

Gambling Control Board Meeting Minutes

12/18/2018

Dept. of Public Safety – Gambling Conference Room

Meeting started at 9:00 a.m.

Board members present: Chairman Timothy Doyle, Robert Harmon, Al Skolfield, Greg McNeal and Barbara Dresser

Attorney General's Office present: Katie Johnson, A.A.G. and Ron Guay, A.A.G.

Gambling Staff: Executive Director Milton Champion, Insp Supv Vicki Gardner, Det. Don Armstrong, Kathy Robitaille and Mallory Reilly

DPS Staff: Assistant Commissioner Janet Joyeux

Review of the Minutes of 11/20/18:

Motion by Greg McNeal to accept as presented.

Seconded by Al Skolfield

Vote: 4 accept 1 abstention

Executive Director's Report – Milton Champion

- 1) Operations – In November there were (28) Shipments of machines and/or associated equipment shipped to or from licensed facilities. On site inspectors completed (583) observations, (30) checklists. (3) minor violations being monitored from our activity log. (1) patron complaint. (1) disposition of a formal report was sent for members review per statute. There were (11) self-exclusions.
- 2) For the month of November 2018, we have identified a decrease of -7.2% in total tax revenue for both facilities versus November 2017. Year to date we have identified an increase of 4.4% versus last year at the same time.
 - a. Oxford reported a 10.0% win for the month of November from slots and 14.4% win from table games. Oxford's payback percentage for October was 89.9%. Average gross win per machine of \$183.45
 - b. Hollywood reported a 9.9% average win for the month of November from slots and 34.3% win from table games. Hollywood's payback percentage for October was 90.1%. Average gross win per machine was \$130.25.
- 3) Our Auditor position became open and we interviewed this past Thursday. Our candidate will start the position soon and until then I have been filling in.

State Police Report – Det. Don Armstrong

5 Thefts occurred all having to do with the Tickets In – Tickets Out (TITO), all were recovered. 21 new license applications processed, 38 renewals and 33 pending. Calls for service to the facilities – Oxford PD had 12 and Bangor PD had 7.

Unfinished Business: - Dir. Champion

RFP Update:

- 4) The CSMS RFP was completed by way of a bidder conference held September 13, 2018 followed by Submitted Questions on September 27, 2018. Answers to the questions were completed and proposals were submitted on October 25, 2018. The Review Committee reviewed the bids for the CSMS and recommend Scientific Games to continue the monitoring services to the State. With Board approval the process will be a 15-day appeal notification and then the negotiation of the new contract.

Motion to Accept the proposal from Scientific Games to continue as the Central Site Monitoring System by Al Skolfield

Seconded by Barbara Dresser

Unanimous Vote

- 5) The Financial RFP is to be re-published soon as the issues have been addressed and is being processed with procurement.
- 6) The ADW RFP has been withdrawn. Not known why but pulled by the Chief Executive of the Office of Finance. Chairman Doyle reminded everyone that the Board doesn't set Policy, it regulates what is given to them.

New Business – Dir. Champion

A. Internal Control Changes requested by Oxford Casino

The changes were sent in advance to the Board for review

III – M TITO add (L) referencing malfunction: “If a malfunction occurs, a member of the Slot department management may verify the ticket in the slot system and validate the ticket for the patron.”

Motion by Robert Harmon to request the MICS from Oxford

Seconded by Greg McNeal

Unanimous Vote

III – N – 3 Remove Table Games policy reference Oxford removed and put in their own rules.

Motion by Greg McNeal to approve

Seconded by Al Skolfield

Unanimous Vote

Table Game Rule Change:

Change requested – removing an existing product and replacing with a new product for side bet wager on Blackjack games. 21 & 3 Side Bet Wager were changed to Tri-Lux, a similar product. Jack Sours, President and General Manager of Oxford addressed the Board on this simple change.

Motion by Al Skolfield to approve the change

Seconded by Greg McNeal

Unanimous Vote

2019 Annual Conference on Problem Gambling – Dir. Champion

Dir. Champion sent information to the Board on problem gambling to ask if the Board would consider sponsoring the expense of the Annual Problem Gambling Conference to be held March 6, 2019 for \$2,161.00. Per statute \$100,000.00 was transferred to Gambling Prevention on 7/26/18 and there has been one forfeiture of \$1,872.50. We have the funds in our budget.

*No formal action required by the Board for the money to be spent. Up to the discretion of the Executive Director.

Service Vendor License – Diamond Casino Products

A PowerPoint presentation was presented by Director Champion on Diamond Casino products, who do chip and card cleaning. There was no representative from Diamond present at the meeting. Det. Armstrong did a suitability investigation and found no issues or concerns with his investigation regarding the company or the owners to be suitable for licensing. MacPage/Wipfli completed a financial review of the company and the owners. They found that they demonstrate financial responsibility.

A.A.G. Ron Guay asked the Board if they had any personal relations (conflicts) with this company? No by all five members. No disqualifying bias therefore.

A.A. G. Guay addressed the audience, asking if any Board member would have a conflict? No hands raised. This is not an Adjudicatory hearing. Does anyone have any objections to these proceedings? No hands raised.

Dir. Champion recommended that Diamond Casino Products be approved for a Gambling Service Vendor License.

Public Comment on Diamond Casino Products?

None.

Motion by Barbara Dresser to approve Diamond Casino Products as a licensed vendor.

Seconded by Al Skolfield

Unanimous vote

Pursuant to Title 8, Chapter 31, Diamond Casino Products will be licensed as a Gambling Services Vendor.

A discussion initiated regarding distributor versus service vendor. A.A.G. Ron Guay commented in relation to the definitions in Statute, Sec 1001 Subs 2 of Gambling Service Vendor.

Both General managers Jose Flores of Hollywood Casino and Oxford Casino Jack Sours advised that these types of distributing companies provide non-proprietary, non-sensitive, parts for machines that the manufacturers no longer have parts for.

The subject matter was tabled until the January meeting so Dir. Champion can check with other states to see how they process and deal with the licensing of Manufacturers, Distributors and Gambling Vendors. What type of license do they receive?

Currently in Maine a Slot Machine Distributor's fee is \$200,000 and Gambling Service Vendors fee is \$2,000. Therefore, it makes a huge difference as to how they are classified for a license.

A.A.G. Ron Guay advised that the definition changed in 2013, to be more general. The A.A.G.s will try to find the original legislation submitted on this change.

Public Comment

Jose Flores, General Manager of Hollywood Casino addressed the Board to advise that January 7th will be his last day. He is moving to Illinois to pursue moving ahead to law school. His successor has submitted his application and will be here in Maine the first week of January 2019. The Board thanked him and wished him well.

NEXT MEETING DATE January 15, 2019