

INDIANA GAMING COMMISSION
REGULAR MEETING

11:00 AM November 12, 1993 Conference Center Auditorium
Indiana Government Center South

MINUTES

Call to order and roll call

Present: Alan Klineman, Ann Marie Bochnowski, Robert Gilmore, Gene Hensley, David Ross, Robert Sundwick, Donald Vowels, John J. Thar, Floyd Hannon, Bradley King, Stanley Pinegar, Judy Greene.

Approval of the minutes of the October 10, 1993 meeting

The minutes of the October 10, 1993, meeting were approved as circulated on motion by David Ross, second by Ann Marie Bochnowski.

Report from the Executive Director

Chairman Alan Klineman asked John Thar to introduce the staff. John Thar introduced Floyd B. Hannon, Deputy Director; Judy Greene, Executive Administrator; and announced that Mary Kay Fleming would join the staff as Chief Counsel the Monday after Thanksgiving. Chief Counsel will develop regulations as a top priority, with assistance from outside counsel.

The commission has assumed temporary quarters in room E203 of the Indiana Government Center South. The telephone number is (317) 233-0046.

Chairman Alan Klineman and Executive Director John Thar appeared before the legislative Interim Study Commission on Public Gaming on November 3, 1993. Issues discussed included staffing and projections for future staffing, need for emergency rule making authority, potential budget problems should riverboats become operative before the 1995 session of the legislature.

Alan Klineman, John Thar, and Floyd Hannon attended the Riverboat Gaming Congress and Expo in New Orleans, November 9-11. They met fellow gaming commission members and staff and gained insight into the industry, products and views on the industry.

Present objectives of staff for future scheduling: Part II of the application will be made available to commission members prior to the December 10, 1993, meeting to discuss and adopt at that meeting; continue staffing for secretary and investigations of Part II generated material; preparation of an overall timetable and process for selection. Meanwhile rules and regulations will be developed for the licensees.

The staff is ready to serve the commission.

Alco Management Services has offered to provide storage of duplicate copies of the application in the Indiana National Bank tower, a reading room, and copying service at five cents a page to those requesting it. No copies of the application will circulate. This service is at no charge to the commission. Staff will make sure such a procedure is within the bounds of state government.

The question has arisen whether applicants in areas where referenda failed may transfer an application and original application fee to a new site. Chairman Klineman noted that the state says the fee is site specific and is nonrefundable. The chances of receiving a license are delayed where a referendum has failed, but still possible if a referendum succeeds in two years time. Chairman Klineman took it by consensus that the commission will require a full, new application plus an additional fifty thousand dollar fee from an applicant for a new or additional site. The staff will study the possibility of a reduced fee for an applicant at an additional site.

There is no sense of competition between the states at the regulatory level. The staff of the Illinois Gaming Board has been very helpful.

Staff is studying the issue of confidentiality of applicant information.

Report from the State Election Board

Bradley King provided the attached "Preliminary Report", which provides election results and approximate election expenditures. Riverboat gambling was approved in East Chicago, Hammond, and LaPorte County on Lake Michigan, and in Vanderburgh, Dearborn, Ohio, and Switzerland counties on the Ohio River. Riverboat gambling was disapproved in Porter County on Lake Michigan, and in Warrick, Clark and Floyd counties on the Ohio River. Figures on election expenditures are approximate, as the final election expenditure reporting date will be January 18, 1994. Preliminary reports suggest approximately \$700,000 was expended to win approval of riverboat gambling, and \$12,000 was expended to oppose riverboat gambling. There were no significant problems in running the election. There were no significant equipment failures. Election costs did not come from the public coffers, but from riverboat owner license applicants. Thanks are due to the county election boards who geared up quickly for the heavy vote and conducted the elections in a fair manner.

Notice of request to withdraw an application for a Riverboat License: Summit Riverboat Casinos--Inc. Tabled at the October 8, 1993 meeting

Summit asked to withdraw on September 20, 1993, a few days after filing. A written request was made on October 25, 1993. John Thar recommends: the commission accept the request to withdraw

an application; not return the fee as it is nonrefundable by statute; not assess the costs of the referendum, as Summit was not a applicant on that date. The commission agreed this was an individual request and to evaluate any such, future requests on a case by case basis. A draft resolution was adopted unanimously on motion by Donald Vowels, second by Gene Hensley. The final form of Resolution 1993-13 is attached.

Resolution approving a Gary application deadline

Stanley Pinegar presented Resolution 1993-12, setting a noon Indianapolis time, December 15, 1993, deadline for Part I. Part II will then be due sixty days later on February 15, 1993, same time. Resolution 1993-12 passed unanimously, on motion by Bob Gilmore, second by David Ross (attached).

Letter to applicants in counties where referenda on riverboat gambling were held November 2, 1993

The commission will officially notify all applicants of the results of the referenda. In areas where the referenda failed, applications will be held in abeyance, pending another referendum or a specific request from the applicant.

Other business

Applications may be accepted everywhere a referendum passed. An applicant may be involved in two locations, with the restriction that an applicant may own up to 100% interest at one location and not more than 10% ownership in a second location where a license is granted. Public input will be invited during the hearing process. Chairman Klineman urged local governmental entities to keep the door open to applicants, and thus encourage competition. John Thar said that he had met with Gary officials and that they were proceeding in a very professional manner in line with the resolutions passed by the commission.

Next Meeting

On December 10, 1993, the commission will meet in Gary at 11:00 AM Gary time to give the members a feel for the area. The location will be announced later.

Adjourn

The commission adjourned on motion by Ann Marie Bochnowski, second by Robert Sundwick.