

Colorado Limited Gaming Control Commission

Minutes of Public Session

April 16, 2015

Public Session

I. Call to Order

The April 16, 2015 meeting of the Colorado Limited Gaming Control Commission was called to order by Chairman Roger Hutson at approximately 9:30 a.m. at the Division of Gaming office, 17301 W. Colfax Ave, Suite 135, Golden, Colorado. Commissioners Jannine Mohr, Chuck Murphy and Bill Hughes were present, and a quorum existed.

Officials & Administrators in Attendance

Roger Hutson, Chairman

Jannine Mohr, Vice-Chairman

Chuck Murphy, Commissioner

Bill Hughes, Commissioner

Ron Kammerzell, Deputy Senior Director, Enforcement Business Group

Flavio Quintana, Director

Kenya Collins, Director of Administration

Doug Darr, 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

Phil Spencer, Acting Agent in Charge, Cripple Creek

Ronni Hunter, Rules Manager

Allison Yunko, Secretary to the Commission

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. Fiscal Year 2016 Budget Requests

Presentation by the Colorado Department of Local Affairs – Kim Hernandez, Financial Administrator, Bret Hillberry, Program Manager, and Rachel Harlow-Schalk, Financial Systems Director, presented the FY2016 budget request in the amount of \$165,389 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 – Stan Hilkey, Executive Director, and Teresa Anderle, Budget Director, made introductions and remained available for comments during the respective presentations of the budget requests for the three CDPS divisions that receive gaming funds.

- *Colorado Bureau of Investigation* – Ron Sloan, Director, presented the FY2016 budget request in the amount of \$1,005,638. Following extensive debate, Commissioners Mohr and Murphy voted to approve the request as presented; Commissioner Hughes opposed the request as presented. In a two to one vote, the CBI FY2016 budget request in the amount of \$1,005,638, was approved as presented.
- *Colorado State Patrol* – Chief Scott Hernandez presented the FY2016 budget request in the amount of \$3,112,073 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* – Paul Cooke, Division Director, presented the FY2016 budget request in the amount of \$213,911. 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 for the Division of Gaming, presented the FY2016 budget request in the amount of \$11,210,625. Following extensive debate, Commissioners Mohr and Murphy voted to approve the request as presented; Commissioner Hughes opposed the request as presented. In a two to one vote, the Colorado Division of Gaming FY2016 budget request in the amount of \$11,210,625, was approved as presented.

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

The Commission voted unanimously to open the hearing 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 FY2016 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* – 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.
- *State Historical Society* – Ed Nichols, President and CEO, History Colorado, and Steve Turner, Vice-President, Preservation Services, 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 21, 2015 at its next regularly scheduled meeting.

V. Consideration of Disciplinary Actions

Ceri Williams, Senior Assistant Attorney General, presented the Stipulation and Agreement in Case No. 15-00001, In the Matter of Isle Casino Hotel Black Hawk, Retail License No. 14-32448-0001, the Stipulation and Agreement in Case No. 15-00002, In the Matter of Brian Patrick Adams, Support License No. 43760, and the Order to Show Cause in Case No. 14004749, In the Matter of Xiaoling Deng, Support License No. 40158.

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

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, 2015.

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 19, 2015 Public Session of the Colorado Limited Gaming Control Commission were approved as presented.

Directors' Update:

Ron Kammerzell, Deputy Senior Director, Enforcement Business Group, updated the Commission on Senate Bill 231 – The Demilitarization Act. A component of the bill effectively disarms all of the POST Certified Criminal Investigators in the Department of Revenue. Averaging approximately 1,500 arrests per year (either by summons or actual arrest) and 5,000 criminal investigations each year, the Enforcement Division of the Department of Revenue is a critical piece of law enforcement in Colorado and they should be equipped with the proper tools to accomplish their job duties. Many law enforcement individuals and DOR industries testified against the bill. The Department will continue to closely monitor the status of the bill.

Flavio Quintana, Director, Division of Gaming, acknowledged Lorri Dugan, Chief Financial Officer, as she joined the audience for the April meeting. Next, Director Quintana introduced Doug Darr as the Division's new Chief of Investigations and Kenya Collins as the Division's new Director of Administration (upon the retirement of Brenda Davis at the end of April). Welcome aboard, Doug and Kenya!

Executive Session

Review of confidential reports from the Division of Gaming and Colorado Bureau of Investigation.

Public Session (Reconvened)

VIII. Approval of Licensing Actions

The Commission voted unanimously to approve the renewal of the Retail Licenses for Bullwhackers Casino, Inc. d/b/a Z Casino, WMCK Acquisition Corp. d/b/a Century Casino Cripple Creek, Century Casinos Cripple Creek, Inc. d/b/a Century Casinos, CC Tollgate, LLC d/b/a Century Casino, The Lodge Casino, LLC d/b/a The Lodge Casino at Black Hawk, The Gilpin Casino, LLC d/b/a The Gilpin Hotel Casino, Ed & Shirley's, Inc. d/b/a The Wild Card Saloon, Shirley & Ed's, Inc. d/b/a Black Hawk Station and Sasquatch Casino, LLC d/b/a Sasquatch Casino. The licenses shall expire two years from the date of their current expirations.

The Commission also voted unanimously to approve the renewal of the Manufacturer/Distributor licenses for Bullwhackers Casino, Inc. d/b/a Z Casino and The Lodge Casino, LLC d/b/a The Lodge Casino at Black Hawk. The licenses shall expire two years from the date of their current expirations.

The Chairman extended an additional opportunity for the public to address the Commission:

Lois Rice, Executive Director, Colorado Gaming Association, gave the Commission an update on CGA's quest through legislature to acquire dedicated funding for problem gambling awareness and treatment in Colorado. In early April, Representative Pete Lee submitted a request, which would allow for the formation of an interim committee through the 2015 summer and fall to study the issue of problem gambling in Colorado. The committee would be comprised of six legislators and the remainder may be stakeholders. CGA will continue to update the Commission on this project.

Mickey Rosenbaum, General Manager, Century Casino, respectfully thanked the Commission for renewing their licenses and for supporting their business.

Ed Smith, Owner, The Wild Card Saloon/Black Hawk Station/Sasquatch Casino, informed the Commission of Sasquatch Casino's expansion and thanked the Commission for renewing their licenses.

Joe Bane, on behalf of Z Casino/Johnny Z's, respectfully thanked the Commission for renewing their licenses and for supporting their business.

Adjournment – The meeting was adjourned at approximately 11:51 a.m.



Allison Yunko, Secretary to the Colorado Limited Gaming Control Commission