner, General Manager, Wildwood Casino at Cripple Creek, respectfully thanked the Commission for their confidence in the future of Wildwood Casino at Cripple Creek.

Adjournment – The meeting was adjourned at approximately 11:22 a.m.



Allison Yunko, Secretary to the Colorado Limited Gaming Control Commission