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BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Meeting
October 19, 2010
4:00 p.m.
Missouri Gaming Commission
3417 Knipp Drive
Jefferson City, Missouri

COMMISSIONERS PRESENT:

James L. Mathewson, Chairman
Darryl T. Jones
Jack L. Merritt
Barrett Hatches
Noel Shull

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P R O C E E D I N G S

CHAIRMAN MATHEWSON: Okay. We will start the meeting now that Commissioner Jones is present. We'll call it to order. And we will call role please.

MS. FRANKS: Chairman Mathewson?

CHAIRMAN MATHEWSON: Present.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Present.

MS. FRANKS: Commissioner Jones.

COMMISSIONER JONES: Present.

MS. FRANKS: Commissioner Hatches.

COMMISSIONER HATCHES: Present.

MS. FRANKS: Commissioner Merritt.

COMMISSIONER MERRITT: Present.

CHAIRMAN MATHEWSON: A majority and then some having been accounted for.

Roger, Roger, would you start us off, sir, please.

MR. STOTTLEMYRE: I will. Mr. Chairman, item two on the agenda is Consideration of Relicensure of Class A & B Licensees. And first to present on this will be Sergeant Morrison.

I'm sorry, Phil, let's let you go second, okay. I just didn't get you put on the paper right

1 here.

2 Troy Stremming, if you would, and then
3 you can introduce whoever you brought with you if you
4 would please.

5 MR. STREMMING: Good afternoon, everyone.

6 CHAIRMAN MATHEWSON: Good afternoon.

7 MR. STREMMING: Chairman Mathewson,
8 Commissioners, my name is Troy Stremming, I'm senior
9 vice president of government relations and public
10 relations for Ameristar Casinos. And up here at the
11 podium with me today I have Jim Franke who is our
12 senior vice president and general manager in
13 St. Charles and Sean Barnard, our senior vice
14 president and general manager in Kansas City. We
15 also have several of our team members both from the
16 properties as well as the corporate office here today
17 to assist in this process if you have any questions
18 regarding our presentation.

19 As you know we're before you here today
20 to make the presentation in association with the
21 renewal of both our Class B licenses for Ameristar
22 Casino Kansas City as well as Ameristar Casino
23 St. Charles. We're requesting that both licenses be
24 renewed today for a period of two additional years
25 pursuant to your regulations.

1 We believe that the information we've
2 provided previously to you today, that I'm assuming
3 is in your books, as well as our presentation will
4 support your approval for both properties. The
5 properties certainly believe that they've upheld all
6 the commitments to the respective communities, their
7 team members, as well as the State of Missouri.

8 And specifically the information provided
9 this afternoon will be in response to the request for
10 information that we received from the Commission
11 staff. In the interest of time, Jim and Sean will
12 present the information as well as we've got it here
13 on a slide presentation simultaneously for both
14 properties, so we don't have to just be redundant in
15 the information that we gave you.

16 Sean will start it off, followed by Jim,
17 and then I'll come back at conclusion. If you have
18 any questions, let us know as we go through the
19 presentation. Sean.

20 MR. BARNARD: Thank you. Thank you,
21 Troy. Good afternoon, Mr. Chairman and
22 Commissioners, and thank you again for allowing us to
23 come and present. Speaking first to the first
24 slide -- if you would, thank you, Julie -- there is a
25 slight difference between the two properties.

1 Ameristar Kansas City has a development agreement
2 with City of Kansas City through the Kansas City Port
3 Authority. Additionally since Ameristar Kansas City
4 is --

5 CHAIRMAN MATHEWSON: Hold on just a
6 second please.

7 MR. BARNARD: Thank you. Additionally
8 since Ameristar Kansas City is committed to working
9 closely with the Kansas City Port Authority to
10 further the local community, it has voluntary --
11 voluntarily entered into a funding agreement.

12 Under the new five-year agreement that
13 began in 2007, Ameristar provides \$75,000 annually
14 for general operational expenses of the Port
15 Authority and \$100,000 to the National Center for
16 Responsible Gaming. At least \$25,000 of the National
17 Center contribution is directed to the Port
18 Authority's Problem Gambling Fund annually. In
19 addition the Kansas City property has committed to
20 providing up to \$100,000 for a disparity study to
21 analyze Minority and Women Business Enterprises
22 contracting goals in the community. All of these
23 payments are in addition to the Kansas City
24 property's participation in philanthropic funding
25 activities through the city.

1 Speaking to Ameristar St. Charles,
2 Ameristar St. Charles does not have a development
3 agreement with the City of St. Charles; however, the
4 property continues to display a substantial
5 commitment to the City through its philanthropic
6 enrichment through the community.

7 On to a summary of the revenue. Looking
8 at the adjusted gross revenues for the most recent
9 period of licensure, Ameristar Kansas City adjusted
10 gross revenue was just short of \$242 million in 2009
11 and just over 180 million through September of this
12 year. Kansas City's revenue performance has been
13 significantly impacted by the sluggish economy,
14 adverse weather, specifically in the first quarter of
15 2010.

16 Over to Ameristar St. Charles, AGR was
17 298 million in 2009 and 212 million through September
18 of this year. St. Charles 2010 revenue performance
19 has been significantly impacted by additional
20 competition in the marketplace, increased
21 promotional spent by competitors and the downturn in
22 the economy. Again, this is clear evidence of the
23 saturation level in the St. Louis gaming market.

24 On a summary of admissions, Ameristar
25 Kansas City admissions were 7.6 million in 2009 and

1 5.8 million through September 2010. Kansas City saw
2 a slight decline in admissions in 2009 and the first
3 half of 2010. Again, it was impacted by the same
4 economic and environmental factors affecting
5 revenues.

6 Ameristar St. Charles admissions were 8.8
7 million in 2009 and 6 million through September of
8 this year. Admissions --

9 CHAIRMAN MATHEWSON: Let me interrupt --

10 MR. BARNARD: Yes, sir.

11 CHAIRMAN MATHEWSON: -- to make sure I'm
12 understanding. I think I am, but your 2009 numbers
13 are for 12 months and your 2010 numbers for 9, am I
14 correct?

15 MR. BARNARD: Yes, Mr. Chair.

16 CHAIRMAN MATHEWSON: Okay. Are you going
17 to get into, at some point in your presentation, are
18 you going to get into projections that you think will
19 be for the next three months based on what you had
20 this nine? I mean, is -- do you have those kind of
21 numbers or do you not?

22 MR. BARNARD: Not specifically, no.

23 CHAIRMAN MATHEWSON: Okay. Okay. Thank
24 you.

25 MR. BARNARD: That is for a full year

1 compared to nine months.

2 CHAIRMAN MATHEWSON: Okay. Go ahead,
3 I'm sorry.

4 MR. BARNARD: No, not at all. Thank you,
5 sir.

6 On the employment summary, demographic
7 breakdown of our team members, Ameristar Kansas City,
8 1,395 team members; 1,297 of which reside in
9 Missouri. And as you can see 39 percent minority and
10 46 percent women and so on. As of September,
11 Ameristar Kansas City employed 1,297 as I say which
12 are residing in Missouri. The average cash
13 compensation computed by EEOC Job Group ranges from
14 officers and managers at \$86,006 to service workers
15 at 18,177.

16 As of the same date, Ameristar
17 St. Charles employed 1,549 team members; 1,459 which
18 reside in Missouri. St. Charles minority and women
19 employment, percentages of 42 percent and 47 percent
20 respectively. Again, computing the average cash
21 compensation by EEOC Job Group, average compensations
22 ranges from officers and managers at 83,941 to
23 service workers at 18,220.

24 While the service worker compensation for
25 both properties may appear low, it should be noted

1 that the figure does not include tips, which makes up
2 a large portion of these team members' wages.
3 Additionally none of these figures include additional
4 compensation in the form of benefits which average
5 7,824 for salaried team members and 5,544 for full-
6 time hourly team members annually. The benefits
7 offered include comprehensive health insurance,
8 disability insurance, life insurance, 401K, tuition
9 reimbursement, an employee assistance program and
10 paid time off. Part-time team members are also
11 eligible for a health plan, 401K program, tuition
12 reimbursement, the employee assistance program, and
13 paid time off.

14 At this point I will hand it over to Jim
15 Franke.

16 MR. FRANKE: Thank you, Sean. Good
17 afternoon, Chairman Mathewson, Commissioners, and
18 staff. A little shining light on there; I'll have to
19 hold this up a little bit.

20 CHAIRMAN MATHEWSON: Want to borrow my
21 glasses?

22 MR. FRANKE: I may need to. I appreciate
23 that.

24 Our properties are committed to providing
25 opportunities to minority- and women-owned

1 businesses, or MWBE's. The properties work to
2 achieve this objective by increasing awareness of
3 vendor diversity initiatives through our purchasing
4 department, increasing company-wide awareness of
5 vendor diversity objectives, and ultimately giving
6 both accessibility and opportunity for business owned
7 by minorities and women. By doing this, it allows
8 MWBE's to participate as direct suppliers,
9 contractors, and subcontractors. The results are
10 monitored and measured.

11 Ameristar stays active in Kansas City and
12 St. Charles to further the advancement of MWBE's
13 through the local chapters of the Urban League,
14 Minority Suppliers Council, and various chambers of
15 commerce.

16 Ameristar Kansas City utilization of
17 MWBE's was 7 percent in 2009 and is 7 percent in
18 2010. This equated to almost 1.8 million in
19 purchases in both 2009 and 2010.

20 Ameristar St. Charles purchases from
21 WMBE's were 8 percent in 2009 and 9 percent in 2010
22 which equates to about 6 million in purchases for
23 both years.

24 We've also pledged to make responsible
25 gaming an integral part of our daily operation. Both

1 properties are able to achieve this objective by
2 adhering to initiatives adopted at each property.
3 These include a training program to ensure all team
4 members receive responsible gaming training when
5 hired, and they are retrained on an annual basis.

6 Also guests indicating the need for
7 responsible gaming are referred to the 1.888.BETS.OFF
8 help line number or the free help at 888.betsoff.org
9 email address. Self-exclusion program brochures and
10 applications to discontinue ATM credit card advance
11 and check cashing privileges at the casino are also
12 available at the casino cashier. Of course patrons
13 can be excluded from all Missouri properties through
14 the disassociated person's program.

15 Our property utilizes signage and
16 brochures to communicate responsible gaming messages
17 to guests and team members throughout our facilities.
18 Annual participation in responsible gaming education
19 week also occurs at each property. This week
20 includes many property events regarding responsible
21 gaming to heighten guest and team member awareness
22 about problem gambling. All print, television, on
23 property and off property advertisement contains,
24 Gambling problem, call 1.888.BETS.OFF in the Missouri
25 message. Our Star Awards Club contains this message

1 as well. Finally as I mentioned earlier Ameristar
2 has committed 100,000 annually to responsible gaming
3 awareness and research through the National Center
4 for Responsible Gaming.

5 In our efforts to deter underage
6 gambling, both Ameristar in Kansas -- Kansas City and
7 St. Charles ensure that the law concerning the legal
8 gambling age is vigorously upheld. To do this the
9 properties have implemented programs to ensure that
10 all required team members receive underage gaming
11 prevention training when hired and are retrained on
12 an annual basis.

13 To ensure guests do not excess -- access
14 the casino floor unless they are 21 years of age or
15 older, any guest appearing to be under 30 years of
16 age is required to produce identification prior to
17 entering the casino.

18 Both casinos have signage at the casino
19 entrance stating guests must be at least 21 years of
20 age to enter. The same message is included on print,
21 television, on property and off property
22 advertisement. The Star Awards Club card contain the
23 message as well.

24 Both Kansas City and St. Charles began
25 using the VeriDoc's system this year. The VeriDoc's

1 system is an ID scanning device designed to verify
2 security features on ID's. It also contains a device
3 to verify passports and foreign credentials. The
4 property also implemented AllRegs training for our
5 security officers. AllRegs is a fraudulent document
6 recognition program, and all of our food and beverage
7 and casino operation team members will be trained in
8 2011.

9 Our charitable efforts in the community:
10 In 2009 Ameristar Kansas City made 203,000 in
11 charitable contributions and 181,000 in 2010. In
12 addition the Kansas City team members pledged 139,000
13 in 2009 to local charities through our Workplace
14 Giving Campaign. A portion of the amount given by
15 team members was then matched by the company and then
16 again by the Craig H. Nielsen Foundation. Those
17 matches raised the total campaign amount to \$250,000.
18 The 2010 Workplace Giving Campaign will begin
19 shortly.

20 Ameristar St. Charles' charitable
21 contributions for 2009 and 2010 were 206,000 and
22 190,000 respectively. Through its 2009 Workplace
23 Giving Campaign our team members pledged 166,000,
24 again with the match from the company and the Craig
25 H. Nielsen Foundation resulted in a total campaign

1 amount of \$301,000.

2 Our teams also volunteer in the
3 community. Ameristar Kansas City team members were
4 active in many charitable events including the MDA
5 Telethon held at the property, volunteer event with
6 the Rehabilitation Institute, and Susan G. Komen Race
7 for the Cure. Since 2008 Ameristar Kansas City has
8 given 75,000 pounds of food to Harvesters, the
9 community food network which helps feed the hungry in
10 Kansas City. Ameristar made a \$2 million
11 contribution to complete the Heritage Riverfront
12 Trail under the ASB Bridge at Berkeley Park. The
13 property also supported the Friends of the River in
14 the River Otter Day Clean up the River and the KC
15 Riverfest event. The Urban League of Greater Kansas
16 City and the Mid-America Minority Business
17 Development Council are among several diversity-
18 forward organizations that Ameristar Kansas City
19 actively supports.

20 St. Charles team members were focused on
21 the Susan G. Komen Race for a Cure, Habitat for
22 Humanity, and DASA, which is Disabled Athletes Sports
23 Association. St. Charles helped raise a record
24 300,000 for DASA and volunteered at several of the
25 organization's events throughout the year, including

1 the National Junior Disability Championships. Last
2 fall Ameristar St. Charles was recognized with the
3 Outstanding Corporate Programs Award by the St. Louis
4 Chapter of the Association of Fundraising
5 Professionals. The property was also very involved
6 with the St. Louis Minority Business Council.

7 And to finish up, just a summary of our
8 reinvestment with St. Charles. Since the beginning
9 2009 Ameristar St. Charles has invested almost \$7
10 million to enhance our slot product as well as
11 another \$8 million to complete refurbishment in our
12 casino operations with new carpet, new high limit
13 gaming area, new buffet, and new turnstiles as well.

14 And I know Sean has a project on the
15 books that he wants to finish up with.

16 MR. BARNARD: Well, in addition to the
17 6.7 million spent on enhancing our slot products,
18 we've also announced the expansion of our hotel to
19 include an additional 106 rooms. The project is
20 slated to get underway in 2011.

21 And with that, thank you, I'll turn it
22 back over to Troy.

23 MR. STREMMING: Thank you, Sean. That
24 concludes the formal part of our presentation. And
25 we can answer any questions you have now, or if you'd

1 like to wait until after the representatives from our
2 home dock cities present as well, that's fine.

3 We have Mayor Patti York from the City of
4 St. Charles here and Vincent Gauthier who's the
5 executive director for the Port Authority for the
6 City of Kansas City.

7 CHAIRMAN MATHEWSON: Troy, can I -- can I
8 just kind of jump in here --

9 MR. STREMMING: Sure.

10 CHAIRMAN MATHEWSON: -- since I have you.
11 I was reading an article out of the Las Vegas Sun
12 dated recent, Friday, October the 8th. One of the --
13 I mean, it's pretty good. I mean, it's 21 percent on
14 the strip, they were up 21 percent, and it breaks it
15 down by games, slots, et cetera.

16 MR. STREMMING: Uh-huh.

17 CHAIRMAN MATHEWSON: Do we -- we don't
18 have any regular full baccarat games in Missouri, do
19 we?

20 MR. STREMMING: No.

21 We have mini-bac, right?

22 We have mini-bac, but we do not have
23 regular baccarat machines or baccarat play. And I'm
24 assuming that up 21 percent on the Strip must be only
25 baccarat play because the Strip is off significantly.

1 You're -- they're suffering their second consecutive
2 year of double digit declines in revenues.

3 CHAIRMAN MATHEWSON: Is that strong
4 Cars-- it's dated Carson City of course, it's the
5 capital.

6 MR. STREMMING: Uh-huh.

7 CHAIRMAN MATHEWSON: Strong baccarat play
8 and a rebound in the slot machine business helped
9 casinos on the Las Vegas Strip post a 21 percent
10 increase in gross gaming win for August, okay?

11 MR. STREMMING: Uh-huh.

12 CHAIRMAN MATHEWSON: I'm just reading the
13 article.

14 MR. STREMMING: Okay, yeah, sure.

15 CHAIRMAN MATHEWSON: And I'll be glad to
16 give you --

17 MR. STREMMING: Yeah.

18 CHAIRMAN MATHEWSON: -- a copy of this.
19 State gaming control boards reported today that
20 statewide casinos registered a gross win of 994.4
21 million, up 11.5 percent. The increase was fueled by
22 increases in southern Nevada. The increase of 21
23 percent by the 41 casinos on the strip --

24 MR. STREMMING: Uh-huh.

25 CHAIRMAN MATHEWSON: -- at 544.3 million

1 was the biggest gain since February and so forth.
2 Baccarat win on the strip rose to 160 million, up
3 47.1 percent.

4 MR. STREMMING: Uh-huh.

5 CHAIRMAN MATHEWSON: I -- help me, just
6 quickly, and I don't want to take a bunch of time.

7 MR. STREMMING: Sure.

8 CHAIRMAN MATHEWSON: Because it's your
9 all's presentation here, and I don't want to take up
10 your time, we'll stay with --

11 MR. STREMMING: Sure. Well, I'll turn it
12 over to these guys to talk -- you know, we don't
13 have a lot of experience in those games, but I will
14 tell you this: The majority of that play is coming
15 from -- probably coming from outside the country.

16 CHAIRMAN MATHEWSON: I would guess --

17 MR. STREMMING: The majority of that is
18 probably coming into Las Vegas from outside the
19 country.

20 You guys know that better than me, but I
21 would assume that the vast majority is coming in.

22 CHAIRMAN MATHEWSON: My guess would be --

23 MR. STREMMING: A lot of that's Asian
24 play.

25 CHAIRMAN MATHEWSON: -- having just

1 watched it, I would guess it's Asian.

2 MR. STREMMING: Yeah, you're probably
3 right.

4 CHAIRMAN MATHEWSON: That seems to be
5 where big action comes from.

6 MR. STREMMING: Uh-huh.

7 CHAIRMAN MATHEWSON: And I would also
8 guess, and I'm looking at your two buds right behind
9 you there, we don't have a lot of Asian play in the
10 state of Missouri. If they do, they're in-house. I
11 mean, they're here, right?

12 MR. STREMMING: Right, absolutely.

13 CHAIRMAN MATHEWSON: I mean they're not
14 flying in --

15 MR. STREMMING: No.

16 CHAIRMAN MATHEWSON: -- from Japan or --

17 MR. STREMMING: No.

18 CHAIRMAN MATHEWSON: -- Korea or
19 someplace.

20 MR. STREMMING: We don't have a lot of
21 whales as we like to refer to them in the industry
22 here in Missouri.

23 CHAIRMAN MATHEWSON: Yeah. So I just --
24 when I saw that, that jumped out that me, and I -- so
25 I called Staff and said, we have -- we have any

1 baccarat? And I mean full baccarat in the state of
2 Missouri. No.

3 MR. STREMMING: Huh-uh, no.

4 CHAIRMAN MATHEWSON: I think you all
5 tried it one time and it didn't work very well.

6 MR. STREMMING: I think that might be --
7 I don't know.

8 UNIDENTIFIED SPEAKER: Kansas City did.

9 MR. STREMMING: KC.

10 CHAIRMAN MATHEWSON: Kansas City tried
11 it --

12 MR. STREMMING: Yeah.

13 CHAIRMAN MATHEWSON: -- for a while.
14 Didn't work real good, did it? I mean, it wasn't a
15 moneymaker. In fact you lost money I think maybe,
16 you know. That'll cause you to get out of business
17 if you can.

18 But I was just curious, because this has
19 a breakdown on all the different games, you know, and
20 I thought it was really interesting because we get
21 those reports, Staff sends us reports on the overall
22 industry on a regular basis.

23 MR. STREMMING: Uh-huh.

24 CHAIRMAN MATHEWSON: And I -- and I
25 glance at those. But this one really caught my

1 attention because it was up so much after having been
2 down so much.

3 MR. STREMMING: Right. Well, I'd love to
4 see the article and see, you know, exactly what it
5 says. So it's hard to speak directly to it.

6 The other thing you have to keep in mind,
7 when you're dealing with that level of play, it's
8 also very volatile in your business, you know. You
9 can have one individual come in and ruin an entire
10 quarter for your company. And when you're dealing
11 with the level of revenues we are in Missouri versus
12 what they're dealing with on the Strip, that's also a
13 significant, significant difference and a whole
14 different ball game when you start getting into
15 revenues at that level.

16 CHAIRMAN MATHEWSON: I'll make you a
17 copy.

18 MR. STREMMING: Okay, yeah, I --

19 CHAIRMAN MATHEWSON: I just wanted to
20 visit with you guys --

21 MR. STREMMING: Yeah.

22 CHAIRMAN MATHEWSON: -- a little about it
23 since you were going to be here. I'll make you a
24 copy of it and you --

25 MR. STREMMING: Sure. And I know you

1 also had specific questions about admissions and
2 revenues.

3 CHAIRMAN MATHEWSON: Yeah.

4 MR. STREMMING: You know, I -- you know,
5 if we look at what we project and you look at those
6 last three months in last year to this year and you
7 follow the same trend we've had, I mean, everything's
8 pretty much flat. You know, month over month, year
9 over year, it's pretty much stayed flat.

10 CHAIRMAN MATHEWSON: Here's going to
11 be -- here's going to be the situation that we find
12 ourselves in. Real soon we're going to be getting a
13 call from the budget office.

14 MR. STREMMING: Uh-huh.

15 CHAIRMAN MATHEWSON: Wanting us to make a
16 projection so -- because, you know, they're going to
17 be writing the budget.

18 MR. STREMMING: Right.

19 CHAIRMAN MATHEWSON: You know, for the
20 State of Missouri. And that's why I ask the question
21 to be honest with you, Troy. Just help me out here a
22 little bit, give us some sense of where we're going
23 to be. We -- I think this is right, that we in the
24 past have projected out and, I think we're fairly
25 well on target for the rest of this fiscal year.

1 Somebody help me. Are we not? Alden?

2 MR. HENRICKSON: On admissions we are.

3 CHAIRMAN MATHEWSON: On admissions, okay.

4 But not on revenue, AGR.

5 MR. HENRICKSON: Right. On revenue we're
6 overly optimistic.

7 CHAIRMAN MATHEWSON: Okay. Go ahead.

8 COMMISSIONER HATCHES: Troy, I know that
9 the Chair had asked this question earlier, I think to
10 you, that these numbers are through September?

11 MR. STREMMING: Correct.

12 COMMISSIONER HATCHES: And I think what I
13 hear you saying, if you were to forecast the end of
14 the year, it would be flat, consistent with where it
15 was last year?

16 MR. STREMMING: Yes.

17 COMMISSIONER HATCHES: Yes.

18 MR. FRANKE: Just one note on that. In
19 St. Louis with the additional competition there, we
20 were at 298 million in 2009. If you project ours out
21 through the end of the year, we're going to be under
22 280 million. So we're going to be down year over
23 year probably around 6 percent, maybe a little bit
24 more than that.

25 COMMISSIONER HATCHES: And also on that

1 point, in St. Charles you said your numbers are what
2 they are and they're lower in 2010 than 2009. And I
3 think I heard you say that was due to the saturation
4 of the market?

5 MR. FRANKE: Absolutely. I mean --

6 COMMISSIONER HATCHES: But is it some of
7 it saturation and some of it economics or is -- or
8 it's all saturation?

9 MR. FRANKE: No. I think some of it is
10 economics. And I think like Troy said, we see that
11 starting to even out. We don't -- we don't see
12 anything like what the Chairman described out in Las
13 Vegas, we don't see that growth coming right now. We
14 see it staying flat, but our decline is really
15 basically related to additional competition.

16 MR. STREMMING: Well, and there's two
17 other additional factors there. Being new to the
18 Commission you might not realize this also; that is,
19 the change, the removal of the loss limit. We all
20 thought that that was going to grow revenues by
21 anywhere from, you know, 15 to 20 percent or in that
22 ballpark. I mean, I think both the industry's
23 projections, the State's projections were all pretty
24 consistent. We saw none of that as a result of the
25 economy, so that's where the economy's impacting

1 you.

2 And when you look at the market and you
3 really don't have any growth in St. Louis, you also
4 have to take into consideration that the State of
5 Illinois passed a smoking ban which we picked up a
6 lot of business in that St. Louis market from the
7 Illinois side of the river.

8 But all of -- even including all of that,
9 the change in the loss limit, the smoking ban, it's
10 still flat. And you basically have I think minimal
11 single digit growth with a billion dollars worth of
12 capital in two new properties in St. Louis.

13 COMMISSIONER HATCHES: Just so I heard
14 you correctly, the \$212 million as of September 10 is
15 not projected, it's actual?

16 MR. STREMMING: Through September of 2010
17 is actual. I have an analysis in case you've lost
18 yours that has all this set out through the rest of
19 the year.

20 CHAIRMAN MATHEWSON: You through with
21 him?

22 COMMISSIONER HATCHES: I'm sure the
23 Chairman got that.

24 CHAIRMAN MATHEWSON: He likes to pick on
25 me. Back when he could talk to me, he did; he can't

1 do that anymore.

2 Okay. Go ahead, Troy.

3 Any other questions of Troy or either one
4 of the managers? Okay, Troy.

5 MR. STREMMING: I guess at this point in
6 time I'd ask Mayor Patti York from the City of
7 St. Charles to come up.

8 CHAIRMAN MATHEWSON: Okay. Mayor,
9 please. Nice to have you here, ma'am.

10 MAYOR YORK: Thank you, it's always nice
11 to come back.

12 Good afternoon, ladies and gentlemen.
13 Thank you for allowing me to be here. I am Mayor
14 Patti York, the mayor of the City of St. Charles,
15 Missouri, and again I thank you for providing me this
16 opportunity to testify before you in regard to the
17 Commission's consideration of the relicensure of
18 Ameristar Casino here in St. Charles. It is a
19 pleasure to be here and to have the opportunity to
20 tell you about the great things our city has been
21 able to accomplish as a home dock community.

22 Ameristar is an active corporate citizen.
23 Ameristar supports charities that assist adult and
24 children, they provide assistance in fundraising for
25 civic events and community activities and contribute

1 to worthy causes. Ameristar always stands ready to
2 assist our community. They are members of our
3 Chamber of Commerce, our Rotary Clubs, our Optimist
4 Clubs. They sit on the Tourism Commission. They're
5 in our churches, they're in our community, and as I
6 said, they're always ready and willing to assist our
7 community where we need them.

8 The Ameristar facility is an economic
9 asset to our city, no two ways about it. Ameristar
10 has invested over \$500 million in our city just from
11 gaming revenues. As you are aware in 2008 Ameristar
12 opened a 300-room all suite luxury four-star hotel,
13 spa, and night club. Ameristar is one of the city's
14 largest employers with approximately 1,500 employees.

15 The Ameristar facility anchors the South
16 Main Street Riverfront area. Since 2004 development
17 north of the Ameristar facility has included
18 construction of a new hotel, restaurant, and
19 residential housing. To the south development
20 started this year on the streets of St. Charles, a
21 mixed use commercial, office, retail, and residential
22 development on approximately 25 acres where the old
23 Noah's Ark restaurant was located. And many people
24 in the state of Missouri know where Noah's Ark used
25 to be.

1 In 2008 River Bluff Drive, the access
2 road to the Ameristar facility, was reconstructed,
3 widened to four lanes and renamed Ameristar
4 Boulevard. Project financing was achieved through a
5 cooperated -- a cooperative agreement among the City,
6 a transportation development district, and community
7 improvement district. In 2009 work started on the
8 widening of the westbound exit ramp from Interstate
9 70 onto northbound Fifth Street and is now almost
10 complete. Improvement to the exit ramp will
11 alleviate construction onto Ameristar Boulevard and
12 Bass Pro and into the Ameristar facility and into
13 Bass Pro.

14 The gaming tax and admission fee revenues
15 to the City is estimated at more than \$14 million in
16 2010, although that is down from our projected \$15.5
17 million income. The revenue in -- even so, the
18 revenue enabled the City to execute street
19 construction projects and repairs and major
20 infrastructure improvements throughout the city. The
21 revenue has enabled the City to, in conjunction
22 with the County Sports Facility Authority, operate
23 our convention center. We also have development and
24 acquisition of the parks funding to the St. Charles
25 Family Arena, funding for DARE and SRO officers, our

1 mounted patrol and other things.

2 But I have to say the additional
3 licensures in the area have severely affected our
4 bottom line. For example, I had to revamp our
5 six-year capital plan by about \$14 million over the
6 six-year projection basically because of the
7 lessening casino revenues for that same time period.
8 I hope the changes of course in the economy will
9 bring that back, and maybe even a little baccarat
10 would help.

11 CHAIRMAN MATHEWSON: Thank you, Mayor.

12 MAYOR YORK: The Ameristar -- we're
13 willing to try anything in St. Charles.

14 The Ameristar facility is truly an asset
15 to our community. The operation of the Ameristar
16 facility has provided no negadary -- no negative
17 secondary effects in terms of criminal activity in
18 our city. On average annually approximately 3
19 percent of the police department's total calls for
20 service involve the Ameristar facility. This is a
21 reasonable number because of the number of patrons
22 who visit the facility over that same time. Our
23 police department has an excellent working
24 relationship with the Missouri Highway Patrol
25 personnel assigned to the facility, and we also have

1 an excellent working relationship with the security
2 personnel of Ameristar.

3 The City has no revenue sharing
4 agreements with any adjacent political subdivisions;
5 however, the City utilizes gaming tax and fee
6 revenues in projects that benefit adjoining
7 communities and the public in general, for example
8 road projects, 94 and Highway 70, our convention
9 center, festivals, DARE, SRO officers just to name a
10 few.

11 In conclusion I thank you again for this
12 opportunity to be here and testify. And on behalf of
13 the City of St. Charles, we provide our 100 percent
14 support and endorsement for the relicensure of
15 Ameristar Casino in St. Charles.

16 CHAIRMAN MATHEWSON: Thank you, Mayor.

17 MAYOR YORK: Any questions?

18 CHAIRMAN MATHEWSON: Any questions of the
19 Mayor? Thank you, ma'am. Thank you for driving down
20 here. Please have a safe trip home.

21 MAYOR YORK: Thank you, will do.

22 CHAIRMAN MATHEWSON: Troy.

23 MR. STREMMING: Thank you, Patty.

24 Next we have Vincent Gauthier who's the
25 executive director of the Port Authority in the city

1 of Kansas City.

2 MR. GAUTHIER: Good afternoon, members of
3 the Commission, Staff. I'll be very brief. I'm
4 Vincent Gauthier. I'm the executive director of the
5 Port Authority of Kansas City.

6 We are the home dock controlling entity
7 for the Ameristar, one of five casinos in the Kansas
8 City metropolitan area. We could be no more pleased
9 with Ameristar than we are today. They have been an
10 excellent corporate citizen. You heard a number of
11 the activities that they were involved in earlier. I
12 may mention a few later, but I want to emphasize one
13 that just happened recently that we utilized their
14 funding to the Port Authority for. And that was the
15 creation of what's called PID legislation, Port
16 Improvement District legislation which is now a
17 statewide economic development tool to help areas
18 along riverfronts and other waterways. And this is
19 overseen by the individual port authorities in the
20 state.

21 This kind of work and research does not
22 come cheaply, and so the contributions that Ameristar
23 makes directly to our general revenue helps. They
24 are one the largest contributors to the City of
25 Kansas City, Missouri's general revenue. We do have

1 a contribution agreement with them and a development
2 agreement.

3 We are very grateful for the work that
4 they do both on the local and national level with
5 regard to problem gaming. They've consistently done
6 this. They also work with an organization that we
7 have in Kansas City; it's a fund known as the Port
8 Authority Ameristar, Isle of Capri Fund for the
9 Advancement of Minority and Women-Owned Businesses.
10 It doesn't fit on many cards very easily, but. But
11 this does make a difference in the community and you
12 can see direct results in our MBE and WBE communities
13 from the loans that were given by this organization
14 and it comes directly from money from both the Isle
15 of Capri and the Ameristar.

16 They mentioned earlier that they helped
17 with River Otter Day which is a cleanup in Kansas
18 City. They've helped so much that we've now actually
19 expanded beyond the riverfront into some of historic
20 neighborhoods beyond. They've also helped with
21 Riverfest which is one of the largest celebrations in
22 Kansas City; encourage you to come over for the
23 Fourth of July holiday for that.

24 And finally I just want to end on, at
25 least with regard to what they've contributed to

1 Kansas City, is a project called the ASB underpass.
2 It was mentioned earlier, the Riverfront Heritage
3 Trail. This is a major 22-mile long connection
4 between the downtown area of Kansas City, Missouri,
5 and downtown Kansas City, Kansas. And as you can
6 imagine between two rivers converging there and major
7 railroads, it's not an easy task to make happen. But
8 for the \$2 million that was donated through the
9 Department of Economic Development by Ameristar, this
10 trail would not be connected today. This particular
11 connection, the ASB bridge underpass took ten years
12 to make happen. And again, we'd probably be waiting
13 another ten without Ameristar.

14 I'd like to just emphasize in the end as
15 I stated earlier, there are five casinos in the
16 Kansas City metro area and we have a sixth one coming
17 on in Kansas City, Kansas, that looks to be a doozy.
18 So we considered this a saturated market, and we want
19 to end thanking you all for considering that as you
20 look to the relicensure of Ameristar Kansas City.
21 Thank you.

22 CHAIRMAN MATHEWSON: Thank you. Any
23 questions? Let me -- let me ask you one please.

24 MR. GAUTHIER: Certainly.

25 CHAIRMAN MATHEWSON: I was -- I've never

1 lived on a river like you're in charge of up there
2 with the Port Authority. I don't want to take your
3 time now, but I noticed, I mean, you showed up for
4 the Sugar Creek hearing that we had for information;
5 you were opposed to it, right?

6 MR. GAUTHIER: Yes, sir.

7 CHAIRMAN MATHEWSON: And that's fine, I
8 don't mean that critically. But I don't understand
9 and what I'd like for you to do sometime in the
10 foreseeable future is provide me, so I can provide
11 all the Commissioners that may not be aware, of your
12 funding sources.

13 MR. GAUTHIER: Absolutely.

14 CHAIRMAN MATHEWSON: Okay. I'd like to
15 understand how that works. To be honest with you
16 being from out state Missouri, never having any real
17 experience in dealing with the Port Authority, I
18 thought you all were under like the Corps of
19 Engineers or something like that, okay?

20 MR. GAUTHIER: Sure.

21 CHAIRMAN MATHEWSON: And evidently shows
22 how goofy I am, which about everybody knows. But
23 would you -- would you have some kind of a document
24 that would just show me -- and I -- and I'm not doing
25 this on an attack of anybody or anything.

1 MR. GAUTHIER: Sure.

2 CHAIRMAN MATHEWSON: Okay. All I'm
3 trying to do is get a little better grasp of what --
4 where your authority comes from, who grants it, and
5 how you fund your operation. Do you have something
6 that would help me that?

7 MR. GAUTHIER: Absolutely, I can do
8 that. But if you would give me just literally 20
9 seconds, I can --

10 CHAIRMAN MATHEWSON: Okay.

11 MR. GAUTHIER: -- tell you right now.

12 CHAIRMAN MATHEWSON: You're on the
13 clock.

14 MR. GAUTHIER: Port Authority is enabled
15 by the State of Missouri, and we basically have one
16 primary source of income and that is the casino
17 industry in Kansas City. We are the landlord for the
18 Isle of Capri, and we have contribution agreements
19 and development agreements with Ameristar.

20 Two and a half years ago we took over the
21 Richard-Gebaur Air Force Base, the former Richard-
22 Gebaur Air Force Base, converting it into an inter-
23 modal center. But because it was a formerly used
24 defense site and base realignment and enclosure site,
25 all of the funds generated at that site must remain

1 out at Richard-Gebaur.

2 We get no city taxes. We are firmly
3 entrenched in getting revenues from the casinos,
4 specifically the Isle of Capri-run casino is our
5 primary source of income.

6 CHAIRMAN MATHEWSON: So your contracts
7 with those two casinos, are they -- didn't I hear
8 someone say while ago that like five years or six
9 years or something on that contract?

10 MR. GAUTHIER: Yes. We -- yes. We have
11 different -- obviously different casinos we have
12 different arrangements, but typically our
13 arrangements are for five years. We're actually
14 trying to change that going forward, so that we can
15 bond the stream of money coming from those.

16 CHAIRMAN MATHEWSON: Okay. Casinos only
17 been there for 14 years or whatever it is. Where was
18 your money stream before that?

19 MR. GAUTHIER: That's why you never heard
20 of a port authority before then.

21 CHAIRMAN MATHEWSON: Okay.

22 MR. GAUTHIER: We basically were enabled
23 so to speak --

24 CHAIRMAN MATHEWSON: So you --

25 MR. GAUTHIER: -- by the casinos.

1 CHAIRMAN MATHEWSON: The Port Authority,
2 who elects the Port Authority? How do they get
3 there?

4 MR. GAUTHIER: They are appointed by the
5 mayor and/or city council depending on --

6 CHAIRMAN MATHEWSON: Whatever political
7 subdivision --

8 MR. GAUTHIER: Correct.

9 CHAIRMAN MATHEWSON: -- that river
10 happens to run I guess, huh?

11 MR. GAUTHIER: And in Kansas City,
12 Missouri, it is -- the Port Authority's boundaries
13 are the city of Kansas City's boundaries. But other
14 port authorities in the state are countywide or part
15 of a municipality.

16 CHAIRMAN MATHEWSON: Okay. So
17 St. Charles, being on -- your operation in
18 St. Charles, there would be a port authority there?
19 Is there one? No. No, Mayor?

20 MAYOR YORK: No.

21 CHAIRMAN MATHEWSON: Okay. You see how I
22 get a little confused here with all this? I mean,
23 because --

24 MR. GAUTHIER: My wife still doesn't get
25 it after four years.

1 CHAIRMAN MATHEWSON: Well, I -- you know,
2 so help me. And again, I don't want to take all of
3 our time right now, but I would sure appreciate you
4 giving me something on that because --

5 MR. GAUTHIER: Oh, absolutely.

6 CHAIRMAN MATHEWSON: And further, if you
7 have any information about how you ended up with
8 Richard-Gebaur Air Base, that would also intrigue
9 me. Because at one point that was going to be a
10 model of the world, we were going to train everything
11 up there and then, you know, truck it out of there.
12 I mean, it was going to be an unbelievable deal.
13 Nothing ever happened, did it?

14 MR. GAUTHIER: I'd encourage you to come
15 out. We've moved two million cubic yards of dirt.
16 We've put in all new roadways.

17 CHAIRMAN MATHEWSON: Okay. So, I mean,
18 it is -- I mean, it's starting to develop, is that
19 what you're saying?

20 MR. GAUTHIER: Right. It's ready for
21 vertical development right now.

22 CHAIRMAN MATHEWSON: Okay. I didn't know
23 that.

24 MR. GAUTHIER: I'd encourage you all to
25 come over.

1 CHAIRMAN MATHEWSON: I flew in and out
2 several times, but. Okay. And I don't want to take
3 any more time. I wasn't trying to put you on the
4 spot, sir.

5 MR. GAUTHIER: No, no, no.

6 CHAIRMAN GAUTHIER: Get me -- or I'll
7 give you a card pretty soon or whatever, but it would
8 be better if you send it to staff, to Angie or Roger
9 or anybody, Clarence, you can send it to Clarence
10 even. And then they'll distribute it out to us.
11 Because I think the other Commissioners have some
12 interest in this deal too, because I just didn't
13 understand it, okay?

14 MR. GAUTHIER: Believe me, as the only
15 person that ever comes up here that's not a mayor of
16 a community, I've always wanted to tell you. So
17 thank you very much.

18 CHAIRMAN MATHEWSON: Oh, you're good.
19 Okay. Thank you.

20 Next, Troy.

21 MR. STREMMING: That's all we have. I
22 will tell you those agreements were put in place --
23 Kansas City had the benefit of being not first in the
24 market, so they had the opportunity to basically go
25 out to the licensed applicants and say, If you would

1 like us to support you in your efforts to get a
2 license, then you need to enter into this development
3 agreement with City of Kansas City. So there have
4 been development agreements and funding agreements in
5 place in Kansas City. And keep in mind there's only
6 two casinos in the city limits of Kansas City, Isle
7 of Capri and Ameristar. And those agreements have
8 been in place --

9 CHAIRMAN MATHEWSON: So let me take you
10 one step further there.

11 MR. STREMMING: Sure.

12 CHAIRMAN MATHEWSON: Like where old
13 Station's was.

14 MR. STREMMING: Right.

15 CHAIRMAN MATHEWSON: Okay. Which, as I
16 remember, was Harrah's?

17 MR. STREMMING: No, which is now
18 Ameristar.

19 CHAIRMAN MATHEWSON: No, no.

20 MR. STREMMING: Yes. I can assure you of
21 that one.

22 CHAIRMAN MATHEWSON: What was the one
23 right next to the bridge? What was the one right
24 next to the bridge?

25 MR. STREMMING: Sam's Town.

1 CHAIRMAN MATHEWSON: Sam's Town, that was
2 it.

3 MR. STREMMING: That one went out of
4 business after they put an additional casino in the
5 market.

6 CHAIRMAN MATHEWSON: Okay. Was it on the
7 Port Authority? Was that Port Authority's --

8 MR. STREMMING: Yes.

9 CHAIRMAN MATHEWSON: -- control there?

10 MR. STREMMING: That was -- that's City
11 of Kansas City.

12 MR. GAUTHIER: Yes, it was.

13 CHAIRMAN MATHEWSON: Okay. So now,
14 how -- what's -- where's Harrah's? Are they --

15 MR. STREMMING: Harrah's is in --

16 CHAIRMAN MATHEWSON: -- in Port
17 Authority?

18 MR. STREMMING: Harrah's is in North
19 Kansas City. And their home dock city is the City of
20 North Kansas City, and Argosy is in Riverside, so
21 they have whatever agreements they have with the City
22 of Riverside.

23 CHAIRMAN MATHEWSON: Okay. Thank you.

24 MR. STREMMING: Sure.

25 CHAIRMAN MATHEWSON: Okay. Wherever else

1 you going?

2 MR. STREMMING: That's -- that concludes
3 what we have, so we're here to answer any questions
4 you may have of us.

5 CHAIRMAN MATHEWSON: Okay. Public
6 comment? Anyone else have anything? Excuse me,
7 Roger.

8 MR. STOTTLEMYRE: Mr. Chairman, before
9 they leave, I'd like to ask Mr. Franke a question.

10 CHAIRMAN MATHEWSON: Okay.

11 MR. STOTTLEMYRE: I knew that would make
12 his day. No.

13 We've just recently heard about the
14 closure of the bridge on I-70 and whatever they're
15 going to do there. I just wonder if you've put plans
16 together on how that's or -- and know how that's
17 going to effect the business there, if at all?

18 MR. FRANKE: Well, we definitely think
19 there's going to be an impact to our business. With
20 that bridge closure we are working with the City and
21 with the State of Missouri to mitigate that closure.
22 Everybody is working very well together. St. Louis
23 did -- the Missouri Department of Transportation did
24 a project down on 40 in St. Louis here a few years
25 ago, just opened up here recently. And the

1 cooperation that we got from everyone really made
2 that project probably go smoother than anyone could
3 have anticipated. We're using that same model or the
4 State is using that same model. We're participating,
5 working with the City, and we're going to do the best
6 we can to mitigate that disruption.

7 MR. STOTTLEMYRE: Thank you.

8 MR. STREMMING: Roger, the only thing I
9 would add to that is the most -- the two most
10 important things to us are keeping those two exits
11 open.

12 MR. STOTTLEMYRE: Sure.

13 MR. STREMMING: And if you move all of
14 that traffic onto the eastbound bridge, which is
15 what -- originally that was the plan so there would
16 be no exit right on Fifth Street --

17 MR. STOTTLEMYRE: Well, that's what I was
18 reading and that's --

19 MR. STREMMING: Right.

20 MR. STOTTLEMYRE: -- what made me
21 wonder.

22 MR. STREMMING: We've had several
23 meetings and we're trying to make certain that you at
24 least give yourself that same exit.

25 MR. STOTTLEMYRE: So you can get off --

1 MR. STREMMING: I'm sure Patti can speak
2 to that as well.

3 CHAIRMAN MATHEWSON: Come back up here,
4 Mayor, please, so we can get you on tape here.
5 Please reidentify yourself.

6 MAYOR YORK: I'm Mayor Patti York of the
7 City of St. Charles, and I am on an advisory
8 commission with MoDOT working on this.

9 Right now the westbound bridge will be
10 closed and all traffic will be on the eastbound
11 bridge. That will be restriped, and they will
12 actually have six lanes of traffic on there going
13 both ways. What they'll do is -- there was a big
14 debate on whether we close the whole bridge for one
15 year and reconstruct it from the bottom up or do we
16 take four or five years to complete that, keeping the
17 bridge open, and everybody said that would be
18 suicide.

19 The biggest certain concern is that right
20 now all of the indications are and have been from the
21 very beginning, you would be able to get off of the
22 bridge at Fifth Street and get into our city, which
23 is great. Originally they said though there will be
24 no opening to go back east, to get back on from Fifth
25 Street, which as a mayor, part of me says, That's

1 great, you're in my city and can't get out, spend
2 money, stay here. But we also know that that could
3 be devastating to Ameristar Casino, to Bass Pro
4 Shops, all of this which is in this area. So we are
5 working with MoDOT, and all indications are now that
6 we will be have an exit ramp to get back onto the
7 highway heading east. And that's what we've been
8 working for very diligently from the very beginning.
9 We want to make sure that while people can get there,
10 they can also get back home.

11 MR. STOTTLEMYRE: Very good, thank you
12 Mayor.

13 CHAIRMAN MATHEWSON: Thank you, Mayor.
14 Thank you, Roger.

15 Any other questions at this time?

16 Okay. Public comment, is there anyone
17 here that would like to speak about either one of
18 Ameristar's casinos? No? Okay.

19 Roger?

20 MR. STOTTLEMYRE: If not, at this time I
21 would ask Sergeant Phil Morrison to come forward with
22 the investigative summary. We set those to mess you
23 up if we can.

24 SERGEANT MORRISON: Good evening,
25 Mr. Chairman and Commissioners.

1 COMMISSIONER JONES: Good evening.

2 SERGEANT MORRISON: For the record my
3 name is Phillip Morrison, I'm a sergeant with
4 Missouri Highway Patrol's gaming division assigned to
5 the background investigations unit here in Jefferson
6 City.

7 You'll notice under Tab A there are three
8 separate resolutions, one related to the renewal of a
9 Class A licensee, Ameristar Casinos, Incorporated,
10 which is the parent company, and one for each of the
11 affiliated Class B licensees, Ameristar Casino Kansas
12 City and Ameristar Casino St. Charles.

13 On August 2nd, 2010, Ameristar Casinos,
14 Incorporated, Ameristar Casino Kansas City, and
15 Ameristar Casino St. Charles filed Class A and B
16 renewal applications with the Missouri Gaming
17 Commission respectively. The last renewal had
18 occurred in the fall of 2008, and their current
19 licenses are scheduled to expire on October 31st of
20 this month.

21 Missouri State Highway Patrol
22 investigators and Missouri Gaming Commission
23 financial investigators conducted background
24 investigations on the Ameristar parent company and
25 its affiliated Missouri casino properties. The

1 investigation involved interviewing various
2 government officials and regulatory personnel in the
3 jurisdictions affected as well as state and federal
4 officials. Additionally, inquiries were made with
5 gaming regulatory agencies located in other areas
6 throughout the United States where Ameristar operates
7 a casino.

8 In addition to the aforementioned
9 contacts, a comprehensive financial analysis of the
10 company was conducted. An investigative summary was
11 prepared and submitted to the Missouri Gaming
12 Commission staff. A copy of that comprehensive
13 summary was provided to you for your review prior to
14 this meeting.

15 If you have any questions regarding that
16 report at this time, I'd be happy to address those.

17 CHAIRMAN MATHEWSON: Any questions of the
18 sergeant? I believe not.

19 Thank you, sir.

20 MR. STOTTLEMYRE: At this time I would
21 ask Rick Wilhoit to report on the MBE/WBE Compliance
22 Review.

23 MR. WILHOIT: Good evening, Mr. Chairman
24 and Commissioners. The MBE/WBE audit that -- to
25 include the auditor's recommendation is included in

1 your binder, and that's followed by Ameristar's
2 response to the audit. The findings in this report
3 will be considered in future MBE/WBE audits of
4 Ameristar's two Class B Missouri licensees.

5 If you've got any questions about the
6 audit report, I'm here to assure you get your
7 answers.

8 COMMISSIONER HATCHES: Oh, really?

9 MR. WILHOIT: That's it.

10 COMMISSIONER HATCHES: I thought you said
11 you're here to assure we get the answers?

12 MR. WILHOIT: That's right.

13 COMMISSIONER HATCHES: Okay.

14 MR. WILHOIT: I'm not saying I'm going to
15 give them to you; I'm saying I'm going to make sure
16 you get them.

17 COMMISSIONER HATCHES: Could you read the
18 record back, I think he said he was going to give
19 them.

20 MR. WILHOIT: I've got it written right
21 here.

22 CHAIRMAN MATHEWSON: Commissioner,
23 proceed.

24 COMMISSIONER HATCHES: My turn?

25 CHAIRMAN MATHEWSON: You bet.

1 COMMISSIONER HATCHES: Hopefully you can
2 answer on this or Ameristar people can help you with
3 it. Looking at your report there were some things
4 here that -- that's just not adding up for me.

5 MR. WILHOIT: Okay.

6 COMMISSIONER HATCHES: And the breakdown
7 suppliers between women and minority vendors were not
8 totaled properly. We're not sure of this information
9 that I have. Not really sure about it. And that's
10 what it appears that things were counted that maybe
11 shouldn't have been counted or the way they were
12 counted. Can you speak to that a little bit?

13 MR. WILHOIT: Did -- I know that prior to
14 the meeting -- or prior to today you were not able to
15 get Ameristar's response. Have you been able to read
16 their response?

17 COMMISSIONER HATCHES: No.

18 MR. WILHOIT: That was addressed in
19 there, in their response. I think --

20 COMMISSIONER HATCHES: Can you just
21 briefly tell me what their response is?

22 MR. WILHOIT: Their --

23 MR. STOTTLEMYRE: Should we have Troy
24 come up?

25 MR. WILHOIT: Yeah. Troy, you want to --

1 MR. STREMMING: Sure. Not really, but.

2 I thought I was done.

3 Well, and again, this -- you have this
4 and we apologize for -- I think Rick will also tell
5 you that because we had some changes and there was a
6 different auditor, we basically got this and tried to
7 get it back to you that same day, a response, so it
8 would be in your books. But I think we were a day or
9 two day late before it got out.

10 But what you'll find in there, I believe,
11 there was only one vendor that was ultimately counted
12 that was not an MBE or WBE at either property over
13 this entire audit process, and that number has been
14 taken out. My understanding is there were a total of
15 three, and the other two are certified vendors and
16 all of that information has been supplied to the
17 auditor. And I think you have it as the backup to
18 your letter.

19 And the issue was that there was a time
20 lapse from when we gave the information to the
21 Commission and when the surveys came back from the
22 actual businesses that we asked for proof of their
23 certification. Once we got those back, we took them
24 out of our numbers, but they were still in the
25 information that you have and that was passed on to

1 the auditor, but it was after the fact, after the
2 audit had been concluded.

3 The Gaming Commission has recently
4 started a new process where we are reaching out to
5 all of the vendors that we use and asking them to
6 sign an affidavit verifying that they are certified.
7 I know from your time in Kansas City, you know very
8 well about the different certifications processes.
9 The Gaming Commission does not require MBE's or WBE's
10 to be certified. It's a self-proclamation signed by
11 an affidavit saying that they are -- that they are an
12 MBE or a WBE, so we have to rely on those surveys
13 that we get back from the business. We can't rely
14 solely on certification from the State or City.

15 COMMISSIONER HATCHES: That's correct.

16 MR. STREMMING: So there was really just
17 a time lapse, and since that time, those numbers were
18 taken out of our total. So the numbers that you have
19 should be accurate.

20 COMMISSIONER HATCHES: In this new
21 report?

22 MR. STREMMING: With the exception of one
23 vendor which --

24 COMMISSIONER JONES: Which one? Which
25 report?

1 MR. STREMMING: Let me see here.

2 MR. WILHOIT: The letter is in your
3 Kansas City response, the audit.

4 COMMISSIONER HATCHES: This is the new
5 one?

6 MR. WILHOIT: Yes.

7 COMMISSIONER HATCHES: Then probably in
8 fairness I should hold the rest of my comments until
9 I've had a chance to review it.

10 MR. STREMMING: That's okay. I mean,
11 I'll be more than happy -- I think it's Regal's
12 Plastics survey was --

13 CHAIRMAN MATHEWSON: Troy, help my
14 understand. I have two documents here, okay?

15 MR. STREMMING: Uh-huh.

16 CHAIRMAN MATHEWSON: Looks the same to
17 me, but I haven't been gone through them page by
18 page, but what's the difference?

19 MR. STREMMING: We only submitted one.

20 CHAIRMAN MATHEWSON: Between St. Charles
21 and Kansas City. Okay, I gotcha.

22 MR. STREMMING: I think what you're
23 looking at are -- might be attachment-- are those
24 attach--

25 MR. WILHOIT: Those are the --

1 MR. STREMMING: Oh, they just put
2 different --

3 MR. WILHOIT: -- final reports.

4 MR. STREMMING: Okay. So that's the
5 audit he's looking at, right?

6 MR. WILHOIT: Yes.

7 MR. STREMMING: You're looking at the
8 audit that's been performed by the independent
9 auditor from the Commission. And then we have a
10 letter that addresses both --

11 CHAIRMAN MATHEWSON: I think --

12 MR. WILHOIT: Mr. Chairman, that letter
13 is included in the Kansas City audit. It's not in
14 both; it's just the Kansas City.

15 CHAIRMAN MATHEWSON: Is it the back of it
16 or something, the letter from Ameristar?

17 MR. WILHOIT: Right.

18 COMMISSIONER SHULL: No. It's in the
19 middle.

20 COMMISSIONER MERRITT: It's dated
21 October 15th.

22 CHAIRMAN MATHEWSON: Okay. This is
23 addressed to Rick, right?

24 MR. WILHOIT: Correct.

25 MR. STREMMING: Correct.

1 CHAIRMAN MATHEWSON: Okay.

2 COMMISSIONER JONES: But the numbers are
3 still a little off from what I'm looking at even in
4 this, the new document.

5 MR. STREMMING: Okay.

6 COMMISSIONER JONES: The numbers are
7 still -- they're off. They're off quite a bit from
8 what's being reported and what the auditor has said.

9 MR. FRANKE: Troy, can I address that?

10 MR. STREMMING: Yeah, go ahead.

11 MR. FRANKE: I think what that's saying,
12 and that's what I talked to Rick about last week, if
13 you look at what our requirements are --

14 CHAIRMAN MATHEWSON: Reidentify yourself
15 so she's -- she's down here, like, oh, wait a minute,
16 who's that guy, you know. Please.

17 MR. FRANKE: I'm Jim Franke, Ameristar
18 St. Charles.

19 CHAIRMAN MATHEWSON: Thank you.

20 MR. FRANKE: I think what the audit says
21 when you look at that first paragraph, what we're
22 required to do is to go out to our vendors and either
23 they will provide us a certification or a survey
24 saying they are a minority- or women-owned business.
25 If we have that document, one of those two documents,

1 we can include them as a minority vendor. So what
2 you're seeing there is that first part just says
3 certification. Those are the number that are
4 actually certified. The second number that's in your
5 audit tells you the entire audit, which I think
6 St. Charles was -- we under-reported our minority
7 spend and I think it was 102 percent if you read that
8 next sentence down.

9 COMMISSIONER JONES: 100.2.

10 MR. FRANKE: What's that? 100.2, I'm
11 sorry.

12 COMMISSIONER JONES: Right. 100.2.

13 MR. FRANKE: And the difference is on
14 that, on the survey, that is what the Commission has
15 set up for the requirement that we need to operate
16 within. That will soon change, I think in
17 November --

18 MR. WILHOIT: Correct.

19 MR. FRANKE: -- the Commission is now
20 going to require an affidavit from the vendors. And
21 as soon as that direction is provided, we will go out
22 to those vendors and get that affidavit from them.

23 COMMISSIONER JONES: Okay. So the
24 numbers right now have not included the affidavit
25 pretty much? It's just based on -- and the

1 differences between those that have provided or the
2 auditor has seen the actual certification.

3 MR. STREMMING: Right.

4 COMMISSIONER JONES: And the other
5 ones --

6 MR. FRANKE: Self-proclaimed.

7 COMMISSIONER JONES: Right, self-
8 proclaimed. But starting at November you're saying
9 that we're going to have affidavits or certification
10 documents moving forward.

11 MR. STREMMING: That's correct.

12 MR. FRANKE: That's correct.

13 MR. STOTTLEMYRE: There is a new rule
14 that goes into effect at that time which will allow
15 us to do that.

16 CHAIRMAN MATHEWSON: We passed that
17 whenever, yeah.

18 All right.

19 COMMISSIONER JONES: What's the penalty
20 for falsifying that?

21 CHAIRMAN MATHEWSON: We shoot them.

22 COMMISSIONER JONES: On the affidavit.

23 MR. FRANKE: On the affidavit?

24 CHAIRMAN MATHEWSON: Well, we shoot the
25 people at Ameristar; the rest of the people we let

1 go. I don't know.

2 Don't put that in there. Oh, put it in,
3 I don't care.

4 MR. STOTTLEMYRE: Our authority says
5 falsifying an affidavit could be considered a crime.

6 COMMISSIONER JONES: Okay.

7 CHAIRMAN MATHEWSON: How big of a crime
8 there, Counselor? Is that a misdemeanor or a big old
9 type felony?

10 MR. BRADLEY: Without looking at the
11 statute or talking to one of the prosecutors, it's a
12 misdemeanor.

13 CHAIRMAN MATHEWSON: It's a misdemeanor,
14 that's what I'd say too, and I'm not a lawyer.

15 Mr. Hatches, you still look like you're
16 in a quandary, sir.

17 COMMISSIONER HATCHES: I am. I'd really
18 like to have some further discussion about this; it
19 may be outside of the scope of the renewal of this
20 license.

21 CHAIRMAN MATHEWSON: Okay.

22 COMMISSIONER HATCHES: But I just, I need
23 to get a better feel for what's in this later report
24 versus what I read and, you know, I really -- in
25 fairness, I really need to read this.

1 CHAIRMAN MATHEWSON: Yeah, yeah.

2 COMMISSIONER HATCHES: And this, what I
3 have first, is very concerning the way it appears
4 your numbers were counted. It was very concerning to
5 me, and I need to read this and I need to understand
6 where we're going starting in January. Maybe --
7 maybe I'll get there, but right now I'm just not
8 comfortable with it.

9 MR. STREMMING: Just -- and I'll also let
10 you know that our numbers that we report -- we also,
11 pursuant to our development agreement in Kansas City,
12 we report a separate set of numbers in Kansas City
13 because we're required there to be certified by the
14 City of Kansas City. So that number's even a
15 separate set of numbers to confuse the matter
16 further.

17 And the other thing I think you have to
18 layer over this is the representative from the
19 Commission that we normally work with was out due to
20 medical leave, so the auditor that's doing this
21 report, I think this is the first time that they've
22 dealt with this issue. And they're used to, as I am,
23 dealing with certification versus just an affidavit
24 that says I am a minority- or woman-owned business
25 which is why I think you have that discrepancy.

1 COMMISSIONER HATCHES: And I think that's
2 another reason I'd like to sort of hold this
3 component -- it's outside of this licensing
4 hearing --

5 CHAIRMAN MATHEWSON: I think --

6 COMMISSIONER HATCHES: -- for discussion.

7 CHAIRMAN MATHEWSON: I think -- well
8 taken, okay.

9 First of all for those of you that don't
10 know, John Nathan who is that person had, I guess we
11 know now it was a heart attack, right? It was a
12 myocardial infarction, which I'm familiar with.
13 That's when your arteries plug up. And he's
14 recuperating I think, but he's out, you know, and
15 will be maybe for -- who knows. We don't know for
16 sure when he's coming back. So that's kind of thrown
17 a problem in here too because John was the one we
18 counted on to develop and be working with us on this.

19 I'm going to suggest -- and Staff hasn't
20 made a recommendation to us, so I will hold up my
21 what I'm going to suggest until Staff makes a
22 recommendation to us and then we'll go forward.

23 MR. STOTTLEMYRE: I think after having
24 the opportunity to review the information that was
25 put in the packet today that you haven't had a chance

1 to review yet, I think you'll feel better about those
2 numbers than you did. However, I see nothing wrong
3 with us coming back at a later commission meeting and
4 addressing this with the casino, with Ameristar.

5 CHAIRMAN MATHEWSON: So --

6 MR. STOTTLEMYRE: If you would like to
7 set a date in the future to do that --

8 CHAIRMAN MATHEWSON: I think -- I
9 think -- I think where I'm going, Roger, is that
10 we -- are you going to recommend that we approve
11 their license which I understand needs to be done by
12 the end of this month? Am I correct about that?

13 MR. STOTTLEMYRE: The staff
14 recommendation will be that we approve the license
15 of, yes, for the Class A and Class B licenses that
16 are before us.

17 CHAIRMAN MATHEWSON: Okay. And that's --

18 MR. STOTTLEMYRE: But we can still
19 address the --

20 CHAIRMAN MATHEWSON: You bet. And
21 that's -- and that's -- I didn't want to go forward
22 for the record with -- with a recommendation on what
23 I think we want to do or at least what I'd like to do
24 in regard to this until I had a recommendation that
25 we were going to do anything.

1 MR. STOTTLEMYRE: Yes, sir.

2 CHAIRMAN MATHEWSON: Okay?

3 MR. STOTTLEMYRE: Okay.

4 CHAIRMAN MATHEWSON: So having -- you've
5 made that recommendation --

6 MR. STOTTLEMYRE: Yes.

7 CHAIRMAN MATHEWSON: -- for the record;
8 is that correct, that we approve the license?

9 Here's what I -- here's what I think. I
10 don't -- I hope everyone would understand that we
11 were kind of confused here. You had a problem
12 because it was the new -- a new game in town so to
13 speak. We didn't have the information. We -- and
14 that's no one's fault. I'm not blaming anybody, but
15 we didn't have that nor did you have the response
16 available to us because you just got the question --

17 MR. STREMMING: Right.

18 CHAIRMAN MATHEWSON: -- and so we didn't
19 even see it, okay?

20 This is the last time we're going to meet
21 this month in a regular open session like this, a
22 business session, so what I'm going to recommend is
23 after the recommendation from our executive director
24 that we approve their license, I'm going to recommend
25 that we do that and we'll vote on that. I'm also

1 going to recommend that in our January meeting, that
2 you all be prepared to have us information prior to
3 that meeting so that we can thoroughly review it and
4 have an opportunity to prepare questions if we have
5 any and so forth, okay?

6 MR. STREMMING: Yeah. My only question
7 would be, in addition to what you already have or
8 should we just stay back and wait to see if you have
9 further questions after you review that?

10 CHAIRMAN MATHEWSON: I'm going to -- I'm
11 going to suggest since we're going under a new rule
12 for November, I don't know when we're going to get
13 that information, you know. So I'm looking to staff
14 to kind of help me out.

15 MR. STOTTLEMYRE: Alden, what's your
16 thoughts?

17 MR. HENRICKSON: I think the issue is
18 that with this affidavit that's been kicked around
19 that goes into effect in November, whether you want
20 them to go back to all those vendors that aren't
21 certified to get them to sign the affidavits and how
22 long that might take. I believe Mr. Franke asked me
23 that question in an informal meeting we had, and I
24 think if -- that's going to take some time and it's
25 going to take time for all the casinos to be able to

1 start rolling in with this new rule.

2 CHAIRMAN MATHEWSON: All the casinos are
3 not under drop dead of this month though, Alden,
4 that's my concern. You know, we need to find -- to
5 me at least, we need to find a compromise so that
6 we're not -- we're not in any way hindering your
7 relicensure, but at the same time make sure that we
8 have some information, so. Commissioner Jones is
9 about to give me an idea I think.

10 COMMISSIONER JONES: No, no. I just want
11 a clarification on this. You said it may take a lot
12 of time. You have a one-page affidavit and you have
13 certification. Now, it seems to me if you go to -- I
14 don't know, what was it, 200-some-odd companies?

15 MR. STREMMING: Approximately.

16 COMMISSIONER JONES: Okay. Part of those
17 are already certified. All they have to do is just
18 run the certification, get a copy of the
19 certification. How long does it take on a one-page
20 affidavit to -- to attest that you are a minority- or
21 a woman -- or a woman-owned business? I mean, you
22 either have 51 percent control or you don't. Am I
23 missing something?

24 COMMISSIONER HATCHES: No. And if you
25 want to do business at your casino and that's a

1 requirement, I would think that would be easy to get
2 done. You would think.

3 MR. STREMMING: You would think.

4 COMMISSIONER HATCHES: And if they can't
5 do it, they don't get a chance to play.

6 MR. STREMMING: That is correct.

7 COMMISSIONER HATCHES: So for me I'm just
8 comfortable making sure we all understand what the
9 expectations are. And whatever is required to meet
10 those expectations, then we just have to get there.
11 But I just want to be clear about the expectations,
12 and I think the new rule in January --

13 MR. STOTTLEMYRE: November.

14 COMMISSIONER HATCHES: November are
15 probably going to set, you know, probably set a new
16 standard of some sort. We need to all make sure
17 we're clear about what that is.

18 CHAIRMAN MATHEWSON: We hope it does. I
19 mean, that's the whole point of it.

20 COMMISSIONER HATCHES: And I don't -- I
21 don't think this information that I have today is
22 going -- without even having looked at, I don't think
23 it's going to answer all of my questions.

24 MR. STREMMING: Sure.

25 COMMISSIONER HATCHES: So I don't want to

1 suggest that by reading it, there'll be no need to
2 come back and further this discussion. I think we
3 still need to have this discussion. I'm not
4 suggesting by any means that approval of these
5 licenses is contingent on that discussion; that's not
6 what I'm saying. I'd just like to have a deeper
7 discussion around this issue and where Ameristar
8 stands with it. That's it.

9 CHAIRMAN MATHEWSON: I'm going to suggest
10 this to see what the Commissioner thinks or the
11 Commission thinks. I'm going to suggest to answer
12 your question about should you go back, I'm going to
13 suggest that you make a due diligent effort to get
14 that.

15 MR. STREMMING: Okay.

16 CHAIRMAN MATHEWSON: Okay? And we're
17 talking now, our meeting in January, help me out,
18 Ang, it's the 25th, 26th or something like that. We
19 always meet around the same time.

20 MS. FRANKS: It's mid to late January.

21 CHAIRMAN MATHEWSON: Yeah. So I mean,
22 we're going to have two months here or more, two and
23 a half months --

24 MR. STOTTLEMYRE: It's probably going to
25 be the 19th of January.

1 CHAIRMAN MATHEWSON: Okay. So I think
2 you -- if I have a reason, like, they didn't want to
3 play our game, so we're not doing business with them
4 anymore or something like that, you know, I think you
5 should have a due diligent effort on that.

6 MR. STREMMING: Okay.

7 CHAIRMAN MATHEWSON: And we'd like to
8 have that information to us prior to the 19th of
9 January.

10 MR. STOTTLEMYRE: January.

11 CHAIRMAN MATHEWSON: So that we can
12 review that --

13 MR. STREMMING: Sure.

14 CHAIRMAN MATHEWSON: -- and understand
15 what you're saying so we can ask questions even
16 before the meeting.

17 MR. STREMMING: Absolutely.
18 Mr. Chairman, we'll do whatever you want us to do.
19 And but I just --

20 CHAIRMAN MATHEWSON: You're awful good
21 about that, Troy.

22 MR. STREMMING: We try. But I just want
23 to make sure that the record's clear that we haven't
24 not provided you with something that's not required
25 of us. This -- this is a new process; that's what I

1 want to make sure everybody understands.

2 COMMISSIONER HATCHES: We're clear about
3 that.

4 MR. STREMMING: Okay.

5 COMMISSIONER JONES: I understand that.

6 MR. STREMMING: Okay. You just want to
7 know.

8 COMMISSIONER HATCHES: Right.

9 MR. STREMMING: I hear you. Okay.

10 COMMISSIONER SHULL: Troy?

11 MR. STREMMING: Yes, sir.

12 COMMISSIONER SHULL: This is just a
13 question. Would the Gaming Association -- this group
14 of people that you're going to be working with are
15 going to be attempting to do business with all of the
16 casinos?

17 MR. STREMMING: Right, right.

18 COMMISSIONER SHULL: And isn't this
19 something that maybe the Gaming Association could do
20 quickly and do it for everyone as opposed to each
21 company having to send out separate letters that
22 might work?

23 MR. STREMMING: Mr. Winter's here; I'd
24 love to have him come talk.

25 I'm going to tell you, it's always going

1 to be easy to get the licensees to request the
2 information. I think what you're going to find is
3 it's just difficult getting the information back.
4 And we might be midterm on contracts. I mean, it's
5 not as easy as just saying -- since these aren't
6 people that we're reaching out to to do business
7 with; we're already doing business with them or have
8 done business with them and are not currently doing
9 business them. So when we reach out and say, I need
10 you to sign this --

11 CHAIRMAN MATHEWSON: Troy, I have a
12 suggestion. Why don't you attach our memorandum with
13 it saying, The Commission has required that we do
14 this.

15 MR. STREMMING: Sure, that's fine.

16 CHAIRMAN MATHEWSON: And our license is
17 subject to it.

18 MR. STREMMING: Sure, sure.

19 CHAIRMAN MATHEWSON: Okay. Let's do
20 that. Jack?

21 COMMISSIONER MERRITT: If we're requiring
22 this of them, this is somewhat beyond the scope of
23 their application here, I mean, it goes along with
24 it, but should we require it of every entity of the
25 casinos?

1 CHAIRMAN MATHEWSON: Well, they're the
2 only one that's before us right now as far as
3 their -- their license runs out, Jack, this month.

4 COMMISSIONER MERRITT: I realize that.
5 So we'll just approve -- as I said we were going --
6 we're going to vote, or I assume we're going to vote
7 to approve, so they can continue in operation. We're
8 asking this beyond that, should we go ahead --

9 CHAIRMAN MATHEWSON: I was -- yeah.

10 COMMISSIONER JONES: They're going to
11 come up --

12 CHAIRMAN MATHEWSON: Yeah.

13 COMMISSIONER JONES: Everyone's going to
14 come up --

15 CHAIRMAN MATHEWSON: Yeah, I --

16 COMMISSIONER JONES: -- for a relicense.

17 CHAIRMAN MATHEWSON: No, I think that's a
18 good thought. And I think --

19 COMMISSIONER JONES: So get them ready.

20 CHAIRMAN MATHEWSON: I think based on
21 what we are saying to them, to Ameristar today,
22 subject to their relicensure, then a letter should go
23 out to everyone else, all the other 12 or 11 to say
24 that, Hey, guys, this is what we just did, so you
25 better get your act together. This is what we're

1 going to require in the future. We okay --

2 MR. STOTTLEMYRE: Yes, sir.

3 CHAIRMAN MATHEWSON: -- with that?

4 Okay. Any other question?

5 MR. FRANKE: I was -- real briefly, we
6 did talk about this at a meeting we had with staff
7 last week and we do report these minority percentages
8 every quarter. And what we talked about was maybe if
9 we get the affidavit -- affidavit documentation to us
10 in November, we can start giving that out, we'll do
11 our best to get it back by January 19th, whatever
12 date that was, but if we go to the end of the first
13 quarter, we can make sure that everything is done,
14 certified or affidavit for the first quarter of 2011.

15 CHAIRMAN MATHEWSON: I'll tell you what.
16 From my standpoint you make a good concentrated
17 effort before the 19th of January and let's see where
18 we are and we will consider at that time giving you
19 more time.

20 MR. FRANKE: Absolutely. We'll have it
21 done by the 19th.

22 CHAIRMAN MATHEWSON: Okay. That's very
23 good. And I was pleased to see Mike Winter kind of
24 raised his head which indicated to me that he was
25 awake when we asked his association to do something.

1 MR. STREMMING: He'll expect to be paid
2 then.

3 CHAIRMAN MATHEWSON: Yeah, yeah. Anyone
4 else have any questions of the Ameristar staff?
5 Thank you all --

6 MR. STREMMING: Thank you.

7 MR. FRANKE: Thank you.

8 CHAIRMAN MATHEWSON: -- very much.
9 Should we move forward?

10 MR. STOTTLEMYRE: I would -- I -- as
11 staff we would recommend that we approve licensure of
12 the Class A Ameristar --

13 CHAIRMAN MATHEWSON: Everybody okay with
14 what we've just done? I mean, are you comfortable
15 with it?

16 COMMISSIONER JONES: Yeah.

17 CHAIRMAN MATHEWSON: I'm comfortable with
18 it. We okay? Everybody okay?

19 COMMISSIONER HATCHES: Uh-huh.

20 CHAIRMAN MATHEWSON: Okay. All right.
21 We have now before use resolution -- Chair would
22 accept a motion to adopt Resolution No. 10-119.

23 COMMISSIONER SHULL: So moved.

24 COMMISSIONER JONES: Second.

25 CHAIRMAN MATHEWSON: Any discussion?

1 Call the roll, Angie, please.

2 MS. FRANKS: Chairman Mathewson?

3 CHAIRMAN MATHEWSON: Approve.

4 MS. FRANKS: Commissioner Shull.

5 COMMISSIONER SHULL: Approve.

6 MS. FRANKS: Commissioner Jones.

7 COMMISSIONER JONES: Approve.

8 MS. FRANKS: Commissioner Hatches.

9 COMMISSIONER HATCHES: Approve.

10 MS. FRANKS: Commissioner Merritt.

11 COMMISSIONER MERRITT: Approve.

12 MS. FRANKS: By your vote you've adopted

13 Resolution No. 10-119.

14 CHAIRMAN MATHEWSON: Chair would accept a
15 motion for Resolution No. 10-120.

16 COMMISSIONER HATCHES: So moved.

17 COMMISSIONER MERRITT: Second.

18 CHAIRMAN MATHEWSON: Any discussion?

19 Call the roll please.

20 MS. FRANKS: Chairman Mathewson?

21 CHAIRMAN MATHEWSON: Approve.

22 MS. FRANKS: Commissioner Shull.

23 COMMISSIONER SHULL: Approve.

24 MS. FRANKS: Commissioner Jones.

25 COMMISSIONER JONES: Approve.

1 MS. FRANKS: Commissioner Hatches.
2 COMMISSIONER HATCHES: Approve.
3 MS. FRANKS: Commissioner Merritt.
4 COMMISSIONER MERRITT: Approve.
5 MS. FRANKS: By your vote you've adopted
6 Resolution No. 10-120.
7 CHAIRMAN MATHEWSON: Resolution No.
8 10-121. Chair accepts a motion please.
9 COMMISSIONER JONES: So moved.
10 COMMISSIONER HATCHES: Second.
11 CHAIRMAN MATHEWSON: Any discussion?
12 Call the roll, Angie, please.
13 MS. FRANKS: Chairman Mathewson?
14 CHAIRMAN MATHEWSON: Approve.
15 MS. FRANKS: Commissioner Shull.
16 COMMISSIONER SHULL: Approve.
17 MS. FRANKS: Commissioner Jones.
18 COMMISSIONER JONES: Approve.
19 MS. FRANKS: Commissioner Hatches.
20 COMMISSIONER HATCHES: Approve.
21 MS. FRANKS: Commissioner Merritt.
22 COMMISSIONER MERRITT: Approve.
23 MS. FRANKS: By your vote you've adopted
24 Resolution No. 10-121.
25 CHAIRMAN MATHEWSON: Roger Stottlemyre.

1 MR. STOTTLEMYRE: Prior to the meeting I
2 was unable to notify you that the next item on the
3 agenda, Consideration of Extension of a Supplier's
4 License, the investigation is still ongoing, so we're
5 not prepared to go forward with that at this time.
6 We thought we would be, but this -- but we do need --

7 CHAIRMAN MATHEWSON: On Bally's?

8 MR. STOTTLEMYRE: Yes.

9 CHAIRMAN MATHEWSON: Okay.

10 MR. STOTTLEMYRE: So we do need to do an
11 extension for their license.

12 CHAIRMAN MATHEWSON: How much extension
13 did you want there, Executive Director?

14 MR. STOTTLEMYRE: If I knew --

15 CHAIRMAN MATHEWSON: If you knew --

16 MR. STOTTLEMYRE: -- when the
17 investigation was going to be done, I could tell you.

18 CHAIRMAN MATHEWSON: You want to just do
19 it, say a month at a time, Roger, or what do you want
20 to do?

21 MR. STOTTLEMYRE: This one, I think
22 the resolution reads that it would be through
23 January 31st of 2011.

24 CHAIRMAN MATHEWSON: Oh.

25 MR. STOTTLEMYRE: That would be the

1 extension.

2 CHAIRMAN MATHEWSON: Okay. And their --
3 their license runs out when?

4 MR. GREEN: October 31st.

5 MR. STOTTLEMYRE: October 31st.

6 CHAIRMAN MATHEWSON: Okay. Okay, I got
7 you. I'm tracking with you now. So what we're going
8 to do is your recommendation to us is that we renew
9 their -- their license -- not renew their license,
10 extend the present license until this January
11 whatever you said.

12 MR. STOTTLEMYRE: January 31st, which by
13 that time we should be able to complete our
14 investigation.

15 CHAIRMAN MATHEWSON: Okay. Okay.
16 Everybody understand the question?

17 MR. STOTTLEMYRE: And that would be --
18 and if you approve Resolution 10-122, that would do
19 that.

20 CHAIRMAN MATHEWSON: Okay.

21 MR. STOTTLEMYRE: What we just said.

22 CHAIRMAN MATHEWSON: Okay. Chair would
23 accept a motion on Resolution No. 10-122.

24 COMMISSIONER MERRITT: So moved.

25 COMMISSIONER SHULL: Second.

1 CHAIRMAN MATHEWSON: Any questions,
2 comments? Call the roll.
3 MS. FRANKS: Chairman Mathewson?
4 CHAIRMAN MATHEWSON: Approve.
5 MS. FRANKS: Commissioner Shull.
6 COMMISSIONER SHULL: Approve.
7 MS. FRANKS: Commissioner Jones.
8 COMMISSIONER JONES: Approve.
9 MS. FRANKS: Commissioner Hatches.
10 COMMISSIONER HATCHES: Approve.
11 MS. FRANKS: Commissioner Merritt.
12 COMMISSIONER MERRITT: Approve.
13 MS. FRANKS: By your vote you've adopted
14 Resolution No. 10-122.
15 CHAIRMAN MATHEWSON: Very good, thank
16 you.
17 MR. STOTTLEMYRE: Next item on the agenda
18 is consideration of rule making and Ms. Terri
19 Hutchison will present.
20 MS. HUTCHISON: Good afternoon,
21 Mr. Chairman, Commissioners. Behind Tab E are six
22 Final Orders of Rule Making to Title 11, Division 45,
23 Chapters 1, 4 and 5 of the code of state regulations.
24 We updated and clarified provisions throughout these
25 rules based on changes in the industry concerned from

1 MGC personnel. No comments received either in
2 writing or at the public hearing held on October 6,
3 2010. These rules will become effective February
4 28th of 2010. If you have any questions, I'd be
5 happy to answer them.

6 COMMISSIONER JONES: February 28, 2010?

7 MS. HUTCHISON: Oh, 2011, sorry.

8 February 28th, 2011.

9 CHAIRMAN MATHEWSON: Thank you.

10 MS. HUTCHISON: We're in 2010.

11 CHAIRMAN MATHEWSON: You may have shown
12 up late, but you were alert.

13 COMMISSIONER HATCHES: He was in the car
14 reading this.

15 CHAIRMAN MATHEWSON: Think about his
16 questions there, whether it was '10 or '11. Okay.

17 MR. STOTTLEMYRE: Staff recommends
18 approval of these final orders of rulemaking.

19 CHAIRMAN MATHEWSON: Do we need to do
20 those separately?

21 MR. STOTTLEMYRE: No.

22 CHAIRMAN MATHEWSON: So we can do them --

23 MR. STOTTLEMYRE: We can do them all at
24 once.

25 CHAIRMAN MATHEWSON: -- as a package.

1 MR. STOTTLEMYRE: Yes, sir.

2 CHAIRMAN MATHEWSON: Chair would accept a
3 motion that we approve -- well, they're all -- 090,
4 020, 051, 075, 200, and 300.

5 COMMISSIONER HATCHES: So moved.

6 COMMISSIONER JONES: Second.

7 CHAIRMAN MATHEWSON: Any discussion?

8 Call the roll, Angie, please.

9 MS. FRANKS: Chairman Mathewson?

10 CHAIRMAN MATHEWSON: Approve.

11 MS. FRANKS: Commissioner Shull.

12 COMMISSIONER SHULL: Approve.

13 MS. FRANKS: Commissioner Jones.

14 COMMISSIONER JONES: Approve.

15 MS. FRANKS: Commissioner Hatches.

16 COMMISSIONER HATCHES: Approve.

17 MS. FRANKS: Commissioner Merritt.

18 COMMISSIONER MERRITT: Approve.

19 MS. FRANKS: By your vote you've adopted
20 the final orders of rulemaking 11 CSR 45-1.090,
21 4.020, 5.051, 5.075, 5.200, and 5.300.

22 CHAIRMAN MATHEWSON: Okay. We have any
23 new business there, Mr. Stottlemyre?

24 MR. STOTTLEMYRE: We do have one item.
25 We have received information from North County

1 Development, LLC that they will not be making a
2 presentation tomorrow. A letter addressing this has
3 been added to your packet.

4 CHAIRMAN MATHEWSON: Everybody understand
5 that? Mike, I'm looking at you. Okay. Everybody
6 understands. They have -- well, they didn't
7 withdraw; they just won't be here which means --

8 MR. BRADLEY: That's correct.

9 CHAIRMAN MATHEWSON: -- that they
10 withdrew. They're not going to be here. Okay. So,
11 all right. Other new business there,
12 Mr. Stottlemyre?

13 MR. STOTTLEMYRE: I have no other new
14 business and next on the agenda would be old
15 business. Staff has none.

16 CHAIRMAN MATHEWSON: Okay. Chair would
17 accept a motion to close the meeting under Section
18 so, so, so, so, so.

19 COMMISSIONER HATCHES: So moved. Okay.
20 Mr. Chair, I call for a motion to close the meeting
21 section 313.847 and 610.021(1), (11), (12), and (14).

22 COMMISSIONER JONES: Second.

23 CHAIRMAN MATHEWSON: Make a motion.

24 COMMISSIONER HATCHES: Wait for you to
25 give it to me in writing.

1 CHAIRMAN MATHEWSON: Call the roll
2 please.
3 MS. FRANKS: Chairman Mathewson?
4 CHAIRMAN MATHEWSON: Yes.
5 MS. FRANKS: Commissioner Shull.
6 COMMISSIONER SHULL: Yes.
7 MS. FRANKS: Commissioner Jones.
8 COMMISSIONER JONES: Yes.
9 MS. FRANKS: Commissioner Hatches.
10 COMMISSIONER HATCHES: Yes.
11 MS. FRANKS: Commissioner Merritt.
12 COMMISSIONER MERRITT: Yes.
13 CHAIRMAN MATHEWSON: Thank you all very
14 much for being here.

15 (Meeting adjourned at 5:25 p.m.)
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CERTIFICATE

I, Shelley L. Mayer, a Certified Court Reporter,
CCR No. 679, the officer before whom the foregoing
meeting was taken, do hereby certify that the
testimony that appears in the foregoing meeting was
taken by me to the best of my ability and thereafter
reduced to typewriting under my direction; that I am
neither counsel for, related to, nor employed by any
of the parties to the action in which this meeting
was taken, and further, that I am not a relative or
employee of any attorney or counsel employed by the
parties thereto, nor financially or otherwise
interested in the outcome of the action.

Shelley L. Mayer, CCR

