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BEFORE THE MISSOURI GAMING COMMISSION

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Meeting (via teleconference)

6

April 6, 2020

7

2:00 p.m.

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BEFORE: Mike Leara, Chairman
Daniel P. Finney, III, Commissioner
Brandon Boulware, Commissioner
Pat Conway, Commissioner
David W. Hane, Commissioner

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	AGENDA	page
1		
2		
3	I. Call to Order	3:3
4	II. Consideration of Rules and Regulations	
5	A. Final Orders of Rulemaking	3:17
6	1. 11 CSR 45-11.020 Deposit	
7	Account - Taxes and Fees	
8	2. 11 CSR 45-11.110 Refund -	
9	Claim for Refund	
10	3. 11 CSR 45-30.090 Additional	
11	Application Information for	
12	Bingo and Pull-Tab Licenses	
13	4. 11 CSR 45-30.130 Member(s) in	
14	Charge	
15	III. Consideration of Ratification of	
16	Extension of Licensure	
17	B. Tropicana St. Louis, LLC d/b/a	
18	Lumiere Place Casino & Hotels	
19	(Class B)	
20	1. Resolution No. 20-006	5:20
21	IV. Update on Financial Status of MGC	6:20
22	V. Motion for Closed Meeting under RSMo14:22	
23	Sections 610.021(1), Legal Actions, and	
24	610.021(3) and (13), Personnel	
25		

1 (Start time: 2:00 p.m.)

2 P R O C E E D I N G S

3 CHAIRMAN LEARA: We'll call the meeting to
4 order.

5 Angie, would you call the roll, please.

6 MS. FRANKS: Commissioner Hane.

7 COMMISSIONER HANE: Present.

8 MS. FRANKS: Commissioner Conway.

9 COMMISSIONER CONWAY: Present.

10 MS. FRANKS: Commissioner Boulware.

11 COMMISSIONER BOULWARE: Present.

12 MS. FRANKS: Commissioner Finney.

13 COMMISSIONER FINNEY: Present.

14 MS. FRANKS: Chairman Leara.

15 CHAIRMAN LEARA: Present.

16 All right. We have a quorum.

17 We'll move to the first item on the agenda,
18 Consideration of Rules and Regulations.

19 I think we'll turn it over to Ed Grewach.

20 MR. GREWACH: Yes. Thank you, Mr. Chairman,
21 Commissioners.

22 Under Tab A we have four final orders of
23 rulemaking. The Commission approved the proposed orders
24 of rulemaking at the December 4th, 2019 meeting. There
25 was a public comment period that began on January 15,

1 2020 and a public hearing that occurred on March 3rd,
2 2020. No comments have been received.

3 The first two items, 1 and 2, involve
4 Rules 11.020 and 11.110, and they reduced paperwork
5 required for casinos to process for overpayment of tax.

6 Items 3 and 4 relate to bingo. When bingo
7 was originally approved, there was a constitutional
8 provision that required a person to be a member of an
9 organization for two years before they could work at a
10 bingo event.

11 At the November 2018 election the voters
12 approved the constitutional amendment to reduce that
13 time period to six months. So these rule changes are
14 made to make our rules consistent with that
15 constitutional provision.

16 If you approve these final orders of
17 rulemaking, they will take effect on August 30th, 2020.

18 CHAIRMAN LEARA: Okay. Any discussion?

19 So let me ask you one question, Ed.

20 Sorry, Pat. This is Mike Leara.

21 Are all of these made in one motion or are
22 they four separate votes?

23 MR. GREWACH: They can be made in one motion.

24 CHAIRMAN LEARA: Okay. Any other discussion?

25 With that I'll move to adopt the final orders

1 of rulemaking as described in Agenda Item II, A.1
2 through 4.

3 Do we have a second?

4 COMMISSIONER FINNEY: I'll second.

5 CHAIRMAN LEARA: No other discussion.

6 Angie, call the roll.

7 MS. FRANKS: Commissioner Hane.

8 COMMISSIONER HANE: Approved.

9 MS. FRANKS: Commissioner Conway.

10 COMMISSIONER CONWAY: Approved.

11 MS. FRANKS: Commissioner Boulware.

12 COMMISSIONER BOULWARE: Approved.

13 MS. FRANKS: Commissioner Finney.

14 COMMISSIONER FINNEY: Approved.

15 MS. FRANKS: Chairman Leara.

16 CHAIRMAN LEARA: Approved.

17 MS. FRANKS: With your vote you've adopted
18 the final orders of rulemaking 11 CSR 45-11.020, 11.110,
19 30.090 and 30.130.

20 CHAIRMAN LEARA: Okay. So next on the agenda
21 is ratification on Agenda Item III, Consideration of
22 Ratification of Extension of the licensure of Tropicana
23 St. Louis, Resolution No. 20-006.

24 Any discussion?

25 None.

1 I will move for the adoption of
2 Resolution 20-006 and ask for a second.

3 COMMISSIONER BOULWARE: This is Brandon
4 Boulware. Second.

5 CHAIRMAN LEARA: I have a second.
6 No other discussion.
7 Angie, please call the roll.

8 MS. FRANKS: Commissioner Hane.
9 COMMISSIONER HANE: Approved.

10 MS. FRANKS: Commissioner Conway.
11 COMMISSIONER CONWAY: Approved.

12 MS. FRANKS: Commissioner Boulware.
13 COMMISSIONER BOULWARE: Approved.

14 MS. FRANKS: Commissioner Finney.
15 COMMISSIONER FINNEY: Approved.

16 MS. FRANKS: Chairman Leara.
17 CHAIRMAN LEARA: Approved.

18 MS. FRANKS: By your vote you have adopted
19 Resolution No. 20-006.

20 CHAIRMAN LEARA: Next on the agenda is an
21 update on our financial status. I think we'll start off
22 with Tim.

23 Tim, you have the floor.

24 DEPUTY DIRECTOR MCGRAIL: This is Tim
25 McGrail, Deputy Director.

1 First I'd like to thank Amy Blankenship for
2 her presentation of the financial status of the Missouri
3 Gaming Commission at this time.

4 I'll kind of read over what has already been
5 provided.

6 It is standard procedure for the transfer of
7 monies to our designated worthy causes at the beginning
8 of each month from MGC's fund 0286. Normally our
9 practice has been to maintain at least \$1.5 million in
10 the MGC account to cover ongoing expenditures. That
11 would include salaries, fringe benefits, building
12 leases, equipment and expenses.

13 On March the 5th the MGC fund 0286 had a cash
14 balance of a little bit over \$3.7 million, so we
15 completed a transfer of 2.2 million to the Missouri
16 Veterans Capital Improvement Fund.

17 Later on the following week, on March 9th, we
18 mailed out our quarterly reimbursement invoices to the
19 casinos. These invoices cover the January through March
20 work and totaled approximately \$4.2 million.

21 At that time three casinos submitted payments
22 prior to the close of the casinos on the date of
23 March 17th, and we had received at that time a total of
24 \$808,000. After the casinos closed due to the COVID-19
25 pandemic, we had several requests from the casinos to

1 either delay their payment due date or to allow for a
2 partial payment of their invoices.

3 This would make it very difficult for us
4 because, again, our operation is based solely on the
5 gaming funds that we receive.

6 As the casinos provide our only revenue
7 source, several different cash-flow scenarios were put
8 together to determine what MGC's course of action should
9 be in order to keep the cash in the account.

10 The worst-case scenario involved the
11 remaining ten casinos not paying their outstanding
12 invoices, which would leave us in a negative cash
13 balance by the end of April 2020.

14 Amy Blankenship at that time contacted Joseph
15 Eddy, who is with the Department of Public Safety and is
16 the Budget Division Director, for assistance.

17 Mr. Eddy contacted Office of Administration
18 Budget and Planning to discuss our funding situation and
19 asked OA for assistance. They reviewed our MGC cash-
20 flow analysis and the anticipated monthly expenditures
21 for the remainder of the fiscal year.

22 OA at the time proposed the following funding
23 solution: They allowed a reverse access transfer of
24 \$1 million. This was the monies that would come from
25 the Department of Higher Education. It also allowed for

1 the reverse of the compulsive gamblers transfer amount
2 of \$50,000, and then it reduced costs by other agencies
3 of \$250,000.

4 OA Budget and Planning anticipate these two
5 reverse transfers and the reduction in other agency
6 costs resolving our funding concerns for this fiscal
7 year.

8 OA has also requested a supplemental
9 appropriation of \$1.5 million in general revenue funds,
10 as well as \$1.5 million in Federal funds, if any are
11 available, although this request has yet to go through
12 the legislative process for approval. If it is
13 approved, the general revenue funds are to be used as a
14 final course of action.

15 Lastly, if MGC does not utilize all the
16 Access Missouri funds by the end of fiscal year, we will
17 again transfer those funds back to the Department of
18 Higher Education.

19 We've also provided several spreadsheets as
20 far as where we stand. We have received additional
21 funds from the other casinos for the payments for the
22 May and April funding.

23 During the initial analysis, looking at the
24 funds that we will get, if we received no funds from the
25 casinos, no funds from the transfer bank, we would

1 roughly be \$4.5 million in debt.

2 But looking at the funds coming in from the
3 casino, as well as the funds that we have currently on
4 balance, we can project with the transfers that we would
5 be able to operate at least until the end of June.

6 But barring anything else that would come as
7 far as not receiving from the casinos, we probably could
8 get funding as far as general revenue money or Federal
9 funding to help us through those periods of time at
10 least for this current fiscal year.

11 At this time I'm going to ask as far as Amy
12 to provide us as far as any analysis that she has as far
13 as spreadsheets. We'll go through those if you have any
14 questions.

15 CHAIRMAN LEARA: First before we open it up
16 for Amy, does anyone have a question of Tim? I know Amy
17 is going to have a more detailed presentation here.

18 MS. BLANKENSHIP: That was my presentation.

19 CHAIRMAN LEARA: That was your presentation.
20 Very good.

21 So there would be some questions.

22 Any questions for Amy or Tim?

23 COMMISSIONER HANE: Amy, this is Dave Hane.
24 I have a question.

25 You talked about reducing expenditures,

1 et cetera. So does the reducing expenditures, does that
2 include the furloughing of the Highway Patrol officers?

3 MS. BLANKENSHIP: That might be a better
4 question for Tim.

5 DEPUTY DIRECTOR MCGRAIL: This is Tim.

6 At this time the troopers have not been
7 furloughed. What has happened is that the troopers have
8 been reassigned temporarily back to the Missouri State
9 Highway Patrol and their salaries have been assumed by
10 the Highway Patrol. So with the Highway Patrol being
11 outside of our budget, at this time we are only funding
12 MGC employees.

13 COMMISSIONER HANE: Okay. Again, this is
14 Dave Hane.

15 And so does this further include the
16 personnel that are still doing background investigation
17 and that type thing for us?

18 DEPUTY DIRECTOR MCGRAIL: So the answer to
19 your question is no. At this time all Gaming Division
20 employees have been reassigned back to the Missouri
21 State Highway Patrol, so the funding is coming from the
22 Patrol.

23 We're still conducting background
24 investigations as they come in, but much of that is
25 being conducted by our Missouri Gaming Commission

1 investigators.

2 COMMISSIONER HANE: That answers my question.

3 Thank you.

4 CHAIRMAN LEARA: All right.

5 Amy, this is Mike Leara.

6 The budget is roughly \$3.4 million? Is that
7 where we're sitting right now, roughly?

8 MS. BLANKENSHIP: This is Amy Blankenship.

9 This morning we had 3.7 million in the cash
10 account, and we ended up getting 1 million of deposits
11 from this morning.

12 CHAIRMAN LEARA: Okay. And are there any
13 outstanding balances remaining or due us from the
14 casinos?

15 MS. BLANKENSHIP: Yes, sir. We have
16 1.3 million still outstanding from three casinos.

17 CHAIRMAN LEARA: Okay. And these budget
18 projections do not include assuming the Highway Patrol
19 coming back to our investigative staff?

20 MS. BLANKENSHIP: Yes. The cash scenario
21 that we're looking at now does not include the Patrol
22 coming-back-early scenario.

23 I did have some cash scenarios in this
24 document with that, so them coming back early, and it
25 does show that we would have the funds to do that if

1 we're talking about having them come back two weeks
2 early before the casinos come in. I did a few scenarios
3 to show you that. And we should have funds, so we
4 should be able to fund those investigations and the
5 staff associated --

6 CHAIRMAN LEARA: Roughly two weeks before the
7 casinos' operations are back?

8 MS. BLANKENSHIP: I want to say yes. In the
9 scenarios that I did late last week before we got these
10 deposits in, and it looked like we had funding in. We
11 should be good to go.

12 CHAIRMAN LEARA: Okay. Any other questions
13 for Tim or Amy?

14 MR. JERLECKI: Chairman, this is Mike
15 Jerlecki from Penn National Gaming and Hollywood
16 Casinos. If the floor is open, I would humbly request
17 to ask a question of Amy and Tim.

18 CHAIRMAN LEARA: Ed, is that appropriate at
19 this time?

20 Mr. Jerlecki, if you could hold for a second.
21 I don't know if that's timely to ask that question at
22 this point of the meeting, so if you could stand by for
23 a moment.

24 MR. JERLECKI: Absolutely, Mr. Chairman.

25 CHAIRMAN LEARA: Thank you.

1 What I'm going to do, Mr. Jerlecki, is I'm
2 going to call out of order at the moment, but I think
3 you have the ability to call Amy and speak to her about
4 that, whatever your question was. Would that be okay?

5 MR. JERLECKI: Absolutely, Mr. Chairman.
6 Thank you.

7 CHAIRMAN LEARA: All right. Thank you.

8 MR. GREWACH: Mr. Chairman, Ed Grewach. I'm
9 sorry. I had it on mute. I didn't realize.

10 CHAIRMAN LEARA: That's okay. You're back
11 on.

12 We called out of order and asked that
13 Mr. Jerlecki call Amy Blankenship directly, and whatever
14 question he had, I'm sure she would entertain.

15 MR. GREWACH: I apologize. I had it on mute.
16 Sorry.

17 CHAIRMAN LEARA: That's fine. We're good
18 there.

19 Okay. Any other questions from the
20 commissioners on this subject?

21 Okay. Thank you, Amy. Thank you, Tim.

22 The next item on the agenda is a motion for
23 closed meeting under Revised Statutes of Missouri,
24 Sections 610.021, Subsection 1, legal actions, and
25 610.021, Section 3 and 13, personnel.

1 Do we have a second?

2 COMMISSIONER HANE: Commissioner Hane,
3 second.

4 CHAIRMAN LEARA: We have a second.

5 No further discussion?

6 Angie, call the roll, please.

7 MS. FRANKS: Commissioner Hane.

8 COMMISSIONER HANE: Approved.

9 MS. FRANKS: Commissioner Conway.

10 COMMISSIONER CONWAY: Approved.

11 MS. FRANKS: Commissioner Boulware.

12 COMMISSIONER BOULWARE: Approved.

13 MS. FRANKS: Commissioner Finney.

14 COMMISSIONER FINNEY: Approved.

15 MS. FRANKS: Chairman Leara.

16 CHAIRMAN LEARA: Approved.

17 We will now go into closed session, and I
18 think the commissioner says there is another number you
19 have to call in for closed.

20 Thank you all. Good day.

21 WHEREIN, the meeting concluded at 2:27 p.m.

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Patricia A. Stewart

CCR 401

MISSOURI GAMING COMMISSION
Second Open Session Minutes
April 6, 2020

The Missouri Gaming Commission (the “Commission”) went into the open session at approximately 3:12 p.m. on April 6, 2020, at the Missouri Gaming Commission, 3417 Knipp Drive, Jefferson City, Missouri.

Chairman Leara moved to adjourn the second open session. Commissioner Conway seconded the motion, and after a roll call vote was taken, Hane – yes, Conway – yes, Boulware – yes, Finney – yes, and Leara – yes, the motion passed unanimously.

The closed session meeting ended at 3:13 p.m.