



# **PENNSYLVANIA GAMING CONTROL BOARD**

## **Meeting of the Board**

**December 4, 2006**

### **Minutes**

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A meeting of the Pennsylvania Gaming Control Board was held on December 4, 2006 in the State Museum Auditorium. The meeting began at 2:45 p.m.

***Members in attendance were:***

Thomas Decker, Chairman  
Raymond S. Angeli  
Mary DiGiacomo Colins  
Jeffrey W. Coy  
Joseph W. Marshall, III (via teleconference)  
Kenneth W. McCabe  
Sanford Rivers

***Ex-officio members in attendance were:***

Gregory C. Fajt, Secretary of Revenue

***Individuals who appeared officially before the Board:***

Anne LaCour Neeb – agency update  
Eileen McNulty – budgets  
Captain Tim Allue – PSP budget  
Stacy Amsler – DOR budget  
Mike Walsh – administration  
Frank Donaghue – regulations, withdrawals  
Richard Sandusky – regulations  
Nanette Horner – regulations  
Maureen Williamson – update on openings  
Mickey Kane – pro hac vice motions  
Richard Williamson – slot programs and hardware  
Mike Schwoyer – consent agreements  
Sherry Phillips – OAG budget

A quorum being present Chairman Decker called the meeting to order.

**Executive Director's Report**

**PGCB MOTION NO. 2006-136 ADM – Motion to adopt the proposed 2007-2008 budget for the Pennsylvania Gaming Control Board**

Motion Made: Board Member Coy  
Seconded: Board Member Angeli

Resolved, the Board hereby adopts the proposed 2007-2008 budget for the Pennsylvania Gaming Control Board and directs that a copy of the proposed budget be sent to the Governor's Budget Office for transmission as required under Act 71 of 2004 as amended.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-137 ADM – Motion to adopt the proposed 2007-2008 budget for the Pennsylvania State Police**

Motion Made: Board Member McCabe  
Seconded: Board Member Coy

Resolved, the Board hereby adopts the proposed 2007-2008 budget for the Pennsylvania State Police and directs that a copy of the proposed budget be sent to the Governor's Budget Office for transmission as required under Act 71 of 2004 as amended.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-138 ADM – Motion to adopt the proposed 2007-2008 budget for the Department of Revenue**

Motion Made: Board Member Rivers  
Seconded: Board Member Marshall

Resolved, the Board hereby adopts the proposed 2007-2008 budget for the Department of Revenue and directs that a copy of the proposed budget be sent to the Governor's Budget Office for transmission as required under Act 71 of 2004 as amended.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-139 ADM – Motion to adopt the 2006-2007 budget for the Office of Attorney General**

Motion Made: Board Member Angeli  
Seconded: Board Member Rivers

Resolved, the Board hereby adopts the 2006-2007 budget for the Office of Attorney General.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-140 ADM – Motion to authorize for the Executive Director to enter into a contract for insurance brokerage and consultation services**

Motion Made: Board Member Coy  
Seconded: Board Member McCabe

Resolved, the Board hereby authorizes the Executive Director to enter into a contract for insurance brokerage and consultation services; including the purchase of insurance for directors and officers of the Board.

Board Decision: Passed by unanimous vote

**Administration**

**PGCB MOTION NO. 2006-141 HR – Employment**

Motion Made: Board Member Marshall  
Seconded: Board Member McCabe

New Hire:  
Susan Klock, licensing technician, Bureau of Licensing

Resolved, the Board hereby approves the hiring of the above candidate for employment.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-142 ADM – Motion to approve of a lease agreement for Penn Center, Harrisburg**

Motion Made: Board Member Angeli  
Seconded: Board Member Marshall

Resolved, the Board hereby approves a five-year lease agreement for 6,550 square feet at Penn Center in Harrisburg with an option of an additional five years for the purpose of providing space for the Office of Hearings and Appeals at a rate of \$19.85 per square foot.

Board Decision: Passed by unanimous vote

**Executive Director's Report**

**PGCB MOTION NO. 2006-143 EXE – Motion to designate Thomas Decker, Mary DiGiacomo Colins and Joseph Marshall as Board representatives for the opening of Philadelphia Park Casino and Harrah's Chester Downs**

Motion Made: Board Member Angeli  
Seconded: Board Member McCabe

Resolved, the Board, having consulted with the Executive Director, authorizes Commissioner Thomas Decker, Mary DiGiacomo Colins and Joseph Marshall to determine the successful completion of the test periods and to authorize the effective date and time which slot operations may commence at Philadelphia Park Casino and Harrah's Chester Downs.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-144 EXE – Motion to approve the 2007 meeting schedule**

Motion Made: Board Member McCabe  
Seconded: Board Member Coy

Resolved, the Board, hereby approves the 2007 meeting schedule.

Board Decision: Passed by unanimous vote

**Chief Counsel**

**PGCB MOTION NO. 2006-145 REG – Motion to adopt the amendment to Chapter 492 of the temporary regulations**

Motion Made: Board Member Colins  
Seconded: Board Member Rivers

Resolved, the Board, hereby adopts the amendment to Chapter 492 of the temporary regulations and directs that the amendment be published in the Pennsylvania Bulletin and posted on the Board's website.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-146 REG – Motion to adopt the amendments to Chapter 503 of the temporary regulations**

Motion Made: Board Member Coy

Seconded: Board Member McCabe

Resolved, the Board, hereby adopts the amendments to Chapter 503 of the temporary regulations and directs that the amendments be published in the Pennsylvania Bulletin and be posted on the Board's website.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-147 REG – Motion to adopt the proposed regulation No. 125-54 pertaining to Subpart 1, Chapters 501 and 503**

Motion Made: Board Member McCabe  
Seconded: Board Member Coy

Resolved, the Board, hereby adopts adopt proposed regulation No. 125-54 pertaining to Subpart 1, Chapters 501 and 503, establishes a public comment period of 30 days, and directs that the proposed regulation be posted on the Board's website.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-148 OCC – Petitions to Withdraw**

Motion Made: Board Member Rivers  
Seconded: Board Member Colins

Resolved, the Board hereby approves the Orders granting the withdrawal of the applications of Renee Amooore and Sanford Roy Student.

Board Decision: Passed by unanimous vote

**PGCB RESOLUTION NO. 2006-38 OCC – Greenwood Gaming and Entertainment, Inc. floor plan**

Motion Made: Board Member Coy  
Seconded: Board Member Colins

WHEREAS Under Section 1202(a) of the Pennsylvania Race Horse Development and Gaming Act, the Pennsylvania Gaming Control Board has general jurisdiction over all gaming activities or related activities pursuant to the act; and

WHEREAS Under 58 Pa. Code, Section 467.1, Gaming floor plan, a slot machine licensee may not commence slot operations until a floor plan depicting its gaming floor and all restricted areas servicing its slot operation has been approved by the Pennsylvania Gaming Control Board; and

WHEREAS Greenwood Gaming and Entertainment, Inc., an entity for which a slot machine license was approved on September 27, 2006, has submitted gaming floor plans for Board approval; and

WHEREAS Floor plans depicting the gaming floor and all restricted areas servicing the licensed facility to be known as Philadelphia Park Casino and Racetrack have been reviewed for compliance with 58 Pa. Code Section 467.1, including those requirements relating to slot machine locations and seating, surveillance camera configuration, cashiers' cage, count room, and armored car bay specifications, slot storage and repair locations and placement of automated gaming voucher redemption, jackpot payout and automated teller machines; and

WHEREAS The floor plans have been reviewed and determined to comply with 58 Pa. Code Section 467.1; and

WHEREAS Greenwood Gaming and Entertainment, Inc., agrees to consolidate all security, surveillance and slot data submitted onto the below referenced floor plan by Michael Demling Associates and to comply with the requirements of 58 Pa. Code Section 467.1(c) with regard to changes or amendments in the Board approved floor plan; be it

RESOLVED That the Board approves the floor plan of Greenwood Gaming and Entertainment, Inc., as prepared by Michael Demling Associates, dated December 1, 2006, Sheets POP-1 and SEC-1, subject to the condition that such floor plans are revised to incorporate the security, surveillance and slot data noted above, which floor plan depict 61, 574 SF of gaming floor and a maximum configuration of 2,147 slot machines.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-149 OCC – Pro Hac Vice Petition**

Motion Made: Board Member Angeli  
Seconded: Board Member Coy

Resolved, the Board hereby approves approve an order granting admission pro hac vice for Michael Sklar.

Board Decision: Passed by unanimous vote

**Investigation and Enforcement**

**PGCB MOTION NO. 2006-150 BIE – Consent agreement with HSP Gaming, LP**

Motion Made: Board Member Colins  
Seconded: Board Member Coy

Resolved, the Board hereby approves the consent agreement entered into between the Bureau of Investigation and Enforcement and Category 2 slot machine applicant HSP Gaming, LP and key employee qualifier applicant Daniel J. Keating, III.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-151 BIE – Consent agreement with Riverwalk Casino, LP**

Motion Made: Board Member Coy  
Seconded: Board Member McCabe

Resolved, the Board hereby approves the consent agreement entered into between the Bureau of Investigation and Enforcement and Category 2 slot machine applicant Riverwalk Casino, LP and key employee qualifier Herman Wooden.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2006-152 BIE – Consent agreement with Philadelphia Entertainment and Development Partners, LP**

Motion Made: Board Member Coy  
Seconded: Board Member Colins

Resolved, the Board hereby approves the consent agreement entered into between the Bureau of Investigation and Enforcement and Category 2 slot machine applicant Philadelphia Entertainment and Development Partners, LP and Peter D. DePaul.

Board Decision: Passed by unanimous vote

**Gaming Laboratory**

**PGCB RESOLUTION NO. 2006-39 GL – Motion to approve slot machine programs and theoretical payout percentages**

Motion Made: Board Member Rivers  
Seconded: Board Member McCabe

WHEREAS Under Section 1202(a) of the Pennsylvania Race Horse Development and Gaming Act, the Pennsylvania Gaming Control Board has general

jurisdiction over all gaming activities or related activities pursuant to the Act; and

WHEREAS Under Section 1320 of the Act, the Board has adopted temporary regulations governing the testing of slot machines and associated equipment, specifically 58 Pa. Code Section 461.4, Submission for testing and approval; and

WHEREAS Under Section 461.4 of the Pennsylvania Gaming Control Board Regulations, provision has been made for both the abbreviated testing process for slot machines and associated equipment permitted under section 1320 of the Act as well as a standard Pennsylvania testing process for slot machines and associated equipment not qualifying for abbreviated testing; and

WHEREAS Under Section 1320 of the Act, the Board has determined that the slot machine testing and certification standards of Michigan, Nevada and New Jersey are sufficiently comprehensive and thorough and provide similar adequate safeguards to those required under the Act, the regulations and the technical standards adopted by the Board to permit the Board to rely on approvals by those jurisdictions for the purposes of implementing its abbreviated testing process for slot machines and associated equipment; and

WHEREAS Licensed manufacturers have submitted a number of slot machine programs, each with various theoretical payout percentages, to the Board's Slot Lab for approval under both the abbreviated and standard Pennsylvania testing processes, which programs and percentages are listed on a Test Process Summary – Programs and Percentages dated December 4, 2006 incorporated herein by reference thereto; and

WHEREAS All of the slot machine programs and theoretical payout percentages included on the above referenced Test Process Summary – Programs and Percentages are approved in Michigan, Nevada and New Jersey or have been subjected to the standard Pennsylvania testing process; and

WHEREAS The Board's Slot Lab has evaluated the ability of each slot machine program, when set to the designated theoretical payout percentage, to comply with the minimum design standards set forth in Chapter 461 of the Pennsylvania Gaming Control Board's regulations and the technical standards adopted by the Board, including those mandating a theoretical payout percentage of not less than 85% and no more than 100%; and

WHEREAS All of the slot machine programs and corresponding theoretical payout percentages on the Test Process Summary – Programs and Percentages,

with the exception of those programs marked "REJECT" on the Summary, were found by the Board's Slot Lab to comply with the act, the regulations and the technical standards adopted by the Board; and

**WHEREAS** The Board finds that the approval of all of the slot machine programs and corresponding theoretical payout percentages on the Test Process Summary – Programs and Percentages dated December 4, 2006, with the exception of those programs marked "REJECT" on the Summary, is not contrary to the goals and objectives of the act; be it

**RESOLVED** That the Board approve all of the slot machine programs and corresponding theoretical payout percentages on the Test Process Summary – Programs and Percentages dated December 4, 2006, with the exception of those programs marked "REJECT" on the Summary, subject to the satisfactory conclusion of interoperability testing with the Commonwealth's central control computer system for each slot machine prototype potentially utilizing the approved slot machine programs and theoretical payout percentages.

Board Decision: Passed by unanimous vote

**PGCB RESOLUTION NO. 2006-40 GL – Motion to approve slot machine and associated equipment-hardware and software**

Motion Made: Board Member Angeli  
Seconded: Board Member Coy

**WHEREAS** Under Section 1202(a) of the Pennsylvania Race Horse Development and Gaming Act, the Pennsylvania Gaming Control Board has general jurisdiction over all gaming activities or related activities pursuant to the Act; and

**WHEREAS** Under Section 1320 of the Act, the Board has adopted temporary regulations governing the testing of slot machines and associated equipment, specifically 58 Pa. Code Section 461.4, Submission for testing and approval; and

**WHEREAS** Under Section 461.4 of the Pennsylvania Gaming Control Board Regulations, provision has been made for both the abbreviated testing process for slot machines and associated equipment permitted under section 1320 of the Act as well as a standard Pennsylvania testing process for slot machines and associated equipment not qualifying for abbreviated testing; and

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- WHEREAS Under Section 1320 of the Act, the Board has determined that the slot machine testing and certification standards of Michigan, Nevada and New Jersey are sufficiently comprehensive and thorough and provide similar adequate safeguards to those required under the Act, the regulations and the technical standards adopted by the Board to permit the Board to rely on approvals by those jurisdictions for the purposes of implementing its abbreviated testing process for slot machines and associated equipment; and
- WHEREAS Licensed manufacturers have submitted slot machine and associated equipment hardware and software, including slot monitoring systems, gaming voucher systems and automated voucher redemption machines to the Board's Slot Lab for approval under both the abbreviated and standard Pennsylvania testing processes, which hardware and software is listed on a Test Process Summary – Slot Machines and Associated Equipment: Hardware and Software dated December 4, 2006 incorporated herein by reference thereto; and
- WHEREAS All of the slot machine and associated equipment hardware and software included on the above referenced Test Process Summary - Slot Machines and Associated Equipment: Hardware and Software are approved in Michigan, Nevada and New Jersey or have been subjected to the standard Pennsylvania testing process; and
- WHEREAS The Board's Slot Lab has evaluated the ability of the slot machine and associated equipment hardware and software to comply with the minimum design standards set forth in Chapter 461 of the Pennsylvania Gaming Control Board's regulations and the technical standards adopted by the Board; and
- WHEREAS All of the slot machine and associated equipment hardware and software on the Test Process Summary – Slot Machines and Associated Equipment: Hardware and Software were found by the Board's Slot Lab to comply with the Act, the regulations and the technical standards adopted by the Board; and
- WHEREAS The Board finds that the approval of all of the slot machine and associated equipment hardware and software on the Test Process Summary – Slot Machines and Associated Equipment: Hardware and Software dated December 4, 2006 is not contrary to the goals and objectives of the act; be it
- RESOLVED That the Board approve all of the slot machine and associated equipment hardware and software on the Test Process Summary – Slot Machines and Associated Equipment: Hardware and Software dated December 4, 2006.

Board Decision: Passed by unanimous vote

**Executive Director's Report**

**PGCB MOTION NO. 2006-153 ADM – Adoption of the proposed 2007-2008 budget for the Office of Attorney General**

Motion Made: Board Member Colins  
Seconded: Board Member Marshall

Resolved, the Board adopts the proposed 2007-2008 budget for the Office of Attorney General and directs that a copy of the proposed budget be sent to the Governor's Budget Office for transmission as required under Act 71 of 2004 as amended.

Board Decision: Passed by unanimous vote

**Adjournment**

There being no further business before the Board, on a motion by Board Member McCabe seconded by Board Member Angeli, the meeting was adjourned.