OHIO CASINO CONTROL COMMISSION
MEETING MINUTES

10 A.M. - MARCH 23, 2011
RIFFE CENTER, 77 SOUTH HIGH STREET
31ST FLOOR, SOUTH B AND C
COLUMBUS, OH 43215

The meeting was called to order at 10:05 a.m. by Chairman Jo Ann Davidson. Commissioners McKinley Brown, Martin Hoke, Ranjan Manoranjan, Peter Silverman, John Steinhauer and June Taylor were in attendance. The minutes of the March 7th meeting were approved.

Chairman Davidson introduced Senate President Pro Tempore Keith Faber and explained that Senator Faber was one of the key legislators in developing the casino implementing legislation, House Bill 519.

Senator Faber shared some of the discussions in the working group of legislators who developed the legislation and stressed that the emphasis was always on having a fair and transparent regulation system for the four casinos. He stressed that whatever their personal positions had been on the casinos, they were very aware of the need to "do it right" and to have the structure so casinos could create the jobs and generate the revenue committed during the campaign.

Senator Faber also stated that he wasn't sure they got everything right and the Commission should feel free to suggest modifications of the implementing legislation if they believe it would make the process better.

Introductions followed of Penn National representatives at the meeting: Eric Schippers, Sr. Vice President; Steve Snyder, Sr. Vice President of Corporate Development; Tom Auriemma, Vice President of Compliance; Carl Sottosanti, Vice President and Deputy General Counsel; and Jim Baldacci, Deputy Chief of Compliance. A power point presentation (copy attached) outlined the company's background, financial position and other facilities operated by their company. The presentation also provided detailed information on both Toledo and Columbus site plans, investment to date and stressed that the permanent jobs will be local workers. They also stressed there has already been considerable outreach to ensure that minority business enterprises have an opportunity to be involved.

Several Commission members asked about efforts in their current casinos to identify problem gamblers. There were questions, also, about the race tracks in Columbus and Toledo owned by Penn National.

Next Ohio Rock Caesars, led by Matt Cullen, COO & President and John Payne, Central Division President, presented their power point (copy attached) to provide information on their company and detailed information on their two casino sites in Cincinnati and Cleveland. The managers who have already been selected for these sites, Kevin Kline, Sr. Vice President & General Manager of Horseshoe Cincinnati and Marcus Glover, Sr. Vice President & General Manager of Horseshoe Cleveland, reviewed the plans and progress for both these casinos.

In response to a question from Commissioner Hoke about the future of the Higbee Building, the Phase I site in Cleveland, Mr. Cullen indicated that he believed there were many possibilities for the Higbee Building including potentially back office space for the casino when Phase II site is developed.

Both companies responded to a question regarding what rules were essential to be able to meet their potential opening dates for the Toledo and Cleveland sites.

Maggie Toal from the Governor's Office on Boards and Commissions informed the Commission members official e-mail addresses have been established and distributed copies of a draft home page for the Commission's website.

After a brief explanation of the proposed Record Retention Schedule (copy attached) by Hilary Damaser, Assistant Attorney General, Resolution 2011-1 approving the Schedule was approved.

Chairman Davidson informed the members that a copy of the Commission's budget for FY 12-FY 13 was included in their packet. She also stated that an amendment had been added to the state's Transportation Budget permitting the Office of Budget and Management to transfer funds to the Casino's account for use in the balance of FY 11. These funds will be repaid when the Casino Commission receives funds from license applications and other fees.

A draft job description for an Executive Director of the Commission was distributed and members were asked for their suggestions on other qualifications to be included. It was suggested that a preference, rather than a requirement, for experience in gaming regulation and operations for at least five years be added to the description.

Chairman Davidson advised the members that she and Commissioner Steinhauer had toured a number of possible sites in downtown Columbus for a possible location for the offices of the Commission. They particularly were assessing when the space would be available for occupation, the amount of improvement which would need to be done, the location in proximity to other agencies with which the Commission would interact and the cost per square foot. Requests for proposals on several locations have not yet been received.

Sam Kirk of the Attorney General's office provided a brief overview of proposed legislation on skilled gaming. While the Commission was given the authority to regulate skilled gaming in the casino implementing legislation, the new proposal would specify licensing, background checks, testing of equipment, etc. Mr. Kirk also reviewed the requirements in filing the rule with the Register of Records, a public hearing and the JCARR public hearing.

Michael Rzymek of the Attorney General's office reviewed the application developed by drawing from the applications used in other states and adding Ohio specific requirements.

Commission members asked Mr. Rzymek to consider integrating the following into the Application:

1. Applicants must include their Human Resources policy;
2. Applicants must include a Responsible Gaming Plan;
3. Consider adding stronger language in the Certification of Accounting/Truthfulness;
4. Determine if Application could require the identification of every person having a direct or indirect interest in the applicant casino facility for which the license is being sought. Note: ORC 3772.11 (A) (3) specifies five percent for publicly traded companies and three percent for privately held companies.

Commission meeting dates for the next six months were announced as the first and third Wednesdays of each month.

Commission members discussed the process to be followed in hiring an Executive Director including whether a search firm should be retained. There were expressions of interest in using a search firm as well as having several members begin interviews with prospective candidates and it was suggested that we keep the options open for both approaches. A report on the process and the timing to hire a search firm will be made at the next meeting. In the meantime, Commission members were supportive of conducting interviews if resumes are received from individuals with the qualifications and experience needed.

The meeting adjourned at 2:30 p.m.