

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

March 13, 2018 9:30 a.m.
MEETING MINUTES

On Tuesday, March 13, 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. Carla Walker-Miller

Absent:

Ms. Barbara Smith

Also attending:

Richard Kalm, Executive Director
Ann McCaffery, D/F/Lt. MSP
Gerald Whalen, Assistant Attorney General
Diane Brown, Board Secretary

Business:

Mr. Anthony called the meeting to order at 9:35 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 January 9, 2018. It was noted Board Members previously received copies of the minutes. Board Members were asked if there were any questions, concerns, or corrections.

There being none, a motion was made by Ms. Walker-Miller and supported by Mr. Palms that the Board accept and approve the minutes of the January 9, 2018, regular public meeting. A voice vote was taken.

Motion carried.

Executive Director Kalm presented his report to the Board stating since the January 2018 meeting three new employees were hired, and two employees resigned. MGCB has 135 full-time employees and 13 vacant positions.

Regarding the Board's budget, as of February 28, 2018, total expenditures were \$7,181,340 leaving an unexpended balance of \$22,548,869 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 January 2018 was down .5% when compared to January 2017. Revenue was down 4% when compared to December 2017. For year-to-date January 31, 2018, the aggregate revenue for the Detroit casinos was down .5% compared to the same period last year.

For the month ending January 31, 2018, MGM revenue was up 1.3% to \$47.7 million, MotorCity was down 1.1% to \$38 million, and Greektown was down 2.7% to \$25.7 million, when compared to the same month last year.

Aggregate revenue for the month ending February 28, 2018, was down 6.1% compared to the same month last year. Gaming revenue was down 1.3% when compared to January 2018. Year-to-date February aggregate revenue was down 3.3% compared to the same two-month period last year. Revenue for MGM was down 4.7% to \$45.8 million, MotorCity was down 5.6% to \$38.3 million, and Greektown was down 9.3% to \$25.9 million when compared to February 2017.

Market shares for February were MGM 42%, MotorCity 35%, and Greektown 23%.

For the three-month period ending February 28, 2018, aggregate revenue was down 2.4% compared to the same three-month period 2017. Compared to 2017, revenue for all three casinos was down; MGM down 1.7 percent, MotorCity down 2.0%, and Greektown down 4.3%.

Regarding supplier licensing and vendor registration, Mr. Kalm advised the Board that as of February 28, 2018, 706 active vendor exemptions were registered. As of February 28, 2018, 282 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of seven active temporary nongaming-related and two active temporary gaming-related supplier licenses in effect. There are 102 annual supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised the Board as of February 28, 2017, the Board's Employee Licensing section issued a total of 2,167 occupational licenses to MGM employees; 1,706 occupational licenses to MotorCity employees; and 1,458 occupational licenses to Greektown employees. In addition, 1,588 employees of various licensed casino suppliers have been granted occupational licenses.

Mr. Kalm advised the Board since the January 2018 meeting; the required background investigations of 170 pending Level 1 and Level 2 occupational licenses have been completed. Mr. Kalm previously approved 469 renewal requests and 95 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 170 Level 1 and Level 2 occupational license applications.

There being no questions from Board Members, it was moved by Ms. Walker-Miller and supported by Mr. Palms 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 Coccimiglio Inc. d/b/a TURKEYORHAM.COM; Orion Waterproofing, Inc. d/b/a Orion Restoration and Waterproofing, Inc.; and Turner Electrical Services, LLC.

There were no questions from Board Members. A motion was made by Mr. Palms and supported by Mr. McQueen 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 Aristocrat Technologies, Inc., with New Key Person Neil Chatfield; Basement Beats, L.L.C.; Cadillac Coffee Company; Cadillac Travel, Inc.; Caniff Electric Supply Co., Inc.; Curtis Glass Company; Data Strategy, LLC; Dillon Energy Services, Inc.; Eagle Star, Inc. d/b/a Eagle Star Equipment; House Advantage, LLC; MIG East, LLC with New Key Person Brian Matthew Deming; MRP Supply, Inc.; Renaissance Man Food Services, LLC; Tom Maceri and Son, Inc.; and WPDET Associates, LLC.

There being no questions from Board Members, Ms. Walker-Miller supported the motion put forth by Mr. McQueen 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 a request for approval of the proposed Transfers of Interest of Dillon Energy Services, Inc.; and Wolverine Mailing, Packaging, Warehouse, Inc. There was no discussion or questions regarding the requests, therefore, a motion was made by Ms. Walker-Miller and supported by Mr. Palms to approve the requests. A voice vote was taken.

Motion carried.

Next was the request for approval of an Acknowledgement of Violation of casino licensee Detroit Entertainment, LLC, regarding a disassociated person in the casino. This violation triggered an abeyance from a previous violation \$20,000; minor gambling \$4,000; and minor gambling \$2,500. There were no questions from Board Members. Mr. Palms put forth the motion for approval which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

Next on the agenda was consideration of the Administrative Law Judge's Proposal for Decision regarding casino licensee MGM Grand Detroit having a minor in the casino. The Administrative Law Judge upheld the board's decision regarding the violation.

A motion was put forth by Mr. McQueen and supported by Ms. Walker-Miller to accept the Administrative Law Judge's Decision and issue an Order accordingly. A voice vote was taken.

Motion carried.

The next item on the agenda was to consider the Acknowledgement of Violation for occupational licensee Tabitha McGivern. It was noted for the record that neither Ms. McGivern nor her representative were present at the meeting.

There were no questions from Board Members. A motion to approve the violation was made by Ms. Walker-Miller and supported by Mr. Palms. A voice vote was taken.

Motion carried.

The next item on the agenda was to consider the Acknowledgement of Violation for occupational licensee Krystin Gray. It was noted for the record that neither Ms. Gray nor her 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 Mr. McQueen. A voice vote was taken.

Motion carried.

Mr. Anthony then requested 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 Mr. Kalm present a proposal to the Board 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, May 8, 2018, at 9:30 a.m.

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

Motion carried.

Following the closed session, the Board resumed the public meeting for the purpose of approving the January 9, 2018 closed session minutes.

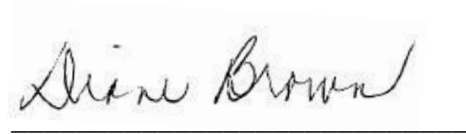
Mr. Palms put forth the motion for approval which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

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

Motion carried.

Mr. Anthony adjourned the meeting at 10:42 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