

PENNSYLVANIA GAMING CONTROL BOARD

PUBLIC HEARING

IN RE: LICENSE RENEWAL - CHESTER DOWNS MARINA, LLC

TRANSCRIPT OF PROCEEDINGS

BEFORE: LINDA LLOYD, PRESIDING OFFICER

DATE: SEPTEMBER 15, 2009, 10:04 A.M.

PLACE: CHESTER CITY HALL
1 4TH STREET
CHESTER, PENNSYLVANIA

APPEARANCES:

PENNSYLVANIA GAMING CONTROL BOARD

BY: DALE W. MILLER, ESQUIRE
DUSTIN L. MILLER, ESQUIRE

FOR - OFFICE OF ENFORCEMENT COUNSEL

DILWORTH PAXSON, LLP

BY: VICTOR P. STABILE, ESQUIRE

HILLARY M. HAZLETT, REPORTER
NOTARY PUBLIC

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1 PRESIDING OFFICER LLOYD: Good morning,
2 everyone. I apologize for being late but Google Maps
3 are not our friends today. They had us going north
4 instead of south. We figured that out a little too late
5 but, we are here.

6 We would like to get started. I'm Linda Lloyd.
7 I'm the Presiding Officer assigned by the Board today to
8 conduct the License Renewal Hearing for Chester Downs
9 Marina, LLC.

10 Before we begin, if we could turn off or
11 vibrate all of our cell phones, BlackBerries, etc.

12 The date is September 16th, 2009. The time is
13 about 10:08. The location is the Chester City Hall, 1
14 4th Street, Chester, PA.

15 The License Renewal Hearing is convened by the
16 Pennsylvania Gaming Control Board pursuant to the
17 authority found in Section 326(b) of the Gaming Act and
18 the Board's regulation at 58 PA Code 491a.8.

19 This hearing was advertised on the Board's
20 website and announced by the Board at the August 28th
21 Board meeting and was advertised in the local
22 newspapers.

23 The Board and its staff would like to thank the
24 City of Chester and its staff for making the council
25 chambers available for the Board today for this hearing.

1 The hearing will begin with the presentation by
2 Chester Downs. After the close of testimony, the Office
3 of Enforcement Counsel will have the opportunity to
4 cross-examine the witnesses.

5 Redirect will be permitted and so forth until
6 the parties are satisfied that all questions have been
7 asked.

8 After Chester has concluded its presentation,
9 the Office of Enforcement Counsel will make its
10 presentation. Again, it will be cross-examined and
11 redirected with witnesses until all parties are
12 satisfied.

13 After the close of the testimony and evidence
14 from the parties, those individuals who have registered
15 to speak in today's meeting during the public comment
16 period will be heard as their name is called.

17 Elected officials will have ten minutes to
18 speak. Representatives from community groups will have
19 five minutes and individuals will have three minutes.

20 Following the close of the public comment
21 period, Chester Downs and OEC will each have the
22 opportunity to each provide a short closing statement.

23 This is an official administrative hearing,
24 please treat this as if you were attending a court
25 proceeding.

1 All witnesses please speak loudly and clearly
2 and into the microphone so the court reporter and others
3 can hear what you have to say.

4 If anyone disrupts the proceedings, they will
5 be asked to leave; and if anyone has questions about
6 this hearing, please see myself or Board staff after the
7 hearing is over.

8 Let's begin by having all of the witnesses from
9 Chester and the Office of Enforcement Counsel who will
10 testify during the hearing today be sworn by the court
11 reporter.

12 (Witnesses sworn en masse.)

13 PRESIDING OFFICER LLOYD: And as a reminder,
14 the first time you speak, if you could state your name
15 and spell it for the court reporter, that will be
16 helpful.

17 I have several exhibits, hearing exhibits to
18 move into the record before we begin. Hearing Exhibit
19 No. 1 is the Notice of the Prehearing and Hearing
20 Conference sent to all parties on August 10th.

21 The second set of exhibits, Exhibit 2 contains
22 three written comments that the Board received via our
23 website pertaining to this hearing.

24 Hearing Exhibit 1 and 2 will be moved into the
25 record unless I hear any objections.

1 MR. D.W. MILLER: No objection.

2 (Hearing Exhibit No. 1 and 2 were marked and
3 admitted into evidence.)

4 PRESIDING OFFICER LLOYD: Chester Downs, if you
5 are ready to begin, you may.

6 MR. STABILE: Thank you. Good morning
7 Miss Lloyd, counsel, members of the public. My name is
8 Victor Stabile. I am counsel for Chester Downs and
9 Marina, the Applicant present today for the renewal of
10 its Category 1 Slots License in Pennsylvania.

11 I recall back in 2002 when the thought of the
12 facility in Chester was just a thought in a few people's
13 minds.

14 I'll tell you, it is with great pleasure that
15 we are here today, not only as a Licensee but to ask for
16 the renewal of our license.

17 We have officials from Chester Downs today. I
18 think we will be providing a very comprehensive
19 presentation to the Board, which will satisfy any
20 elements for licensure together with the exhibits that
21 counsel have agreed upon and that will be introduced
22 into evidence.

23 Without much further then, I would like to at
24 this time introduce the General Manager of the facility,
25 Mr. Vince Donlevie, in order to begin our presentation.

1 Thank you.

2 MR. DONLEVIE: Thank you very much, Vic.

3 My name as mentioned is Vince Donlevie,
4 D-o-n-l-e-v-i-e, Senior Vice President and General
5 Manager of Harrah's Chester here in Chester,
6 Pennsylvania.

7 Good morning to everyone. We are -- I'm really
8 thrilled to be here today because we have a tremendous
9 story to tell.

10 We have had a fantastic opening, a fantastic
11 first three years of operation. We are excited to share
12 the results of that time period with the panel here.

13 We are confident that we have delivered on all
14 the promises that we made when we first set out to build
15 this facility and to launch this operation. We know
16 that by the time we are completed with this presentation
17 that you, too, will -- we have great confidence that
18 you, too, will know we have delivered on those promises.

19 With me this morning, I have our Senior
20 Executive group for Harrah's Chester. I would like to
21 introduce them, if I can.

22 First, standing in anticipation, we have Anne
23 Allman, who is our Assistant General Manager and Vice
24 President of Operations. Anne was with me from the
25 outset as we built this facility and developed and

1 opened and operated the facility.

2 Anne has six years in racing prior to gaming.
3 She has also been in gaming for 12 years, all of that
4 with Harrah's Entertainment and has worked in Atlantic
5 City, has worked in marketing with Midwest Riverboats,
6 as well as Indian gaming and brings great expertise to
7 our team.

8 We have Michael Vinci, who is our Vice
9 President of Finance. He has 19 years in the gaming
10 business, all in finance and accounting. Has worked in
11 Atlantic City and Pennsylvania and has been with our
12 team since prior to opening at Harrah's Chester as well.

13 Marvin Fox in the front row is our Vice
14 President of Marketing. He has got 21 years in the
15 gaming business, all of that with Harrah's
16 Entertainment, has worked in Nevada, Kansas, Louisiana
17 and now Pennsylvania.

18 Shonette Harrison on the far end there is our
19 Vice President of Casino Marketing. She has 14 years in
20 the hospitality business, 9 years in the gaming
21 business. All of those years with Harrah's
22 Entertainment. She has been in Iowa, Louisiana, Las
23 Vegas, as well as Pennsylvania.

24 Robin Roberts in the front row as well is our
25 Vice President of Human Resources. She has got nine

1 years in the gaming business, three of those years with
2 Harrah's Entertainment, was part of our preopening team
3 as well and has been in the business both in Delaware
4 and in Pennsylvania.

5 I hope you can see from that team that we have
6 got tremendous experience, tremendous knowledge, as well
7 as a very diverse group of individuals who lead our
8 operations.

9 The next slide is really an overview of the
10 agenda that we hope to address here. First, we've got
11 our property overview and accomplishments, our marketing
12 and our operations, discussion about our Code of
13 Commitment and some of the things that we have done to
14 fulfill that Code of Commitment as well as responsible
15 gaming.

16 I'm also going to ask Fred Keeton, who is our
17 Corporate Vice President of External Affairs and our
18 Chief Diversity Officer here in the front row, who was
19 been with our company for 26 years, he will discuss with
20 us some of our diversity initiatives and then I will
21 wrap up with a closing at the end.

22 So as we move along, as I said, we are
23 extremely proud of how we have addressed the promises
24 that we made to this group and to the Board prior to our
25 opening.

1 We're proud of what we have built here in
2 Chester. We are proud of the economic impact on the
3 community and that our collective promises have been
4 delivered upon.

5 What I wanted to do is to start by showing you
6 what we inherited when we got involved with the City of
7 Chester and with our site and then hopefully give you an
8 opportunity to see how that space has evolved over time
9 from what was a brownfield, overgrown brownfield site.
10 It was abandoned and completely unproductive to what it
11 is today.

12 This first slide shows what that area looked
13 like in 2004 when Anne Allman and I walked onto the site
14 and asked ourselves what we were doing.

15 The second slide is another view of the same
16 space. There was some 14-odd abandoned buildings,
17 asbestos laden, and the ground itself had environmental
18 remediation needed and that is pretty much what we
19 inherited.

20 This is what the site looked like once we had
21 knocked those buildings down but still an awful lot of
22 work to be accomplished.

23 This is then an exterior shot of the facility
24 that we built on that same brownfield site and a
25 beautiful state-of-the-art facility that we are very

1 proud of.

2 It is a view from the infield of our racetrack.
3 It shows the grandstand as well as a harness race in
4 progress. You can see it is a beautiful and spectacular
5 facility.

6 The next shot is our atrium area of our casino,
7 which is spacious and really designed to handle
8 tremendous volume and has done a great job of doing just
9 that.

10 This is our Cove at Riverview, which is our
11 fine dining restaurant which offers tremendous food
12 amidst a Delaware River view and a very elegant and warm
13 environment.

14 This shot is our Stir Lounge, which is off the
15 casino floor. It is on the casino floor, but it is a
16 place where folks can take a break from the action and
17 relax amid the casino environment.

18 Our Diamond Lounge was also built with a
19 beautiful river view. It is elegant and spacious. It
20 has got great ambience and it is a lounge that is
21 designed for our VIP customers.

22 It is the only lounge of its kind, certainly in
23 the Philadelphia market and I think until Pittsburgh
24 opened in the Pennsylvania market at large.

25 The next shot is our Aces Diner. I hope you

1 are gathering from this that we built a facility that
2 has got breadth in what we offer the public and in terms
3 of what we were able to use to attract business to our
4 facility.

5 Aces Diner is a retro look diner facility with
6 a very quaint feel. A diner genre with a touch of deli
7 within the menu and one of the popular locations for our
8 gaming customers.

9 Sports Bar and Grill is a state-of-the-art
10 sports bar environment with 103-inch screen, as well as
11 numerous other video presentations and right off of the
12 entry in the atrium area there. We also carry live
13 entertainment in that sports bar on the weekends as
14 well.

15 Then we have got the Temptations Buffet, which
16 is our No. 1 volume facility. It offers tremendous
17 cuisine. Everything from Asian to Continental, as well
18 as Italian and seafood and a tremendous display of
19 desserts. Again, as I said, it is the No. 1 volume
20 facility in our food and beverage part of our business.

21 This is a shot of our simulcast area, which is
22 right on the second level, has a state-of-the-art
23 approach. It is offering races from everywhere from San
24 Francisco to Florida to New York and Canada and enables
25 us to attract the simulcast business and continue to

1 help to build on the racing business in the State of
2 Pennsylvania.

3 On kind of a statistical basis, the property
4 overview is listed on Page 18 there. What we are
5 looking at is about a \$405 million investment that we
6 made in this community and in this business.

7 We converted, as I said, a 64-acre brownfield
8 site. We have built a 5/8 mile harness track. We have
9 over 700,000 square feet of developed space within that
10 site with 2,604 parking spaces, 6 restaurants, and 3
11 lounges.

12 The casino floor square footage itself is
13 93,000 square feet. We have 3,000 slot machines. We
14 have built -- we are very confident we have built and
15 been told by many folks in the racing business the
16 preeminent harness track in the country and some stretch
17 that to be one of the top couple in the world.

18 We have produced over \$850 million in slot
19 racing revenue since our opening. We have contributed
20 \$492 million in taxes to the various jurisdictions in
21 our short existence.

22 Some of our major accomplishments, we generated
23 over ten million visits on a life-to-date business, so
24 far exceeding the expectations at the outset.

25 We have paid 492 million in taxes, and there is

1 a list of how those taxes are distributed, 297 million
2 to the state, 38 million to economic development and
3 tourism, 54 million to the city, and as well as with the
4 variable tax for the land and a 100 million to the PA
5 Racehorse Development Fund.

6 We have donated 1.2 million in charitable
7 contributions since we opened the door. We have grown
8 to 3,000 slot units from our original opening number of
9 2,744. We have introduced along with that, as part of
10 that, 118 electronic table games on our casino floor.

11 We spent \$82 million with Pennsylvania
12 businesses for goods and services. We have invested
13 over 8 million in additional capital enhancements since
14 we opened on top of the \$405 million that we originally
15 spent on the site.

16 Those expenditures were to address a new high
17 limit area for slot customers, additional slot machines.
18 We have added track lights on our harness facility, and
19 we also added digital surveillance.

20 We have also shown our interest in continuing
21 to enhance our investment in the site as Harrah's
22 Entertainment has increased its investment to 95 percent
23 from what it was originally, a 50 percent partnership
24 when we opened the doors.

25 On a life-to-date basis, we generated \$355 win

1 per unit per day, one of the strongest performances on
2 that industry metric in the greater northeast area.

3 On Page 20, we are talking about delivering on
4 our promises. We have brought to this community the No.
5 1 rewards program in the industry with Total Rewards.
6 We have leveraged Harrah's database, which was over
7 300,000 regional customers, which were invited to come
8 here since our opening.

9 We also identified 85,000 new customers through
10 our efforts in the first three years of operation. We
11 have introduced the most recognizable brand in gaming
12 and the largest organization in gaming Pennsylvania with
13 Harrah's Entertainment.

14 We know that we have developed a reputation for
15 superior service through our facility, the amenities
16 that we offer, as well as the infrastructure that we
17 have built within the organization.

18 We have worked very hard and you are going to
19 hear Fred Keeton talk about some of the efforts we made
20 relative to our diversity outreach.

21 We have also been a good corporate citizen
22 focused very heavily on contributing back to the
23 community within which we operate.

24 On a marketing basis, we have worked hard to
25 attract business to our facility; and you can see on the

1 next slide the amount of money that we have spent on
2 marketing our facility, over \$5.3 million in advertising
3 spread among television, radio, billboards, and print
4 and really an opportunity to put Chester back on the map
5 through Harrah's as an entertainment and relaxation
6 destination.

7 We utilized headline entertainment within our
8 marketing efforts. We have over 14 headliners on our
9 property with names like Tony Orlando, Jefferson
10 Starship, Little Anthony and the Imperials, Harry Kalas
11 of the Phillys, and most recently just this past weekend
12 Joan Rivers in our event center on the second floor.

13 We have offered special kinds of marketing with
14 things like fireworks displays, where we have offered
15 fireworks over our track on New Years Eve, Memorial Day,
16 4th of July, and Labor Day. It has been very well
17 received by the community with tremendous attendance and
18 interest in that offering.

19 We have done a very good job, I believe, of
20 leveraging the Harrah's database and utilizing what is
21 well recognized as the most sophisticated database
22 science skills and capabilities in the industry to
23 maximize revenue here in Harrah's Chester.

24 On Page 22, there is a slide that addresses our
25 approach to harness racing. We have embraced the

1 challenge of the legislation that talked about growing
2 the racing business.

3 We have built what we are absolutely confident
4 is a world-class harness facility. We have partnered
5 very well with the harness horsemen in Pennsylvania to
6 offer a fantastic racing product.

7 We have worked hard to grow that business, and
8 we are proud of the reputation that we have built within
9 the harness racing circles for the product that we offer
10 and the way that we handle the horseman in every element
11 of our racing operation.

12 This facility reintroduced harness racing to
13 the Delaware Valley after many decades of absence, and
14 we have embraced the culture that was there within
15 harness racing in how we have marketed the facility with
16 some of our stakes races.

17 To date, we generated 206 million in racing
18 handling. We have a great facility. Our track lights
19 were installed just this past March for this meet to the
20 tune of \$2.7 million.

21 We offer 150 live racing days in fulfillment of
22 the expectations of the enabling legislation. We
23 generate about \$43,000 in live handle per day, 401,000
24 in export per day, and 78,000 in simulcast import as
25 well.

1 Our purse structure has over \$82 million in
2 purses offered to date and \$195,000 per day is the
3 average and puts us really in the top echelon of harness
4 purses in the country, competing with the likes of the
5 Meadowlands, which has for years and years been the
6 preeminent harness facility.

7 We have marketed the facility to how we
8 structured the stakes racing. The Super Stakes race on
9 August 16th, the second year in a row, where we offered
10 over \$2.4 million in purses, it is the largest stakes
11 day, largest purse day in the history of Pennsylvania
12 harness racing.

13 We were able to attract Comcast Sports to do a
14 live broadcast of that meet or of that race. We also
15 have a Ben Franklin at \$500,000 and the Maxie Lee
16 Memorial at 250,000. This weekend we will host the
17 Governor's Cup -- I'm sorry on -- it is upcoming. It is
18 not this weekend. I think it is actually on Columbus
19 Day, for a \$650,000 race.

20 We also have packaged along with the harness
21 horseman a marketing approach for Fridays where we are
22 -- we have a nighttime live racing that includes
23 everything from a live band on our outside deck to we
24 open the season with fireworks to ESPN live broadcasts,
25 remote broadcasts from our facility to really draw

1 attention to the harness efforts. In addition to that,
2 we have worked with them to do newspaper advertising
3 promoting those Fridays in particular.

4 On Page 23, you can see a summation of our
5 gaming and food and beverage operations. We have got a
6 tremendous track record of accomplishment with over \$833
7 million in slot revenue generated since 2007 opening.

8 We rank second in slot net win per unit per day
9 in 2009 in Pennsylvania. We have launched an upscale
10 high limit slot area.

11 We have got state-of-the-art slot product and
12 work very hard to keep that in the latest and greatest
13 popular work product from 2,744 to 3,000 units.

14 We have 408 food and beverage employees. We
15 have generated 49 million in food and beverage revenue
16 since our opening.

17 Food outlets have served over 2.4 million
18 customers on a life-to-date basis. We offer live
19 entertainment in our End Zone on every Friday and
20 Saturday and many Thursdays as well.

21 Page 24 is a representation of some of the
22 recognition that we have received from the industry for
23 what we have put together here in the State of
24 Pennsylvania.

25 We are very proud of that track record in both

1 2007 and 2008, with great recognition for many elements
2 of our facility.

3 I won't belabor the point by reading each of
4 those. I think you can see we have been recognized for
5 putting together a tremendous product.

6 On Page 25, one of the things that we talked
7 about when we came here to Chester and one of the things
8 we promised about is the careers that we have created
9 for our team members.

10 We have got over 60 salaried employees that
11 have been promoted from within our four walls that are
12 currently on our team right now.

13 We have got 181 salaried employees and 860
14 hourly employees or over 1,000 employees total; 874 of
15 them were from Pennsylvania and 164 of them are from the
16 City of Chester. We put great energy and effort from
17 recruiting within the City of Chester and we'll talk
18 about that in a little bit.

19 We currently employ over 660 union workers; and
20 before we even opened our doors, we created a noncompete
21 with some of those unions to enable them to come in and
22 work with our team members. And to date, as I say, 660
23 union workers from Unite Here to Teamsters, laborers,
24 the Carpenters, and the IBEW.

25 We have developed close relationships with

1 local colleges and universities and are proud of our
2 track record there as well.

3 We have everything from internship to guest
4 lecturing, as well as recruitment and serving on
5 advisory boards with Widener, Cheney, Delaware County
6 Community College, Neumann, Temple, to name a few.

7 We have offered 11 internships to local
8 university students and some of those interns have
9 evolved and developed into full-time positions with us
10 at Harrah's Chester.

11 One of the things that was developed under the
12 direction of Robin Roberts was an on-site Pierce College
13 offering for our employees where we enable folks to
14 actually take courses right within our training center
15 and have worked with Pierce College to have their
16 instructors come right on-site to do that to make it as
17 convenient as possible for our employees to continue
18 their education, particularly those that choose to
19 pursue a college education.

20 As I think we have mentioned before and
21 certainly talked about when we opened our facility, the
22 Harrah's Code of Commitment is at the foundation of what
23 we try to do.

24 It is a public pledge that we all hold in very
25 high standards in our relationships with our customers,

1 our employees, and our communities.

2 It governs the conduct not only of our
3 employees but also the conduct of its management and
4 executives in how we address employees, guests,
5 communities, and honor the trust that they place in us.

6 On Page 26 you can see the highlights of that.
7 It is a commitment to our employees to treat them with
8 respect, to provide them with opportunities to build
9 satisfying careers.

10 It is a commitment to all of our guests to
11 promote responsible gaming and it is a commitment to all
12 of our communities to make them healthy and vibrant
13 places to live and to work.

14 On Page 27, you can see some of the initiatives
15 that we have launched to address those promises to our
16 guests related to responsible gaming. We do not cash
17 welfare or unemployment checks within our facility.

18 As part of that commitment, we encourage our
19 customer guests to be barred from our casinos or to
20 restrict access to cash and/or our marketing efforts.

21 We also have 159 self-excluded folks since the
22 time we opened our doors and believe deeply in offering
23 those opportunities to customers who feel that need.

24 We have partnered closely with Pennsylvania
25 Gaming Control Board to develop comprehensive in-house

1 responsible gaming signage and protocols. We have
2 trained our entire staff on responsible gaming annually.

3 We have -- we, as a company, recognize that
4 pathological gaming is a serious issue. We have
5 established the first responsible gaming program in the
6 nation as far back as 1990 when nothing existed at the
7 direction of our then Chairman of the Board and CEO.

8 We have also within the four walls of Harrah's
9 have initiated a gaming ambassador program, which
10 basically is more highly trained individuals on
11 responsible gaming initiatives that we engage -- have
12 our employees engage with should they see someone they
13 are concerned about and those ambassadors engage the
14 customers and have a dialogue about the opportunities to
15 self-exclude within Harrah's and the State of
16 Pennsylvania.

17 We also recognize and embrace the idea that
18 gaming is appropriate for adults only. We have our
19 Project 21, like our responsible gaming approach was the
20 industry inauguration into that approach back in the
21 early '90s. We know that it is important that we manage
22 that process very closely on our casino floor.

23 We have also since our opening, to enhance our
24 efforts in that regard, have closed down our food
25 outlets that are off the casino floor to those under 21

1 so as to make us even that much more sure that we are
2 going to catch folks that are under 21.

3 We have an average of 40 people that are turned
4 away on a weekly basis based on underage checks at our
5 entryway. We check anyone who appears to be 30 years or
6 younger as they enter the facility.

7 We diligently report, self-report any issues
8 that we have to the Gaming Board. We have refined our
9 operation and protocols to minimize the risk of underage
10 gaming on a continual basis since our opening to do
11 everything we can to make the facility airtight.

12 All of our employees are instructed throughout
13 the entire facility and trained throughout the entire
14 facility to make sure they are addressing anyone that is
15 30 years or younger in appearance.

16 On an alcohol awareness training basis, before
17 we ever opened, our employees were trained on CARE
18 training, which is called Controlling Alcohol Risks
19 Effectively.

20 We have certainly worked hard to educate our
21 team on the importance of that and to create a culture
22 that embraces responsible alcohol service.

23 We have had some incidents on alcohol service,
24 violations of folks that were underage, and we have
25 immediately disciplined in that regard and have

1 addressed that issue very quickly.

2 We also have launched RAMP training, which is
3 Responsible Alcohol Management Program, through the
4 suggestion of the Liquor Control Board representatives
5 to address any concerns in that regard with our team
6 members.

7 On Page 28, you can see a sampling of the signs
8 that we have developed in conjunction with the Gaming
9 Board relative to our responsible gaming.

10 These signs are at all of our entrances, and we
11 have worked diligently to be 100 percent compliant with
12 the Gaming Board in those requirements in that regard.

13 I mentioned earlier, our commitment to the
14 employees and this next slide really talks about our
15 interest in helping enhance their professional and
16 personal growth and trying our best to respond to
17 creating a great work environment through -- in
18 listening to employee feedback and opinions.

19 Page 30 addresses some of those initiatives
20 with our employees. We talked already about the Pierce
21 College courses on-site.

22 We also talk about enrichment workshops for our
23 leaders, where we try to continue to put them in a
24 position where they can learn and grow through our human
25 resources team.

1 We have created supervisory network
2 opportunities for other supervisors to work and get to
3 know and listen to the challenges of their peers.

4 We have future leaders programs where we
5 identify frontline team members and ask them to go
6 through training to prepare them for leadership roles at
7 a later date.

8 We take high potential leaders, and we put them
9 through what is called Legendary Leadership Training and
10 that is the opportunity to take high potential leaders
11 and take their leadership skills to the next level.

12 We also regularly every year do employee
13 opinion surveys or supervisory feedback surveys to make
14 sure that we hear the employees feedback and we then ask
15 every operator in our facility to address the issues
16 that have been identified by our team members.

17 We have continually focused on a promote from
18 within approach for our business and as mentioned
19 earlier, we have promoted -- just currently, we have 60
20 employees on our leadership team that were promoted from
21 within. There are many more than that that have been
22 promoted over the course of our time in operation.

23 We also conduct regular employee celebrations
24 with things like a Spring Fling on our flat lot out in
25 front of our building that all employees and their

1 families are invited to.

2 We do service celebrations. We have a
3 recognition process called Star Performer and we
4 participate in a company-wide recognition program called
5 the Chairman's Award, which recognizes those folks
6 within our company that do outstanding things for our
7 customers, for our employees, for our business, and for
8 our communities.

9 As related to our communities, Page 31
10 addresses some of the things that we have put together
11 in the course of time that we have been in operation and
12 this is one of the things that I know my team shares
13 with me and our pride of how we have been able to
14 contribute to the local community; over \$1,200,000 in
15 charitable contributions on a life-to-date basis.

16 Before we opened our doors, we offered the
17 Workforce Development Group in Delaware County Workforce
18 Investment Board a \$500,000 donation for local employee
19 workforce training.

20 We have donated proceeds of our opening days to
21 the Alzheimer's Organization, to \$62,000. We have
22 worked with the Alzheimer's Organization in many ways,
23 from attending their charitable fund-raising dinners to
24 speaking on their behalf at different functions, as well
25 as our company has donated \$3 million to the Alzheimer's

1 Organization nationwide, a \$300 million pledge.

2 The United Way of Southeastern Delaware County,
3 we contributed \$56,000 from our opening days, our test
4 dates, and we have also worked with the United Way not
5 only to run in-house United Way fund-raising campaigns;
6 but on top of that, they have worked with us to
7 administrate the next big item, which is a Chester
8 Resident College Scholarship Fund, which we have
9 dedicated \$200,000 to, \$100,000 in each of the last two
10 years. As I say, the United Way administrates that for
11 us to bring that program to life.

12 It is very heartwarming to give that money away
13 and get the impact and the thank-you letters from local
14 residents who are appreciative of the opportunity to
15 pursue their dreams.

16 We also donated \$250,000 to the Delaware County
17 Community College Stem Complex Construction. That
18 program is in place and in construction right now. As
19 I'm sure you know, that addresses science and technology
20 and math skills in helping to develop local folks on
21 those fronts.

22 The reason we chose Delaware County Community
23 College was a knowledge and a belief that it was an
24 affordable option for young people in the City of
25 Chester; and No. 2, that it was also had good attendance

1 from residents from the City of Chester.

2 We have spent \$28,000 to build a computer lab
3 for the YWCA of Chester to enable folks to use that as
4 they visit that facility and dedicate a lot of our own
5 labor, as well as computers and furnishings for that
6 facility, and we have built -- renovated, I should say,
7 a college resource center at Chester High School where
8 kids are able to utilize computers that we put in that
9 facility, as well as furnishing and finishes to research
10 their college options and their future options for their
11 college education.

12 We have supported over 91 local organizations.
13 We have a program internally that we call the HERO
14 Operation, where we have over 344 Harrah's HERO
15 volunteers in 2009 and we look for opportunities in the
16 local community to participate in charitable and
17 philanthropic operations, from everything from Red Cross
18 blood drive to the Relay for Life, as well as in our
19 facility do things like back-to-school backpacks for
20 employees in our own community, as well as Toys for Tots
21 at Christmastime.

22 There are a lot of initiatives, we just listed
23 a few where our HERO Committee works hard to be positive
24 influences in the community.

25 One of the expectations that we have had since

1 we opened our doors is that our Executive Committee
2 members serve on the Board and bring their intellectual
3 capital to the Boards of local and philanthropic
4 organizations.

5 Page 32 is a list of organizations that each of
6 those folks are members of. I'm not going to belabor
7 the point of reading each of those for you, but I think
8 that you can see that there is a comprehensive
9 involvement with many, many organizations in the
10 community to bring that intellectual capital to help to
11 bring this to a better organization.

12 That kind of summarizes the operations side of
13 the business and some of the major accomplishments of
14 the facility.

15 What I wanted to do was to introduce Fred
16 Keeton, our Vice President of External Affairs and Chief
17 Diversity Officer, and talk about some of our diversity
18 issues, which is something that we embrace very deeply
19 and are very important.

20 Fred?

21 MR. KEETON: Thank you, Vince.

22 Miss Lloyd and counsel, it is an honor for me
23 to be back in Chester. It is always an honor. Last
24 night when I made it in, I took a walk around our
25 facility. I took a look at our employees. I took a

1 look at our customers.

2 Honestly, that is what gives me the energy to
3 do the work that I do. I am extremely proud of this
4 team and proud that they are my colleagues and proud
5 that they have done the work and kept the promises that
6 we made to you and I am extremely -- again, I'm happy to
7 be here.

8 As Vince said, I am Vice President of External
9 Affairs and Chief Diversity Officer. I have been around
10 26 years. So that means I was around when Juliette yet
11 was being developed, our property in Juliette, Illinois,
12 when Tunica, Mississippi was being involved, when New
13 Orleans was being developed and, of course, here at
14 Chester.

15 I named those four properties because in each
16 instance, if you were to go to the site where the
17 property was to have been, you sort of asked yourself
18 the question, what are we doing?

19 So what I saw last night -- and forgive me for
20 this commentary -- answers that question around what are
21 we doing, and especially hearing of the business, the
22 taxation, the employment, all of those things really,
23 really do push us forward.

24 I want to talk a bit about what is happening at
25 this property relative to its diversity efforts and to

1 sort of put those efforts in context.

2 Here is our Diversity Vision. Now, my role in
3 the organization is an interesting one in that I have
4 the opportunity to work with our properties.

5 I report to the Chief Financial Officer in this
6 role and that may seem a little bit unusual, typically
7 when you hear about this role and hear about it
8 reporting to human resources officers.

9 I report to the Chief Financial Officer. The
10 reason I do is because of all of the great things that
11 you heard, those things are great for our communities
12 and great for our business.

13 As you look at our Diversity Vision here where
14 we talk about a high performing organization really
15 being the product of diversity, individuals working in
16 an environment where their various backgrounds and
17 talents are valued and where they are in a position to
18 do their very best work. That is what this slide means.

19 It really is our pledge to do our very best
20 work. When we talk about community relations or
21 community reinvestment, as I like to call it, we have a
22 commitment to building our communities.

23 Vince went into our Code of Commitment, which
24 is a commitment to our employees, to our customers, and
25 to our communities.

1 As you see here, one of the things that we do
2 is not only to engage around support of various
3 organizations in our community but to ensure that we
4 participate on boards, that we set aside 20 percent of
5 our giving toward diverse causes.

6 It is very important to us to ensure that all
7 of our activities are in concert with our Code of
8 Commitment.

9 Now, one part of our commitment has to do with
10 really creating partnerships. Those partnerships take
11 place, as I mentioned a little bit earlier, with respect
12 to our philanthropic giving and our investment.

13 They also take place in terms of how we run our
14 business and our supply chain and those things that are
15 necessary for us to keep our business running.

16 In this particular instance, we have a
17 commitment to engage all due diligence efforts in
18 activities that would provide opportunities for a
19 diverse group of vendors to do business with us.

20 As we talk about procurement, specifically at
21 Chester, this slide really gives you an opportunity
22 seeing the three-phased approach where we were focused
23 on the City of Chester, surrounding communities within
24 the Delaware County, and the Philadelphia area.

25 As you see that commitment, what we have done

1 is to really collaborate with certified women and
2 minority business enterprises in the surrounding
3 communities to make them aware of our efforts.

4 We focused on local vendors. I won't go
5 through the list there, which is fairly extensive. We
6 have done a lot of networking. We feel that our
7 outreach efforts should take us where, in my southern
8 say, you fish where the fish are, so we go to
9 organizations. We partner with organizations that would
10 help us to identify talent and opportunities to do
11 business.

12 From a human resources perspective, I am
13 always, again, just extremely impressed with the degree
14 of talent that we have in our walls.

15 As you see here, we, again, talk about a
16 diverse pool of talent. We talk about strong mentoring
17 management so that we are actually developing that
18 talent, that we are looking to move that talent up
19 through the organization.

20 One of the great things about this approach is
21 that careers are developed. And so we come into --
22 into a community and Vince very ably identified those 60
23 current employees who are moving up the ladder in our
24 organization. That really does speak to our efforts
25 around our human resources diversity goals and our

1 approach to develop that talent, to retain that talent,
2 and to move it up through the organization, and for
3 those folks who sometimes don't really want to move,
4 maybe move horizontally, have a number of different
5 experiences, but redevelop across the board with respect
6 to those and create a really stable career job for our
7 colleagues.

8 I want to focus a bit on our diversity
9 recruitment. One of the things, again, that we do is to
10 make sure that people are aware of opportunities at our
11 property, not only from the standpoint of being aware
12 but also from the standpoint of really preparing those
13 candidates to have their best opportunity to engage us.

14 So if you look here, you'll see that we
15 conducted 11 job fairs in Chester, really making people
16 aware of the kinds of opportunities that we bring.

17 We hosted breakfast for 15 community agencies
18 and education partners. Now, what that does is that
19 creates a satellite opportunity so those partners of
20 ours are in a position to engage candidates as they come
21 in, because they understand who we are and what our
22 goals and aspirations of our organization and how
23 candidates can engage with us in fulfilling their
24 personal goals and our goals.

25 This idea of conducting mock interviews with 27

1 graduating students, that really is a novel, novel
2 approach because what you are doing is preparing those
3 folks, again, to understand what we need to do in order
4 to engage, whether it is us or whether it is any other
5 organization in which they seek placement.

6 This is really a novel approach, really a great
7 approach to preparing young talent to get into job
8 marketing.

9 We work closely with EARN and Chester and
10 Philadelphia and Northeast Philadelphia. Just one more
11 idea of how we are seeking talent and making ourselves
12 available and making our requirements available relative
13 to employment.

14 We have upcoming diversity outreach efforts.
15 We continue to move forward with these outreach efforts.
16 They do avail us to talent and it avails the talent to
17 us, sort of an inverse operation.

18 We have been able -- the talent is there with
19 us and it creates a nice approach to moving forward for
20 us.

21 In the workplace, it is critical that there be
22 a visible approach to engaging around diversity and
23 inclusion.

24 At Harrah's Chester, we have that in the way of
25 our council and our committee. The council and

1 committee at Harrah's, if you walk into Harrah's Chester
2 and you are going back to the offices back of the house,
3 there is a very creative wall that is there.

4 We call that our diversity wall, and it has all
5 kinds of vivid graphic pictures and messages around why
6 we value diversity, some real examples of diversity and
7 it really sets the stage on how this council engages
8 around its employee base. It is made up of the employee
9 base, the committee is.

10 What we have done at Harrah's Chester is to
11 really engage around diversity education. I did not say
12 training. I said diversity education. Education goes
13 with you beyond training.

14 On the education front, our supervisors up
15 through our leadership team really learn the value of
16 cognitive diversity and the idea that we are doing this
17 for a number of reasons.

18 That reason addresses both character, which is
19 doing the right thing, as well as commerce, because we
20 know as we engage our employees appropriately, we create
21 an opportunity for them to make max kinds of investments
22 and contributions to their own success and to the
23 success of the organization.

24 So diversity is about getting the most out of
25 all of us and then being able to channel our talents

1 toward a specific outcome.

2 As we talk about development career path and
3 Vince mentioned Legendary Leadership excellence, which
4 is one of the courses that we have that positions our
5 employees to be in a position to move up in the
6 organization, we also have multicultural celebrations so
7 that all of our employees, no matter their background,
8 have an opportunity to showcase who they are and have
9 fun with it in part and parcel of their jobs and
10 operation.

11 The final slide we have has to do with return
12 on investment and impacts. If you take a look at the
13 major categories here and I won't go through all of
14 these bullets; but if you take a look at innovation,
15 innovation is about a few elements.

16 One of them is that you diversify. The other
17 is that you include that diversity. When you diversify
18 and have great inclusion, then you have increased
19 engagement.

20 When you have increased engagement, that brings
21 a pledge and that pledge says for those employees then
22 that they will look for better ways to do things, that
23 they will be bold and innovative in how they engage in
24 managing the business.

25 So our diversity issues push that. Look for

1 better ways to engage, to increase retention, reduce
2 turnover.

3 Again, if you have the kind of work environment
4 that is inviting, that is engaging and inclusive, we
5 move ourselves toward reducing turnover. We move
6 ourselves toward a redeeming approach and a high
7 productivity within our organization.

8 And finally, new markets. Now, it may be funny
9 that you are saying new markets as we sit here in
10 Chester, but it is not.

11 There is always the opportunity for us to be
12 bold and innovative in terms of how we do what we do,
13 how we engage new customers, how we engage new customer
14 demographics, what we do to make sure we are making --
15 all of that is in sync with our diversity in inclusion.

16 So I would conclude by saying, again, I am
17 extremely proud of this team. I am extremely proud of
18 the progress that has been made here in Chester. I am
19 extremely proud of the partnerships that have been
20 developed here, and I look forward to much, much more
21 success in the future and I appreciate your time.

22 Vince?

23 MR. DONLEVIE: Thank you, Fred.

24 I wanted to just kind of wrap up our comments,
25 if I can in a couple of closing points to summarize.

1 We at Harrah's Chester were the organization in
2 Pennsylvania that was the first to commit capital
3 dollars to the State of Pennsylvania in bricks and
4 mortar in the beginning to build our facility before we
5 ever had a gaming license.

6 We have converted what was a brownfield site
7 into what is today a beautiful facility,
8 state-of-the-art basis that overlooks the Delaware River
9 and takes advantage of the natural environment.

10 We have gotten recognized by many organizations
11 for the quality of our facility design. We have
12 attracted and retained a very experienced and diverse
13 organization.

14 Fred talked about diversity. Diversity starts
15 from the top, and I think one of the things that we have
16 been very successful doing is creating a diverse
17 leadership team.

18 We have also at the same time created and
19 developed an outstanding reputation within the racing
20 circles and done everything we could to continue to grow
21 the harness racing business at our facility.

22 We have created over 1,000 jobs in the City of
23 Chester, and that exceeded the expectations and the
24 promises that were made back before we opened our doors.

25 We have operated continually with the highest

1 level of integrity and transparency. We are completely
2 committed to regulatory compliance as an organization,
3 as a company, as a corporation, as well as a property,
4 and as a leadership team.

5 We have demonstrated clearly our commitment to
6 the community and how we worked with local governmental
7 agencies as well as in the philanthropic contributions
8 that we have made that have been geared largely toward
9 contributing towards the citizens of Chester.

10 We introduced the premiere brand in gaming to
11 this market, which brought significant benefits to our
12 operation and to the City of Chester.

13 We have had a major positive financial impact
14 on the city, the county, and the state in how we have
15 operated and taxes that we have generated.

16 We really feel confident that we have
17 reestablished Chester as an entertainment destination,
18 and hopefully through our presence have encouraged
19 additional investment in the City of Chester with a
20 major league soccer stadium, which is projected to open
21 in the spring, and a number of other residential
22 developments that have occurred, to say nothing of some
23 of the positive developments around Widener University,
24 etc.

25 So a lot of very positive things happening in

1 the City of Chester. We are proud that we have been a
2 part of that and hopefully have helped to move that
3 development forward.

4 We have also in my view when you look at all of
5 the projections before we ever opened whether it was
6 revenue taxes, job impacts on the community, I think in
7 pretty much every case, we have exceeded the promise and
8 the expectation that were laid out and we are very proud
9 of the track record that we have been able to develop at
10 Harrah's Chester as a leadership team and as a
11 corporation.

12 Thank you very much for your time.

13 Vic?

14 MR. STABILE: Miss Lloyd, I believe that
15 concludes the live part of our presentation for the
16 purposes of our renewal hearing.

17 If I might ask, you have marked two exhibits so
18 far. We have one exhibit at this time. It is a hard
19 copy of our PowerPoint presentation, which, for the
20 record, consists of 42 color pages.

21 Miss Lloyd, do you have a preference how they
22 were marked? Would you like them sequentially numbered
23 or label them as Chester?

24 PRESIDING OFFICER LLOYD: Label them as Chester
25 No. 1.

1 MR. STABILE: I would like to mark the hard
2 copy of our PowerPoint presentation consisting of 42
3 color slides as Chester Downs Exhibit No. 1 for purposes
4 of this hearing.

5 (Chester Exhibit No. 1 was marked for
6 identification.)

7 MR. STABILE: I think we may have one or two
8 other things a little later on as we progress through.
9 At this time, we are done with our presentation. If I
10 understand the protocol, I think it gets turned over to
11 OEC.

12 PRESIDING OFFICER LLOYD: Yes.

13 MR. D.W. MILLER: We have no objection to the
14 exhibits.

15 I'm Dale Miller. I'm Deputy Enforcement
16 Counsel for the Eastern Region of the Pennsylvania
17 Gaming Control Board. With me is Dustin Miller. He is
18 an associate counsel from the Office of Enforcement
19 Counsel of the Gaming Board.

20 I just have a few questions, and I think they
21 probably go to Mr. Donlevie in relation to the
22 presentation that you made today.

23 Is this on?

24 Mr. Donlevie, I noted that Harrah's was a
25 brand-new facility; is that correct?

1 MR. DONLEVIE: That is correct.

2 MR. D.W. MILLER: And when you were licensed,
3 you didn't refurbish the track or refurbish an old
4 facility. It is absolutely brand new from the ground up
5 and I notice you did a great job with the shipyard.

6 You opened with 2,744 slot machines. You are
7 now at 3,000. Are there plans to increase the number of
8 slot machines on the gaming floor?

9 MR. DONLEVIE: We continually evaluate and
10 monitor the performance of the product that we have and
11 it is a month-by-month-by-month evaluation decision
12 process.

13 At this point, today, we do not have plans to
14 add to that; but we also don't have plans not to add to
15 that. We truly are constantly in an evaluation process.

16 MR. D.W. MILLER: As far as I understand then,
17 you haven't settled the limit of 3,000. There is always
18 the possibility that you go higher than that and you
19 would certainly be willing to do that if business was
20 good enough; is that correct?

21 MR. DONLEVIE: Absolutely.

22 MR. D.W. MILLER: Now, there has been a lot of
23 talk about table games coming to Pennsylvania. Is
24 Harrah's Chester Downs ready for that? Do you have room
25 for table games.

1 If table games is approved by the Legislature,
2 how soon could you have them in operation? Could you
3 address the table games operation as best you can?

4 MR. DONLEVIE: Yes. We certainly would -- are
5 interested in pursuing that opportunity if it is
6 developed, and obviously, always contingent on what the
7 inevitable tax rate is.

8 I think we have communicated to the Board it is
9 a much more expensive piece of business than slot
10 operations. So that is going to be important to us.

11 We certainly can digest that within our
12 existing footprint and would -- if the tax structure is
13 at a level that we can earn a profit, we would certainly
14 move forward with that rapidly.

15 The communication that we heard from the Board
16 is that they would need in the neighborhood of nine
17 months to develop the regulations. We would certainly
18 be ready.

19 MR. D.W. MILLER: So you have room in the
20 facility for table games?

21 MR. DONLEVIE: Absolutely.

22 MR. D.W. MILLER: And if you were to add table
23 games to the facility, would that require you to reduce
24 the number of slot machines or could you leave them at
25 the same number that they are now or have you even

1 thought about that?

2 MR. DONLEVIE: At this point in time, we
3 believe that we could digest that with the existing
4 inventory slot product, but those plans are not 100
5 percent refined.

6 MR. D.W. MILLER: You mentioned during the
7 presentation about the alcohol awareness training and
8 the RAMP training there was a Liquor Control Board
9 violation; is that correct?

10 MR. DONLEVIE: That is correct.

11 MR. D.W. MILLER: And as I understand it, that
12 violation was for serving an underage patron and this
13 was back in 2007; is that right?

14 MR. DONLEVIE: That is correct, an individual
15 made a mistake and did not check an identification and
16 we moved rapidly in terms of our approach of discipline
17 and self-report.

18 MR. D.W. MILLER: As I recall, Harrah's was
19 asked to pay a fine of \$1250. You paid it and moved on?

20 MR. DONLEVIE: Absolutely. We continue to
21 educate and reinforce responsible alcohol service to all
22 of our employees.

23 MR. D.W. MILLER: Is that -- and maybe
24 Mr. Stabile can answer that. Is this violation
25 considered a strike under the Liquor Control Board

1 regulations in Pennsylvania?

2 MR. STABILE: Under the POC statute and
3 regulations, it is considered, yes, one citation. I
4 believe they allow three of this type within a
5 three-year period before there is some license activity.

6 I would like to add, Mr. Miller, in that
7 particular instance, this was a case that Chester
8 discovered the underage drinker and
9 self-reported it. It was adequately resolved.

10 MR. D.W. MILLER: What happens after you get
11 three strikes?

12 MR. STABILE: Under the current state of the
13 law, which was developed before casinos came to
14 Pennsylvania, there is a mandatory suspension not only
15 for them but for the Commonwealth as well.

16 If I might, I believe when the law was written,
17 it was anticipating, you know, your typical bar
18 situation, not a facility where you have ten million
19 coming in this three years.

20 Nonetheless, I am satisfied that Chester is as
21 diligent as they can be to continually monitor this, in
22 particular with their CARE program and with their recent
23 RAMP certification by the State of Pennsylvania.

24 MR. D.W. MILLER: You mentioned people -- how
25 many people come through the facility on a daily basis?

1 MR. STABILE: Vince?

2 MR. DONLEVIE: You would have to do the math,
3 but on an annualized basis, I think in 2008, it was over
4 4 million people, so you are averaging in the 12,000
5 range.

6 MR. D.W. MILLER: And you have the one liquor
7 violation?

8 MR. DONLEVIE: That is correct.

9 MR. D.W. MILLER: Now, you mentioned, you
10 talked about the employees that you hired and the number
11 of employees from Pennsylvania, which as I -- the best I
12 could figure from the statistics, it is about 83 percent
13 of your employees are from Pennsylvania; is that
14 correct?

15 MR. DONLEVIE: That is correct.

16 MR. D.W. MILLER: They live in Pennsylvania?

17 MR. DONLEVIE: Yes.

18 MR. D.W. MILLER: It looks like somewhere
19 between 15 and 20 percent are from Chester; is that
20 correct?

21 MR. DONLEVIE: I did not do the math, but I
22 will take your count.

23 MR. D.W. MILLER: Have you -- and maybe Fred
24 can answer this, have you actively sought out -- out --
25 so you employ persons from Chester? You mentioned job

1 fairs and all of that sort of thing, were those fairs,
2 this is since you have been licensed and before your
3 original license, did you actively seek out those
4 persons from Chester and do the best you could to employ
5 persons from the local area?

6 MR. DONLEVIE: I will tell you, Mr. Miller,
7 that we have been very diligent. As a matter of fact,
8 we have an internal philosophy that was Chester first as
9 we went through our ramp up for opening, we have had
10 self-challenges with a number of folks that were unable
11 to be licensed and so that was a piece of some of those
12 challenges, but we're in the neighborhood of 11 career
13 fairs right in the City of Chester, many of which were
14 right here in this building.

15 We use community-based grassroots marketing
16 with local organizations, churches, etc., to advertise
17 the fact that we were working through hiring and looking
18 to find local folks.

19 We also worked very closely with CareerLink,
20 which is located right here in Chester, with the
21 director of that operation, Robert Reese, and worked
22 very closely with his organization. I think he has
23 participated in almost every one of those career fairs
24 that we did.

25 So we have continually made that a priority to

1 find folks in the City of Chester that were interested
2 and also capable. And remembering, too, that my
3 original comment on the \$500,000 Workforce Development
4 grant that we gave to the Workforce Investment Board for
5 the sole purposes of training local residents to embrace
6 this new opportunity and the organization that was
7 selected to conduct that training was a Chester-based
8 organization called the Chester Education Foundation.

9 Those classes were actually conducted and
10 offered in the City of Chester at the community hospital
11 facility right down on 9th Street. So we have worked
12 very hard to find those opportunities and continue to do
13 so to this date.

14 MR. D.W. MILLER: As we mentioned before and as
15 I mentioned before, as table games come in, that will be
16 the opportunity to hire even more people, I assume, and
17 you'll pledge to continue to recruit as many local
18 residents and Pennsylvania residents as you can; is that
19 correct.

20 MR. DONLEVIE: Absolutely. We will continue to
21 look at that opportunity; and as I think we have from
22 day one continued to look at that both in Pennsylvania
23 and in the City of Chester.

24 MR. D.W. MILLER: It wasn't addressed in your
25 presentation but addressed in the suitability report

1 that is going to be an exhibit introduced later. I
2 notice and I think this is -- Mr. Stabile can answer
3 this.

4 I notice that Harrah's, and that is the big
5 Harrah's, recently did a refinancing to reduce their
6 debt.

7 My question is really does that refinancing
8 make Harrah's better off financially so that if the
9 Board renews your license, are you better off
10 financially because of this restructuring and even
11 better able to continue to run a successful business?

12 MR. STABILE: You know, Mr. Miller, I may have
13 to defer to Vince on that. I was not involved in the
14 transaction.

15 MR. DONLEVIE: Mr. Miller, does that make
16 Harrah's or the operation of Harrah's Chester --

17 MR. D.W. MILLER: I think it all filters down
18 from Harrah's Entertainment. I think it would all
19 filter down to Harrah's Chester and I'm just -- you
20 didn't address it in your presentation, but is it
21 addressed in the report as to whether you find if the
22 license is renewed you will be in a better position
23 because of that restructuring to have, you know, a more
24 successful financing and a better operation?

25 MR. DONLEVIE: I think that on the financing

1 side, we would probably have to defer to our corporate
2 finance folks as related to that; but as related to our
3 ownership commitment in our operation to take that from
4 50 percent to 95 percent over the course of two and a
5 half years, I think is an indication of the importance
6 that our company sees in this operation and also is an
7 indication that -- it elevates our importance and the
8 importance of our success in the Harrah's big picture
9 because we now have more financial -- more of the
10 financial results impact the organization.

11 MR. D.W. MILLER: Again, I'm not trying to put
12 you on the spot. I noted that in the report. I think
13 it is something you may want to address when you have a
14 hearing in front of the Board as to how it does affect
15 you.

16 Having said that, you mentioned the racetrack
17 and the racetrack was a brand new track; is that
18 correct?

19 MR. DONLEVIE: That is correct.

20 MR. D.W. MILLER: How are you getting along
21 with the horseman?

22 MR. DONLEVIE: I think we get along very well
23 with the horseman. I am confident that our relationship
24 with the horseman is outstanding.

25 We work day by day largely through our Director

1 of Racing Operations. We coordinate our schedules with
2 them. We work to develop the stakes racing with them,
3 which is really a coordination of purses for those
4 dates.

5 I think we have had -- we have had what I
6 characterize as an outstanding relationship with the
7 horseman.

8 MR. D.W. MILLER: So do you feel that you have
9 been able since you were originally licensed to fully
10 integrate the casino with the racing aspect and that you
11 are able to say that you have a true racino; is that
12 correct?

13 MR. DONLEVIE: I think we are probably more
14 integrated than most of the operations that I have seen
15 in that all of our business comes into the same
16 location, integrated one floor versus the other.

17 When we do marketing events, you know, there is
18 not a restriction of one group versus the other; and I
19 think that we all feel that we have got a very
20 integrated operation.

21 MR. D.W. MILLER: Thank you very much.

22 MR. DONLEVIE: I didn't mention that. As one
23 of the slides indicated and I did not specifically call
24 it out, we have set seven world records on that track.
25 We have two other records that are ties.

1 So when I say that this is one of the
2 preeminent racing facilities, I say that that certainly
3 supports that statement.

4 MR. D.W. MILLER: I won't belabor this, but
5 Mr. Stabile and I were talking before the hearing. Do
6 you have just pacers or just trotters or is it a mix of
7 pacers and trotters?

8 MR. DONLEVIE: Yeah, it is both.

9 PRESIDING OFFICER LLOYD: Mr. Stabile, do you
10 have Redirect of your witnesses?

11 MR. STABILE: No, thank you, Miss Lloyd.

12 PRESIDING OFFICER LLOYD: Then we will take a
13 brief break, five minutes so we can rearrange people.
14 We'll see you back in five minutes.

15 (Break.)

16 PRESIDING OFFICER LLOYD: This is the portion
17 of the hearing for OEC's presentation of evidence. We
18 will turn it over to Mr. Miller and his witnesses.

19 MR. D.W. MILLER: If I may, I would like to
20 make a brief opening. As I said, my name is Dale
21 Miller, Deputy Chief Enforcement Counsel for the Eastern
22 Region.

23 I just want to note for the record, the Office
24 of Enforcement Counsel was established within the
25 Board's Bureau of Investigations and Enforcement and

1 advises the Bureau on all matters including the granting
2 of licenses, permits, and registrations, the conduct of
3 background investigations, audits, and inspections and
4 violations of the Pennsylvania Racehorse Development and
5 Gaming Act regulations and the facility's internal
6 controls.

7 We also file recommendations and objections
8 relating to the issuance of licenses, permits, and
9 registrations on behalf of the Bureau of Investigations
10 and Enforcement and that includes this renewal of
11 Harrah's Chester Downs.

12 I would note that the Board pursuant to Section
13 1302 of the Gaming Act may issue a Category 1 Slot
14 Machine license to a licensed racetrack facility that
15 has a license from the State Horse Racing Commission or
16 the State Harness Racing Commission.

17 Harrah's does have such a license. Their
18 license was issued on April 3rd, 2003, and they opened
19 for racing on September 10th, 2006.

20 The Board has approved their license, and their
21 current license was approved on January 18th, I believe,
22 2008. It remains in effect. Even though the license is
23 good for one year, it remains in effect because Harrah's
24 under the law filed a renewal, so that license is in
25 effect.

1 When and if it is renewed by the Board, it will
2 continue to allow Chester to continue their operations.
3 What we would like to do at this time is present
4 evidence from the Office of Enforcement Counsel relating
5 to enforcement violations and crime statistics and that
6 sort of thing, and I would turn it over to my associate
7 counsel, Dustin Miller at this time.

8 MR. D.L. MILLER: The first witness we are
9 going to call is Captain Timothy Allue from the Gaming
10 Enforcement Office. He is the director of that office.

11 And Mr. Allue, could you state your name and
12 title for the record?

13 MR. ALLUE: Sure. Good morning, my name is
14 Timothy J. Allue, A-l-l-u-e. I'm a Captain with the
15 Pennsylvania State Police. I am currently the Director
16 of Gaming Enforcement Office.

17 I have been a member of the State Police, State
18 Trooper for the last 23 years. I have been the Director
19 of Gaming Enforcement since October of 2005.

20 Prior to my assignment of Gaming Enforcement
21 Office, I served in the Commissioner's office as the
22 Deputy Commissioner, Executive Officer, Deputy Director
23 of Operations and that for the ten years prior to my
24 assignment to the Gaming Enforcement Office.

25 MR. D.L. MILLER: Captain Allue, briefly, could

1 you describe the role of the Pennsylvania State Police
2 at a licensed facility?

3 MR. ALLUE: At any licensed facility including
4 Harrah's, the State Police has an office and a dedicated
5 compliment to each one of the facilities.

6 At Harrah's and at other sites, we have an
7 office, in this case, at Harrah's, we share that office
8 with the Casino Compliance Representatives from the
9 Gaming Control Board.

10 We are on-site and our role is to provide
11 on-site law enforcement, and I emphasize the word law
12 enforcement as opposed to security.

13 We are there in case any situation rises to the
14 level that law enforcement needs to be injected into a
15 situation.

16 We work in partnership with the surveillance
17 department, with the security department, and also with
18 the Casino Compliance Representatives.

19 It is very much a group effort, and we have to
20 have a unified front, not only in response to the crimes
21 but from a public safety standpoint as well.

22 So our role at each one of the casinos is by
23 the Gaming Act from 2004, we are responsible and have
24 primary jurisdiction for law enforcement in all of the
25 slot areas, all of the gaming areas, as well as any

1 support areas of the facility.

2 In any areas outside of the slots support
3 areas, the local police jurisdiction picks up that area,
4 whether that be the State Police, in some cases one of
5 the local troops, or whether it be the local police. In
6 the case of Harrah's, that is the Chester City Police
7 Department.

8 MR. D.L. MILLER: Okay. Captain Allue, could
9 you tell us about the Uniform Crime Reporting System?

10 MR. ALLUE: The Uniform Crime Reporting System
11 is developed, and it was actually initiated back in the
12 1930s. It is an effort to come up with an objective and
13 consistent way of reporting crimes, literally across the
14 country.

15 The crimes start at the street level, the
16 police departments prepare the reports. Those reports
17 are reviewed by supervisors and whatever action is taken
18 in terms of arrests, those reports are then quantified.

19 The results of those crimes are then reported
20 to a central agency within each state that is designated
21 by the FBI; and in the case of Pennsylvania, each police
22 department submits their own UCR stats, which is nothing
23 more than all of their crimes are assigned a code,
24 nationwide standardized code.

25 Those crimes are reported to their local

1 agents. In the case of Pennsylvania, they are reported
2 to the State Police. The State Police submits those to
3 the FBI to get the national picture.

4 In terms of consistency and fairness, to look
5 at the UCR stats for the Chester gaming site, there are
6 UCR stats specific to each one of our gaming offices
7 within our Harrah's gaming enforcement office. When our
8 troopers respond and report crimes, those statistics are
9 reported to the UCR System.

10 Our crimes are specific to the site, just like
11 the crimes submitted to Chester P.D. are to Chester
12 City.

13 MR. D.L. MILLER: At this time, I would ask you
14 to look at UCR stats from Chester from 2008.

15 MR. ALLUE: That is good. Fortunately, they
16 are small enough so one can read.

17 MR. D.L. MILLER: There you go.

18 MR. ALLUE: There are a considerable number of
19 statistics on that page. In the columns of statistics,
20 I would draw your attention specifically over to I guess
21 it would be Column 5, Column 4 and 5.

22 Actual offenses, actual offenses would be the
23 crimes that were reported to the State Police and the
24 only other -- the only other two columns are the first
25 two columns, are offenses known.

1 Offenses known versus actual offenses. We
2 always look at the actual offenses because those are the
3 most accurate in terms of true crimes that were
4 committed.

5 By way of example, what I mean by that is if
6 someone reports to us that someone pick-pocketed their
7 wallet, we would have a known offense of a theft.

8 We start the investigation. They drive home.
9 They call us the next morning and say I found my wallet
10 in my other car. That was still reported to us. It
11 would be a known offense.

12 However, the actual -- and it would rate a
13 known offense but the actual offenses would be reduced
14 by one because that was an unfounded crime. There was
15 no true crime that occurred there.

16 In fairness to whoever we are evaluating, we
17 want to go to the actual offenses, so all of the
18 unfounded offenses are removed.

19 As far as Chester is concerned, actually they
20 are fairly, I guess -- a crime, I would not want to
21 consider any crime insignificant, but when you look at
22 the actual offenses for Harrah's, in 2007 and 2008,
23 those are the Columns 4 and 5, for 2007, there was a
24 grand total of 233 UCR crimes; for 2008, 286.

25 I will also draw your attention to the fact

1 that 83 and 86 of them were thefts, and then also 121,
2 178 were counterfeit currency.

3 So the bulk of the crimes deal with counterfeit
4 currency. There is not a whole lot of other crimes.
5 There was some assaults, public misconduct, and public
6 drunkenness.

7 As opposed to the millions of people that visit
8 the site and neighboring UCR statistics, the crime rates
9 at Chester are very low. I think in the big scheme, you
10 do notice an increase from 233 to 286 between 2007 and
11 2008.

12 I would attribute that quite frankly to a
13 combination of factors. Some of it having to do simply
14 with the security department. The surveillance
15 department and my own team getting more used to the
16 casino department and reporting crimes.

17 Also, there were some business increases and
18 regardless of what you may want to attribute them to and
19 there are several factors that can be attributed to
20 those increases, there is not a very significant
21 increase of crime that occurs here.

22 MR. D.L. MILLER: Does the UCR list the actual
23 offenses that are prosecuted?

24 MR. ALLUE: UCR crime statistics basically are
25 the crimes that occur and not prosecuted. Prosecution

1 is a totally different realm based on many different
2 factors on whether prosecution is brought.

3 Likewise to go a step further, once those
4 crimes are prosecuted and moved into the realm, final
5 disposition is even a third tier.

6 The dispositions are almost beyond the control
7 of law enforcement. The prosecution is taking many
8 different factors, the willingness of the victims, DA,
9 and how serious the crime is.

10 There are many different issues that go into
11 prosecution, but the UCR facts don't go into
12 prosecution.

13 MR. D.L. MILLER: Have the Troopers stationed
14 at Harrah's Chester cited individuals under the age of
15 21 for attempting to enter the gaming floor?

16 MR. ALLUE: Yes. Likewise considering the 10
17 million figure that was given, our statistics indicate
18 to us during that period since Harrah's opened, there
19 have been nine citations that we have gotten involved
20 with.

21 Now, with the underage -- underage individuals
22 being on the premises, that is not necessarily a law
23 enforcement issue. If security is showing due diligence
24 and they identify one of those people, one of the
25 underagers, they simply eject them from the property.

1 If the person doesn't give up any resistance,
2 they simply leave, that is really an issue between the
3 Gaming Control Board and the casino compliance reps and
4 is not a law enforcement issue.

5 If it rises to the level of that person is
6 engaging in some other conduct, it would be a law
7 enforcement issue, that they become disruptive, they
8 have false identification on them, they get abusive, or
9 push the security person, something along those lines,
10 or if they are simply ejected out the front door and
11 come in the back door, it is a trespass issue.

12 Since Harrah's opened, the State Police have
13 been involved in nine law enforcements. One for
14 underage, one for trespass, one for disorderly conduct,
15 one for harassment, and one for carrying false
16 identification cards, and we have made arrests in those
17 nine cases.

18 MR. D.L. MILLER: How often is the UCR updated?

19 MR. ALLUE: UCRs are updated no less than on a
20 monthly basis. All of the departments that report to
21 the UCR system have a deadline of the 10th of the month,
22 10th of the following month to get the previous month's
23 stats in. So the statistics that you see reflected here
24 would be all of the stats through August.

25 MR. D.L. MILLER: Okay. And is there any

1 discernable pattern or anything that the State Police
2 have been picking up regarding crimes at Harrah's
3 Chester?

4 MR. ALLUE: No. The crime patterns that we see
5 are very consistent with the crime patterns and the
6 occurrences of crimes we are seeing at the other
7 casinos.

8 Theft is the prominent crime, and I will
9 readily admit that part of that has to do with our own
10 State Police perspective.

11 Because of the Pennsylvania law, there is a
12 theft of property, loss, mislaid, delivered by mistake,
13 and there is a portion of that law that requires if
14 somebody finds something, they have a responsibility to
15 make some effort to find the owner of that property.

16 So some of the thefts that we became involved
17 with are actually ticket vouchers, that someone could
18 put up a fairly serious argument that that is nothing
19 more than people picking up tickets that they feel are
20 abandoned.

21 And on those thefts, what we basically
22 experience with those is, although they can be
23 cumbersome at times and they can be cumbersome for the
24 casinos, but the bottom line what we oftentimes discover
25 is through the excellent efforts of surveillance and

1 security of the casino, we are able to see who, in fact,
2 picked up the voucher or took the cash.

3 Well, primarily it is the vouchers; and we are
4 able to identify that person, approach them, and get the
5 money back to the victim.

6 The victim is made whole. The victim is very
7 happy, not only with the State Police but very happy
8 with the casino that they have been made whole again.

9 Oftentimes they are not interested in
10 prosecution because they got their money back; and quite
11 frankly, it is not a large amount of money to begin
12 with.

13 But the responsibility for the State Police to
14 respond to that particular section of theft of property,
15 which is lost, mislaid, or delivered with that statute,
16 we really have no choice other than to respond to those.

17 The State Police will never be in a position
18 that something of theirs has been missing or stolen and
19 we say too bad. You should have kept track of it. That
20 is not something we tolerate within our organization.

21 MR. D.L. MILLER: I guess, finally and I think
22 you have commented on this, your relationship with
23 Harrah's in the casino, have you had any problems with
24 Harrah's Casino being uncooperative with your staff?

25 MR. ALLUE: Quite frankly, I feel very

1 comfortable in saying that there isn't any casino that
2 is operating that has been cooperative like Chester.
3 They have shown concern with public safety issues on a
4 couple of incidents, in particular where there is a
5 potential for problems.

6 They are very diligent with checking packages
7 or bringing anything that could harm others into the
8 facility.

9 They have an outside patrol of security people
10 that are very effective in what they do and I thank them
11 for their support.

12 It has been a very positive experience. I am
13 glad that they were able to upgrade the video system
14 when we -- when the casino first opened, they were on a
15 VHS system, which made it almost impossible to identify
16 any of the suspects, but the video system has been
17 updated and it is digital and much better than it was.

18 I would also add that that positive
19 relationship that we had with security and surveillance
20 is beneficial to us and the Gaming Control Board and we
21 have an extremely positive relationship with the Gaming
22 Control Board agents and Mr. Keeton, in particular, the
23 supervisor who has been an excellent supporter of the
24 State Police needs and it has become very evident that
25 our partnership is very beneficial to the industry.

1 MR. D.L. MILLER: Thank you, Captain Allue. I
2 don't have any further questions at this time.

3 MR. STABILE: None.

4 MR. D.L. MILLER: Can Captain Allue be excused?

5 MR. STABILE: No objection.

6 PRESIDING OFFICER LLOYD: Certainly.

7 MR. D.W. MILLER: Thank you, Captain Allue.

8 At this time, our next witness will be Nanette
9 Horner, the Pennsylvania Gaming Control Board's Director
10 of the Office of Compulsive and Problem Gambling.

11 MS. HORNER: Good morning.

12 MR. D.W. MILLER: Could you please state your
13 name and spell your last?

14 MS. HORNER: My name is Nanette Horner,
15 H-o-r-n-e-r. I am the Director of Compulsive and
16 Problem Gambling at the Pennsylvania Gaming Control
17 Board.

18 MR. D.W. MILLER: Thank you. Could you explain
19 what if any requirements under the Acts or Regulations
20 there are for problem gambling and compulsive gambling
21 and what those requirements are and what you do in your
22 office?

23 MS. HORNER: Yes. There are several
24 requirements found in the Gaming Act, the regulations,
25 and Gaming Control Board guidelines, which address

1 issues that require Slot Machine Licensees to do certain
2 things.

3 The Slot Machine Licensees must develop and
4 implement a compulsive and problem gambling plan.

5 They must train employees regarding signs and
6 symptoms of problem gaming.

7 Establish and comply with procedures and train
8 employees to prevent self-excluded, excluded, underage,
9 and intoxicated individuals from engaging in slot
10 machine gambling and from receiving direct mail
11 marketing materials.

12 They must notify me within 24 hours of a
13 violation by an individual who is on the state's
14 self-exclusion list or exclusion list.

15 The casinos must have a problem gambling
16 statement and a toll free telephone number of an
17 approved font and size on all advertisements and
18 promotional materials.

19 They must establish procedures to respond to
20 and disseminate problem gambling literature and
21 brochures.

22 They must place approved signage in certain
23 locations that specify that individuals who are under 21
24 years of age and those who are on the exclusion or
25 self-exclusion list are prohibited from gambling.

1 MR. D.W. MILLER: You mentioned that each
2 casino has to develop and implement a compulsive and
3 problem gambling plan. How do they do that? Who
4 approves it, and how does that work?

5 MS. HORNER: Okay. Every casino license
6 Applicant had to submit a compulsive and problem
7 gambling plan with their application.

8 Once the plans were submitted through the
9 application process, when the Licensees were selected,
10 at that point, the Office of Compulsive and Problem
11 Gambling, OCPG, reviewed all of those plans.

12 Approval of the plan was not a condition of
13 receiving a license, but it is a condition of engaging
14 in the conduct of gambling.

15 None of the CPG plans that were submitted with
16 the applications were approved as submitted. Primarily,
17 the reason for that was because the regulations related
18 to compulsive and problem gambling plans were not fully
19 implemented at the date when the applications were
20 filed.

21 Approximately 60 days prior to a Slot Machine
22 Licensee's opening date, I, as the Director of the OCPG,
23 work with the Slot Machine Licensees to assist them in
24 bringing the plan into compliance with the Gaming Act,
25 the regulations, and the guidelines.

1 I review and approve each slot facility's CPG
2 plan, their training materials, their procedures, their
3 internal controls, and signage prior to their opening.

4 Chester Downs and Marina, LLC's, original plan
5 was approved on January 10th, 2007; and that was prior
6 to their opening. They also submitted an amended CPG
7 plan and that plan was approved on August 28th, 2009.

8 MR. D.W. MILLER: And that approval is
9 currently in effect, correct?

10 MS. HORNER: Yes.

11 MR. D.W. MILLER: Now, in regard to these
12 plans, are there any training requirements for the
13 employees --

14 MS. HORNER: Yes.

15 MR. D.W. MILLER: -- how to spot problem
16 gamblers and that sort of thing; and assuming that there
17 are, has Harrah's trained its employees properly and are
18 they able to spot problem gamblers and all of the things
19 they are required to do?

20 MS. HORNER: The regulations require the casino
21 licensees to train necessary employees. Harrah's
22 Chester Downs and Marina has trained all of their
23 employees. So they have gone above and beyond the
24 regulatory requirements.

25 All of their employees are educated on the

1 issue of compulsive and problem gambling, prohibition of
2 underage gambling, prohibition of gambling by
3 intoxicated patrons.

4 Certain individuals are trained on the
5 identification and ejection of excluded and
6 self-excluded persons.

7 Training materials are developed by the
8 facilities and the training is conducted by an
9 individual or group with specialized knowledge, skill,
10 training, and experience in responsible gaming employee
11 training programs.

12 Chester Downs and Marina, LLC, utilizes the
13 Harrah's responsible training materials. The primary
14 design consultant, which was Carl Braunlich, he is an
15 associate professor at UNLB, and that was developed to
16 train the Chester Downs and Marina, LLC, employees.

17 MR. D.W. MILLER: When you say they go above
18 and beyond and training their people, did each
19 department have specific things that they look for and
20 train their people to look for certain things throughout
21 the casino? How does that work?

22 MS. HORNER: Yes. Well in addition to training
23 all of the employees during the orientation and
24 annually, there are certain employees and departments
25 that have specific training and really refer to that as

1 departmental specific training.

2 Most of that is regarding policies and
3 procedures, which are set forth in the approved CPG
4 plan.

5 So duties and responsibilities of certain
6 departments would be as follows: Security, they would
7 have procedures to prevent underage gambling, excluded,
8 self-excluded, and intoxicated gambling.

9 Many of those employees have been trained in
10 responsible alcohol management programs or in the
11 controlling alcohol, risk affective material; so RAMP
12 and CARE.

13 Security would ensure that excluded and
14 self-excluded individuals are entered into the Player
15 Tracking System and are flagged so they do not receive
16 direct mail, marketing materials, and they are
17 responsible for the dissemination of some problem
18 gambling materials or directing patrons on where those
19 can be located on the property.

20 Surveillance would have procedures to prevent
21 underage gambling, self-excluded, excluded. The slot
22 department has had procedures for excluded,
23 self-excluded, and intoxicated gambling and also
24 procedures regarding the receipt of jackpots by any of
25 these individuals.

1 Cashiering department would have procedures to
2 prevent cashing checks, receipt of cashiering privileges
3 by underage, excluded, self-excluded, and underage
4 individuals.

5 Marketing would have procedures to ensure that
6 none of these individuals participate in promotions,
7 receive direct mail marketing materials, or receive
8 Player Club cards.

9 Food and beverage would look out for
10 intoxicated gambling and underage drinking, and many of
11 the food and beverage employees are trained in either
12 RAMP or CARE.

13 They also have valet procedures to be on the
14 look out for intoxicated individuals who are attempting
15 to get their car from the valet.

16 MR. D.W. MILLER: And has Harrah's Chester
17 Downs met all of the requirements of the law and
18 regulations with regard to implementing these
19 procedures?

20 MS. HORNER: Yes. Harrah's Chester Downs and
21 Marina has either met or exceeded all of the regulatory
22 requirements.

23 MR. D.W. MILLER: And I take it there are some
24 procedures that are required in order to identify
25 problem gamblers; and has Harrah's Chester Downs met

1 their requirements under the law and regulations to
2 establish those procedures of identification of problem
3 gamblers?

4 MS. HORNER: Yes. The Harrah's company has
5 historically, you know, had procedures in place for this
6 type of attempt to identify and help individuals who may
7 be experiencing problems with gambling, and the Chester
8 Downs and Marina is no different in that respect.

9 Facilities, compulsive and problem gambling
10 plans, and the training must, you know, have procedures
11 to identify patrons and employees with suspected or
12 known compulsive and problem gambling behavior and to
13 provide information to individuals regarding treatment
14 and Gamblers Anonymous programs.

15 Chester Downs and Marina's CPG plan addresses
16 these requirements and also has reporting procedures.
17 However, we have to, you know, make sure that we are all
18 aware that problem gambling is referred to as the hidden
19 addiction.

20 It is not easy to identify someone who has a
21 gambling problem. You cannot see it in their eyes. You
22 can't smell it on their breath. There are no track
23 marks. The external signs are very, very difficult to
24 pick up on.

25 So an employee may, you know, hear something

1 orally -- hear a patron say something and sometimes
2 either a specific statement or a series of statements,
3 you know, from an individual or from a third party might
4 indicate that there is a gambling problem; but
5 employees, you know, can offer information on assistance
6 to these individuals, but the person may not want any
7 information.

8 You know, the employees have to kind of walk a
9 fine line between attempting to find someone and walking
10 away. The person doesn't find help.

11 None of the employees are licensed mental
12 health professionals so they should never try to
13 diagnose someone with a problem.

14 MR. D.W. MILLER: Is it your opinion as the
15 Director of Compulsive and Problem Gambling that
16 Harrah's has or has not met all of the requirements of
17 the law and the regulations with regard to its
18 compulsive and problem gambling plan, its requirements
19 to post signage, the requirements to identify those
20 persons who may have that hidden addiction of compulsive
21 and problem gambling? Is it your opinion that they have
22 or have not met all of the requirements?

23 MS. HORNER: Chester Downs and Marina, LLC, has
24 either met or exceeded the regulatory requirements in
25 all of those areas.

1 MR. D.W. MILLER: Thank you.

2 Do you have any questions for Miss Horner?

3 MR. STABILE: No. Thank you, Mr. Miller.

4 Thank you, Miss Horner.

5 MR. D.W. MILLER: Our next witness would be

6 Gerald Stoll.

7 MR. STOLL: Good morning, Gerald Stoll,

8 S-t-o-l-l.

9 MR. D.W. MILLER: You're anticipating my
10 question.

11 MR. STOLL: Well --

12 MR. D.W. MILLER: Mr. Stoll, could you please
13 state for the record your title with the Pennsylvania
14 Gaming Control Board?

15 MR. STOLL: Yes. Currently, I'm a Senior
16 Supervisor for the Bureau of Casino Compliance.

17 MR. D.W. MILLER: And as the Senior Supervisor
18 for the Bureau of Casino Compliance, what are your
19 duties?

20 MR. STOLL: My duties in particular are to
21 monitor the nine facilities operating in the
22 Commonwealth of Pennsylvania that are engaged in gaming
23 right now.

24 Also, we have a facility that we share with
25 Pennsylvania State Police in the Chester facility that

1 we manage 24/7 with compliance representatives.

2 D.W. MILLER: And I take it the Bureau of
3 Casino -- within the Bureau of Casino Compliance are
4 agents who actually patrol the gaming floor of the
5 casino; is that right?

6 MR. STOLL: That is correct.

7 MR. D.W. MILLER: And we have such agents at
8 Harrah's Chester Downs?

9 MR. STOLL: We do.

10 MR. D.W. MILLER: As well as all of the other
11 facilities?

12 MR. STOLL: Yes, sir.

13 MR. D.W. MILLER: Are you familiar with the
14 agents at Harrah's Chester Downs?

15 MR. STOLL: Yes, I am.

16 MR. D.W. MILLER: And have you, yourself,
17 visited the facility at Harrah's Chester Downs?

18 MR. STOLL: Many times.

19 MR. D.W. MILLER: What is the relationship
20 between your agents and yourself with the Harrah's
21 management team and the operators of the facility?

22 MR. STOLL: There is a good relationship
23 between our leads and our supervisors in the operation.
24 Harrah's is very cognizant of issues that are very
25 important and address issues in a timely fashion.

1 They are willing to listen to all of the
2 concerns that we bring towards them and, you know, for
3 the lion's share of the time, we will address the minor
4 concerns in a timely fashion.

5 MR. D.W. MILLER: I take it your agents
6 interact on a daily basis with the people who run the
7 operation at Harrah's?

8 MR. STOLL: That is right.

9 MR. D.W. MILLER: And has Harrah's been
10 cooperative with your agents, with regard to the
11 operations of the casino and any problems or anticipated
12 problems that they might have?

13 MR. STOLL: Harrah's has been very cooperative
14 in its willingness to address any concern that we bring
15 to their attention.

16 MR. D.W. MILLER: Are there any issues or
17 problems with Harrah's Chester Downs as far as casino
18 compliance is concerned which would affect their
19 licensure or their renewal?

20 MR. STOLL: No, sir.

21 MR. D.W. MILLER: So as far as you are
22 concerned, and the Bureau of Casino Compliance is
23 concerned, Harrah's has been -- has been as cooperative
24 as they can be?

25 MR. STOLL: That is correct.

1 MR. D.W. MILLER: Now, I heard Captain Allue
2 testify a little earlier that he felt that you had a
3 good relationship with the Pennsylvania State Police
4 within the Harrah's Chester Casino. Is that your
5 opinion also?

6 MR. STOLL: Yes, sir, it is.

7 MR. D.W. MILLER: Thank you very much,
8 Mr. Stoll.

9 Do you have any questions?

10 MR. STABILE: No. No questions. Thank you.
11 Mr. Miller.

12 Miss Lloyd, just a very small point. I think
13 the questioning of these witnesses you have been
14 referring to as Harrah's, can we agree that the Harrah's
15 is to the Licensee Chester Downs and Marina?

16 MR. D.W. MILLER: Yes. If I misspoke, I
17 apologize.

18 MR. STABILE: I believe that is the fictitious
19 name, but the licensee name is Chester Downs and Marina.

20 MR. D.W. MILLER: You are correct.

21 Our next witness would be Agent John Meighan.

22 MR. STABILE: Mr. Miller, I believe that is a
23 trading name.

24 MR. D.W. MILLER: Do you have a trading card?

25 MR. KEETON: Fictitious name.

1 MR. D.W. MILLER: Mr. Meighan, would you please
2 state your name for the record and your title?

3 MR. MEIGHAN: John Meighan, M-e-i-g-h-a-n,
4 agent of the Bureau of Investigations and Enforcement,
5 Pennsylvania Gaming Control Board.

6 MR. D.W. MILLER: Agent Meighan, did the Bureau
7 of Investigations and Enforcement conduct a renewal
8 investigation to determine the suitability of Chester
9 Downs and Marina, LLC?

10 MR. MEIGHAN: Yes, we did.

11 MR. D.W. MILLER: And were you assigned to that
12 investigation?

13 MR. MEIGHAN: Yes, I was.

14 MR. D.W. MILLER: Do you recall when the Bureau
15 of Investigations began this suitability investigation,
16 approximately?

17 MR. MEIGHAN: The renewal investigation?

18 MR. D.W. MILLER: The renewal investigation.

19 MR. MEIGHAN: Well, the spring of last year.
20 That is when I picked up part of it, but some of the
21 financial portion was started already.

22 MR. D.W. MILLER: The renewal investigation has
23 been going on for over a year?

24 MR. MEIGHAN: Yes.

25 MR. D.W. MILLER: And as part of the renewal

1 investigation by the Bureau, did you review applications
2 submitted by Chester Downs and Marina, its affiliates,
3 its Principals, and Key Employees?

4 MR. MEIGHAN: Yes, I did.

5 MR. D.W. MILLER: And did Chester Downs and
6 Marina timely provide all requested documents and
7 information during this yearlong renewal operation?

8 MR. MEIGHAN: Yes, they did in every instance.

9 MR. D.W. MILLER: In your opinion, did Chester
10 Downs and Marina fully cooperate with the Bureau of
11 Investigations and Enforcement during this yearlong
12 renewal investigation?

13 MR. MEIGHAN: Yes.

14 MR. D.W. MILLER: Has the Bureau of
15 Investigations and Enforcement completed its renewal
16 investigation of Chester Downs and Marina?

17 MR. MEIGHAN: Yes.

18 MR. D.W. MILLER: Did the Bureau of
19 Investigations and Enforcement determine that there are
20 any issues related to Chester Downs and Marina's
21 suitability or the suitability of any affiliates,
22 Principals, or Key Employees that would affect or impede
23 the renewal of the gaming license?

24 MR. MEIGHAN: We found no issues that would
25 impede the renewal.

1 MR. D.W. MILLER: And are the Bureau of
2 Investigations and Enforcement findings contained in a
3 report of investigation commonly known as an ROI?

4 MR. MEIGHAN: Yes.

5 MR. D.W. MILLER: And it is standard procedure
6 for this ROI to be forwarded to the Office of
7 Enforcement Counsel so it can file a recommendation or
8 objections relating to the issuance of licenses?

9 MR. MEIGHAN: That is correct.

10 MR. D.W. MILLER: And has that report been
11 forwarded?

12 MR. MEIGHAN: It has.

13 MR. D.W. MILLER: Agent Meighan, in your
14 opinion, is there anything that you found as a Super
15 Agent of the investigation into Chester Downs and Marina
16 that in your opinion as to negatively affect the
17 reissuance of the -- renewal of the license of Harrah's
18 Chester Downs and Marina?

19 MR. MEIGHAN: No.

20 MR. D.W. MILLER: I thank you very much.
21 Do you have any questions?

22 MR. STABILE: No. Thank you, Mr. Miller.
23 Thank you.

24 MR. D.W. MILLER: That concludes the
25 presentation of our testimony. We do have a few

1 exhibits to introduce. Dustin Miller will be
2 introducing those exhibits, as well as a stipulation
3 that has been entered into by counsel of Chester Downs
4 and Enforcement Counsel.

5 MR. STABILE: Did you want to do that now or
6 after the public comments?

7 PRESIDING OFFICER LLOYD: Do that now.

8 MR. D.L. MILLER: As Mr. Miller stated, the
9 first document we are going to put into the record is
10 the stipulations with Harrah's Chester. I will read
11 those into the record. This will -- the stipulations
12 are a summary of the enforcement actions that have been
13 taken against Harrah's Chester since their initial
14 licensure and this will keep us from having to read in
15 every single enforcement action.

16 MR. STABILE: Mr. Miller, will the stipulation
17 be OEC Exhibit No. 1 or how do you prefer to label that
18 or PGCB 1?

19 MR. D.L. MILLER: We do have our Exhibits
20 premarked. It is not marked as OEC Exhibit 1.

21 MR. D.W. MILLER: We will mark it as OEC
22 exhibit last and that will be 22.

23 MR. STABILE: You have 22 total?

24 MR. D.L. MILLER: Yes.

25 MR. STABILE: And the stipulation is the last

1 one?

2 MR. D.L. MILLER: Yes. I'm going to read in
3 the stipulations at this time.

4 The first one is that the Office of Enforcement
5 Counsel and Harrah's Chester have entered into two Board
6 approved consent agreements since the time of Harrah's
7 Chester initial licensure.

8 Harrah's Chester has fully complied with its
9 obligations under these consent agreements by paying
10 \$30,000 in civil penalties and by providing additional
11 training to its employees and by modifying the gaming
12 floor.

13 The Office of Enforcement Counsel also
14 conducted three compliance conferences at Harrah's
15 Chester facility since the time of Harrah's Chester
16 initial licensure.

17 In each instance, Harrah's Chester took
18 corrective measures to remedy the concerns of BIE with
19 respect to each compliance conference.

20 The Office of Enforcement Counsel has sent nine
21 warning letters since the time of licensure for various
22 violations of the Act and Regulations promulgated
23 thereunder. In each instance, Harrah's Chester
24 appropriately responded to every warning letter.

25 On July 14th, 2009, Harrah's Chester sent a

1 letter to Acting Executive Director Frank Donaghue
2 regarding a promotional flyer accidentally being sent
3 out to a patron under the age of 18, and also the Office
4 of Enforcement Counsel sent Harrah's Chester one
5 notification letter for a possible violation of more
6 than 50 percent of its slot machines being from one
7 manufacturer on the gaming floor. This notification
8 letter was satisfactory resolved without a formal
9 response.

10 Both parties have signed this document and we
11 would ask that it be entered into the record.

12 Now, I'm going to go down through the list of
13 exhibits that we intend to introduce into evidence just
14 very, very briefly to identify each one.

15 Office of Enforcement Counsel Exhibit 1 will be
16 the Pennsylvania State Police crimes statistics, which
17 we viewed during Captain Allue's testimony.

18 OEC Exhibit 2 will be a consent agreement from
19 August 28th, 2008 regarding underage gaming which
20 resulted in a \$20,000 fine.

21 OEC 3 will be a consent agreement, also from
22 August 28th, 2008, regarding a minimum security staffing
23 failure, which resulted in a \$10,000 fine against
24 Harrah's .

25 OEC Exhibit No. 4 was a compliance conference

1 memorandum from October 10th, 2007 regarding the
2 compliance conference regarding lapse in the security
3 department.

4 Also, OEC Exhibit 5 is a compliance conference
5 memorandum from May 5, 2008 regarding unattended slot
6 machines -- I'm sorry slot boxes, the cashboxes.

7 OEC Exhibit No. 5 is from May 5th, 2008 -- I'm
8 sorry, that is the one I just read in.

9 OEC Exhibit No. 6 is a compliance conference
10 memorandum from March 20th, 2009 relating to unlicensed
11 vendors on the gaming floor and a Key Employee shortage.

12 OEC 7 is a warning letter from April 4th, 2007
13 regarding a failure to have a contingency plan in case
14 of equipment failure at Harrah's Chester.

15 We did receive a response from Harrah's
16 Chester, which also is included in OEC Exhibit No. 7, on
17 April 23rd, 2007.

18 OEC Exhibit 8 is a warning letter from April
19 4th, 2007 regarding unattended empty cashboxes. We did
20 receive a response from Harrah's Chester on April 23rd,
21 2007, which is also contained in OEC Exhibit 8.

22 OEC Exhibit 9, which is a warning letter from
23 June 19th, 2007 regarding a failure to secure slot keys.
24 We did receive a response from Harrah's Chester on July
25 3rd, 2007, which is also included in OEC Exhibit 9.

1 OEC Exhibit No. 10 is a warning letter from
2 June 18th, 2007 regarding promotional material sent to a
3 self-excluded person. We did receive a response from
4 Harrah's Chester on July 26th, 2007, which is also
5 included in OEC Exhibit No. 10.

6 OEC Exhibit No. 11 is a warning letter from
7 June 25th, 2007 regarding unattended cashboxes. We
8 received a response from Harrah's on July 27th, 2007,
9 which is also included in OEC Exhibit No. 11.

10 OEC Exhibit No. 12 is a warning letter from
11 June 25th, 2007 regarding a failure for a machine to
12 properly report, slot machine -- to properly report
13 financial data to the main hub in Harrisburg. We
14 received a response from Harrah's on July 30th, 2007.
15 That is also included in OEC Exhibit No. 12.

16 OEC Exhibit 13 is a warning letter from
17 November 29th, 2007 regarding a failure to notify
18 Pennsylvania State Police of criminal activity. We
19 received a response from Harrah's on December 21st,
20 2007. That is also included in No. 13.

21 OEC Exhibit No. 14 is a warning letter from
22 January 6th, 2009 regarding an unsecured NRT machine.
23 We received a response from Harrah's on -- Harrah's
24 Chester on September 8th, 2009. It is also included in
25 OEC Exhibit No. 14.

1 OEC Exhibit No. 15 is a warning letter from May
2 28th, 2009 regarding an unattended cashbox. We received
3 a response from Harrah's Chester on June 27th, 2009,
4 which is included in 15.

5 OEC Exhibit No. 16 is the self-reporting letter
6 from July 17th, 2008 from Harrah's Chester regarding an
7 accidental mailing to an underage from upper corporate
8 management of Harrah's.

9 OEC 17 is a notification letter from October
10 15th, 2008 regarding the possible violation of more than
11 50 percent of the slot machines on Harrah's Chester
12 gaming floor being from one manufacturer. This was
13 resolved without response.

14 OEC Exhibit No. 18 is the adjudication and
15 citation from the Pennsylvania Liquor Control Board
16 regarding the -- what Mr. Donlevie testified to earlier,
17 which resulted in a \$1,250 fine to Harrah's Chester.
18 That is OEC Exhibit 18.

19 OEC Exhibit No. 19 is a memorandum from Anthony
20 Paglaria, the audit manager from the Bureau of Gaming
21 Operations, regarding the compliance assessment review,
22 which is included in the suitability report.

23 At this time, I'm going to turn the last two
24 exhibits over for Mr. Miller to introduce into evidence.

25 MR. D.W. MILLER: The last two exhibits, No. 20

1 will be a suitability report for Harrah's Chester Downs
2 and Marina, LLC.

3 And No. 21 will be the suitability report for
4 Harrah's Chester Downs Management Company, LLC.

5 I would like to note for the record what a
6 suitability report is. A suitability report is a result
7 of a compilation of a lot of -- of all of the review of
8 the investigation involving the renewal application of
9 Harrah's Chester Downs.

10 It includes the information on the background
11 of the Licensee, racetrack gaming, employment,
12 diversity, regulatory history, which we just went
13 through, compliance with statement of conditions,
14 fulfillment of promises and commitments, application and
15 background investigation fees, financial suitability,
16 civil litigation, tax clearances, and background
17 investigations of principals and Downs' racing
18 compulsive and problem gambling program.

19 In introducing these suitability reports, I
20 would note that in the suitability report, Chester Downs
21 and Marina remains in good standing with the Harness
22 Racing Commission. A letter of good standing is Exhibit
23 1 to the suitability report.

24 In addition, attached to, the tax records shows
25 that Harrah's Chester Downs is compliant with the

1 Pennsylvania Department of Revenue.

2 The Pennsylvania Department of Labor and
3 Industry reported to the Board within the suitability
4 report that Chester Downs and Marina is compliant with
5 its unemployment compensation and workman's compensation
6 tax.

7 I notice that Section 1212 of the Gaming Act
8 requires that the Board promote and ensure diversity
9 authorized under the Act.

10 As a result of the review and a renewal
11 application of Chester Downs and Marina, the Board's
12 Diversity Officer conducted our own investigation with
13 numerous visits to Harrah's Chester Downs and has stated
14 in the suitability report that Harrah's Chester Downs
15 has engaged in a good faith effort to ensure diversity
16 in all aspects of its operations.

17 Having said that, we would offer both the
18 suitability reports as Exhibits 20 and 21 for
19 introduction into the record.

20 MR. STABILE: Excuse me, Mr. Miller. The
21 suitability report for Chester Downs also has exhibits
22 attached to it, consent agreements, an organizational
23 chart, a diversity plan, and a compulsive and problem
24 gambling plan and amendments.

25 MR. D.W. MILLER: That is correct.

1 MR. STABILE: Miss Lloyd, I have no objection
2 to OEC Exhibits 1 through 22 being introduced into
3 evidence together with the exhibits to the Exhibit 20
4 suitability report with one single caveat.

5 My understanding is that the suitability
6 reports right now are in evidence; but at some point in
7 time when a decision is made, that the documentation
8 from the renewal hearing may become public.

9 Chester Downs has no objection to admitting
10 these reports with the exception that they not waive,
11 and in fact, preserve the confidentiality of certain
12 information as provided under the Gaming Act and the
13 Board's Regulations as contained in the suitability
14 report for the Licensee and its management company.

15 PRESIDING OFFICER LLOYD: Your request is noted
16 and any information that is confidential under the Act
17 and Regulations will be kept so in items 20 and 21. Do
18 you have any issues of confidentiality in any of the
19 exhibits 1 through 19 at this point?

20 MR. STABILE: No, I don't.

21 The stipulation is Exhibit 22?

22 MR. D.L. MILLER: Yeah.

23 MR. STABILE: I have no objection to that.
24 Certainly, we signed it. Miss Lloyd, if appropriate, I
25 would move at this time for us to introduce our Exhibit

1 No. 1.

2 PRESIDING OFFICER LLOYD: Yes.

3 MR. STABILE: Miss Lloyd, at the beginning of
4 the hearing, you did introduce three exhibits --

5 PRESIDING OFFICER LLOYD: Yes.

6 MR. STABILE: That were received as comments
7 from the public. Mr. Miller, I indicated that we had a
8 letter today that we wanted to introduce, I know that
9 that is the first exhibit that Miss Lloyd admitted
10 within the first three of the beginning of the hearing.
11 I will not reintroduce that.

12 PRESIDING OFFICER LLOYD: My understanding is
13 OEC has no objection to Chester Downs Exhibit No. 1.

14 MR. D.W. MILLER: No objection.

15 PRESIDING OFFICER LLOYD: Does Chester Downs
16 have any further exhibits other than Exhibit No. 1 at
17 this point?

18 MR. STABILE: No. That is it. And I think the
19 only thing we need to discuss perhaps at the close of
20 the hearing was when the record would close on this.

21 PRESIDING OFFICER LLOYD: Okay. All exhibits
22 are accepted and entered into the record and are now
23 made part of the record.

24 (OEC Exhibit Nos. 1 through 22 were marked and
25 admitted into evidence.)

1 PRESIDING OFFICER LLOYD: And now we will move
2 on to the public comment portion. I have a list of
3 speakers. When you come forward, state and spell his or
4 her name for the records. If you're here on behalf of a
5 municipality or entity, please let us know who that
6 might be.

7 I will remind you of the following time limits.
8 Elected officials will have ten minutes; community
9 groups, five minutes; individuals, three minutes. As
10 your time is expiring, I will let you know when it is
11 time to wrap up.

12 If all of those who have registered to speak at
13 the hearing today would please rise and be sworn in by
14 the court reporter.

15 (Witnesses sworn en masse.)

16 PRESIDING OFFICER LLOYD: The first speaker is
17 Wendell N. Butler, Jr., the Mayor of the City of
18 Chester. Good afternoon.

19 MR. BUTLER: I didn't realize that. I hadn't
20 sat this long in a long time.

21 Good afternoon, Miss Lloyd and members of the
22 council there. Wendel M. Butler, B-u-t-l-e-r, Mayor of
23 the great City of Chester.

24 I want to thank you for coming before you
25 today. I'm going to read into the record my testimony

1 in reference to Harrah's Racetrack and Casino.

2 PRESIDING OFFICER LLOYD: Okay.

3 MR. BUTLER: On behalf of the members of
4 Chester City Council, I am pleased to be here today to
5 provide testimony for the renewal of the Category 1 Slot
6 Machine License for Chester Downs, more commonly
7 referred to as Harrah's Chester Downs and Racetrack.

8 After more than two and half years of casino
9 operations in Chester, there is no question that
10 Harrah's has had a number of positive impacts on our
11 fine city.

12 To begin with, Harrah's has had a significantly
13 positive impact on the city's finances. Over the past
14 two years, the city has received over \$33 million in
15 revenue as a direct result of the location of Harrah's
16 here in Chester.

17 These funds have been critical to balancing the
18 city's budget and enhancing services at a time when many
19 other Pennsylvania cities are struggling to make ends
20 meet.

21 In Chester, as in other Pennsylvania cities,
22 rising costs for pension benefits and health insurance
23 increasing and employee wages and expanding demands for
24 public service have not matched up well on the declining
25 tax basis and calls for lower taxes.

1 Like many, many other cities in the state and
2 the region, the City of Chester is not facing huge
3 deficits or working to raise taxes or cut services to
4 balance the budget.

5 In fact, in 2009, the city was able to continue
6 municipal services at traditional levels while lowering
7 its earned income tax rate and no increase in real
8 estate taxes.

9 In addition, the city was able to add to its
10 operating reserves and contribute additional funds to
11 its capital budget.

12 Think about that for a moment.

13 In the face of one of the most difficult
14 economic periods in the nation's history, Chester is
15 lowering taxes and holding steady largely due to revenue
16 from Harrah's.

17 Despite this good news, however, we are not out
18 of the woods yet. Chester remains an Act 47 distressed
19 community under Pennsylvania law.

20 For those unfamiliar with the realities of
21 municipal financing in Pennsylvania, it may seem that
22 the Harrah's revenue is a windfall for the city allowing
23 it to provide funds to a host of new programs and
24 activities. Nothing could be further from the truth.

25 When you consider the need for additional

1 contributions to the pension fund to maintain its
2 viability, the negotiation of fair and reasonable
3 contracts with our city employees in the future and the
4 rising costs of doing business in general, it is clear
5 that the revenues from gaming will be required to carry
6 out fundamental purposes of city government.

7 In addition, where other cities in Pennsylvania
8 are contemplating entry into Act 47 distressed
9 municipality status, it is the revenue of Harrah's that
10 will be key in the not too distant future.

11 To achieve this goal, we must further reduce
12 our earned income tax to their pre-Act 47 levels in
13 achieving a balanced budget in the future.

14 While we are fiscally solvent as a result of
15 the revenue from Harrah's at this point in time, the
16 increase of basic government actions leave little room
17 for significant expansions of service or expensive new
18 programs that could leave the city with a future budget
19 crisis despite the new revenue.

20 Having said that, the revenue from Harrah's has
21 allowed for a modest targeted stimulus program for the
22 city; things like \$2 million for the construction of a
23 new boys and girls club and \$1 million for new fire
24 trucks would not be possible without the funds received
25 from Harrah's.

1 What does all of this mean for city residents?

2 It means that the average homeowner in the City of
3 Chester did not have to reach deeper to give more money
4 to the city.

5 It means that those funds that they did not
6 collect and raise taxes were available for each home
7 homeowner on whatever they needed or spend the money on.

8 Adding to the savings for the city residents,
9 the residents of Chester Upland School District are the
10 tax benefits that derived from the taxes paid by
11 Harrah's in other Pennsylvania casinos.

12 Often overlooked in the discussion of casino
13 impacts on the city, this tax benefit has been a godsend
14 to many Chester residents.

15 Over the last two years, eligible homeowners in
16 the City of Chester have received over \$4 million of
17 property tax relief, property tax credits. They
18 received \$632 in 2008 and 641 in 2009 with the highest
19 amount of any of the 501 school districts in each
20 respective year.

21 In many cases, this credit completely
22 eliminated the school real estate tax bill for some
23 residents. This has certainly been a positive impact of
24 Harrah's and the other casinos, which was certainly
25 welcomed by all who received it.

1 Looking beyond the fiscal impact on the city,
2 the Harrah's location has been highly accessible while
3 imposing a minimal impact on the city's neighborhoods.

4 Recognizing the potential problems by high
5 volumes of vehicular traffic on a residential community,
6 the casino was designed to minimize such impacts.

7 The facility is bound on the south by Delaware
8 River, on the east by Penn Terminal, on the west by
9 Kimberly Clark's manufacturing plant, and on the north
10 where the residential houses can be found by the state
11 prison, four-lane highway 291, and Amtrak.

12 The nearest residential neighborhood is
13 separated from the casino by multiple physical barriers
14 minimizing any spillover or negative impacts.

15 Moreover, the previously completed widening of
16 291 to four lanes and primarily nonresidential access
17 routes to the casino have channeled traffic to roads,
18 thus avoiding impact on the city's neighborhoods.

19 The completion of the new ramps from I-95 and
20 291 will further improve access to the site, especially
21 from the south and west, and will further decrease any
22 neighborhood impacts.

23 The arrival of Harrah's to Chester has provided
24 additional benefits to the city. The casino racetrack
25 replaced a vacant, abandoned environmentally

1 contaminated shipyard and trash transfer facility with a
2 gleaming modern entertainment center.

3 Somewhere between three and four million people
4 a year come into Chester for dining and entertainment.
5 Many of these visitors have never been to Chester or
6 have a negative impression of the city.

7 I can't begin to tell you how many stories I
8 have heard from visitors who are surprised that Chester
9 was not as bad as they thought. This change in
10 perception is a critical step in our ongoing
11 revitalization process.

12 In addition, Harrah's has provided for local
13 organizations like the NAACP to hold their annual
14 gatherings for residents and visitors to dine and enjoy
15 top-rate entertainment in the city.

16 We continue to find that the precasino concerns
17 about crime and public safety thus far have been proven
18 unfounded.

19 The Chester Police Department has received no
20 more than routine calls at or near the casino. The
21 Pennsylvania State Police, as you heard, security
22 handled many of the criminal issues in the casino.

23 In fact, it could be argued that the casino and
24 racetrack have added a whole new dimension for meal or
25 for entertainment or to watch the ships go up and down

1 the Delaware River. And while we take seriously the
2 possibility that there may be additional issues related
3 to problem gambling, after two years of casino
4 operations here in the city, we have not seen any
5 evidence that this concern has become a serious problem
6 here in my community.

7 We will, of course, continue to monitor this
8 situation as time goes on. In terms of employment
9 opportunities, from our earliest contact with Harrah's,
10 we conveyed to them the importance of hiring Chester
11 residents.

12 Well in advance of this opening, and you also
13 heard Mr. Donlevie comment on the half million dollar
14 grant which enabled us to hire a workforce coordinator.
15 He doesn't work for CareerLink, he works for the City
16 Council.

17 With city encouragement, Harrah's has agreed to
18 host a number of those job fairs that Mr. Donlevie told
19 you about in your hearing and have resulted in hiring of
20 city residents.

21 There is no question that Harrah's is one of
22 the largest city-based private sector employers of city
23 residents .

24 Many of these residents have already received
25 promotions, again, as you heard in your hearing. While

1 this has been a solid beginning, we continue to work
2 with Harrah's to ensure they understand our desire to
3 see city residents obtain jobs from Harrah's. Harrah's
4 hiring of many city residents is certainly good news.

5 However, the initial hiring regulations
6 established by the Pennsylvania Gaming Control Board
7 created some problems to employment for some of our
8 residents.

9 It was my understanding that these things are
10 simple as -- failing to mention an arrest from 20 years
11 ago, even though that arrest may not disqualify one for
12 a job or cause to have Applicants not receive gaming
13 licenses.

14 As a result, many city residents who received
15 job offers from Harrah's were not able to get gaming
16 licenses needed to actually get hired.

17 I wrote the Chairman of the Gaming Control
18 Board about this problem and eventually many of the
19 regulations were modified and the situation somewhat
20 improved, but not quickly enough for those city
21 residents.

22 I urge the Gaming Control Board to revisit how
23 the requirements can further diminish the hiring of some
24 Chester residents at the casino and racetrack.

25 In conclusion, while it has not been a panacea

1 for all of our problems, the arrival of Harrah's Casino
2 and Racetrack has far more positive impacts to date than
3 negative.

4 I, therefore, offer my support for the renewal
5 of the license for this facility. Again, I want to
6 thank you for allowing me to enter this testimony into
7 the record.

8 PRESIDING OFFICER LLOYD: Thank you.

9 Our next speaker is Patrick Killian.

10 MR. KILLIAN: Thank you. Good afternoon.

11 Patrick Killian, K-i-l-l-i-a-n. I'm the Director of
12 Commerce for Delaware County. In addition, I'm the
13 Executive Director of the County Redevelopment
14 Authority.

15 The County Redevelopment Authority is the
16 immediate past owner of the Chester Casino and Racetrack
17 site as aka Harrah's has been called.

18 I have been privileged to work with that
19 development from its initial stages and initial
20 engagement of Harrah's until today from what we in this
21 county and many consider the crown jewel of
22 Pennsylvania's gaming laws up the river where we all
23 sit.

24 I first testified in front of the Gaming
25 Commission at Drexel. I testified that Harrah's could

1 be the finest example of the Pennsylvania Gaming Act. A
2 brownfield would be reclaimed, local jobs for citizens,
3 for local vendors would be created, a revenue would flow
4 to both the county and the City of Chester.

5 All of these optimistic projections have been
6 met and even exceeded by Harrah's. 84 percent are
7 Pennsylvania residents and 16 are residents of Chester.

8 Just yesterday, Harrah's held a community
9 outreach employment fair, which 20 agencies participated
10 in. They contributed \$33 million in tax revenues to the
11 city and county and local vendors such as bread, trash,
12 recycling, and cleaning supplies.

13 In addition, since coming to Delaware County,
14 Harrah's has served the very best example of what it is
15 to be a good corporate citizen, contributions to job
16 programs and educational endeavors.

17 Funny thing, without ever having to be asked,
18 they do this. They do this because they feel the
19 contributions are the right thing for a corporate
20 citizen to do.

21 In so many ways, Harrah's has served for the
22 benefit of both the city and the county. If you should
23 leave here and proceed south down along the river,
24 you're going to see the bricks and steel of a major
25 league soccer stadium, \$115 million stadium, which is

1 the home of the Philadelphia Union, one of soccer's
2 major league expansion franchises.

3 This construction project, which is employing
4 more than 1,000 tradesmen and tradeswomen, is not
5 arguably one of the largest in the region taking place
6 in a difficult national economic environment but the
7 king pin of \$415 million in additional commercial,
8 retail, residential development of what is called the
9 Rivertown site.

10 It is key to the additional development and the
11 additional development would simply not be possible were
12 it not for Harrah's.

13 As you were well aware, 100 percent of the
14 gaming proceeds was set aside for projects and the
15 county nearest the casino in any given calendar year.
16 It has been projected to be between \$2.8 and 3.2 million
17 annually for development purposes only, not counting
18 additional proceeds which flow into the county general
19 fund.

20 Since the county has had the proceeds from
21 Harrah's available for development and not our general
22 fund stream, we were able to float a \$30 million bond
23 for our portion of the stadium.

24 A \$115 million stadium that will be on
25 completion, at least by the team owned by Delaware

1 County, 18,500 seat facility will host not only major
2 league soccer but women's professional soccer, concerts,
3 and various community events.

4 In the coming years when the additional
5 development is completed, the stadium will be surrounded
6 by offices, stores, and homes, none of which would be
7 happening without the funds generated from Harrah's.

8 On Monday, the Philadelphia Daily News printed
9 a feature article on the continued turnaround in
10 Chester. The turnaround has been greatly assisted and
11 expedited by Harrah's.

12 Once again, our brownfield has been restored,
13 people are working, revenue is being generated,
14 additional development is taking place because of
15 Harrah's. They have earned their license renewal.
16 Thank you.

17 PRESIDING OFFICER LLOYD: Thank you.

18 MR. KILLIAN: If I may be excused, Madame
19 Chair, I've got to roll.

20 PRESIDING OFFICER LLOYD: Certainly.

21 Our next speaker, and I apologize if I
22 mispronounce your name. Madeline Bialecki.

23 MS. BIALECKI: I'm Madeline Bialecki,
24 B-i-a-l-e-c-k-i. I'm the Director of the Delaware
25 County Literacy Council. As the Director of Delaware

1 County Literacy Council, I want to express my
2 appreciation for the many ways that Harrah's Chester
3 Casino and Racetrack has benefited our program and the
4 community members we served.

5 Soon after Harrah's opened, Vince Donlevie and
6 other Harrah's management staff visited our facility to
7 learn about our work.

8 Shonette Harrison, Vice President of Casino
9 Marketing, joined our Board of Directors in November
10 2007 and has been a dedicated, active, and thoughtful
11 Board member ever since.

12 Shonette served on our strategic planning
13 subcommittee that had biweekly meetings for six months
14 last year and now serves as the point person for our
15 strategic plan.

16 Shonette is a Board member that keeps DCED in
17 mind and is continually looking for ways for our two
18 worlds to intersect.

19 For example, Shonette realized that some
20 Harrah's employees may be trusted for becoming volunteer
21 tutors so that some Harrah's employees may improve their
22 literacy skills, so she had a tag line informing all
23 employees of the work we do.

24 Shonette keeps Harrah's employees informed of
25 DCLC events, and Harrah's employees have attended our

1 GED graduation ceremonies, our annual literacy
2 celebration and our Black History Month celebrations.
3 They have supported our fund-raising events.

4 Another way Harrah's has supported DCLC is with
5 our building maintenance. Our building was built in
6 1730 with an addition in 1820. Needless to say,
7 something is always broken, in need of replacement and
8 repair.

9 Shonette has involved Harrah's in a maintenance
10 plan and with work on our building. Additionally,
11 Harrah's Chester is a potential employee for learners
12 who come to DCLC.

13 Our most recent partnership has been through
14 the Delaware County Workforce Investment Board with some
15 of the original grant funding from Harrah's.

16 In partnership, the Workforce Investment Board
17 and DCLC literacy program and Harrah's employees. This
18 new initiative will offer Chester residents and adults
19 who work in Chester the opportunity to improve their
20 foundational workforce placement, GED, or improve their
21 English language skills.

22 The outcome is to have a greater number of
23 employable adults in our local community. One of my
24 goals when I became the Executive Director of the
25 Delaware County Literacy Council was to provide greater

1 community and business support for our work.

2 I believe that a well-educated citizen rate
3 benefits the whole community and especially the business
4 community.

5 I also believe that Vince Donlevie and the
6 management staff at Harrah's Chester see the value of
7 the work we do and how our work benefits their business.

8 Actually, this year at our annual literacy
9 celebration, our corporate partnership award will be
10 given to Harrah's.

11 In closing, I want to express my gratitude to
12 Harrah's for the investment in our work and the Delaware
13 County Literacy Council and to say I look forward to our
14 continued relationship with Harrah's Chester and I
15 support the renewal of their license. Thank you.

16 PRESIDING OFFICER LLOYD: Thank you.

17 Next speaker Kathleen Breslin.

18 Miss Breslin?

19 MR. KEETON: I think she called and said she
20 was ill and could not be here.

21 PRESIDING OFFICER LLOYD: Michael Izzo.

22 MR. IZZO: Good afternoon. My name is Michael
23 Izzo, I-z-z-o. I'm the Chief Financial Officer for the
24 Pennsylvania Harness Horseman's Association.

25 I would like to apologize for the interruption.

1 I put my phone on at recess and forgot to turn it off.

2 I'm here today in support of the renewal of the
3 Category 1 license for Harrah's Chester. We, the PHHA,
4 represent all of the people that actually race and
5 compete in the racing at Chester.

6 Much of what I was going to tell you was
7 explained previously by Vince on Page 22 of the slide,
8 so I'm not going to repeat and bore you with it; but I
9 would like to add a couple of things.

10 When he spoke of the facility, I want to speak
11 of the paddock building. That is the facility that
12 houses the horses that are actually going to race.

13 It is state-of-the-art, but it is even more
14 than that. It is a facility at the cost of \$9 million,
15 I believe, has been copied and already reconstructed at
16 another racetrack actually in Pennsylvania, Mohegan Sun
17 did it.

18 We have had people from all different states
19 come and visit that facility because there has never
20 been one built like that.

21 Secondly, when he mentioned Super Stakes
22 Sunday, that is an event that went national where we
23 paid \$2.4 million in purse money and was broadcast live
24 on Comcast, something that hasn't been done locally in
25 decades. They are to be commended to that. Thank you.

1 I will speak a little bit to Mr. Miller's
2 question about integration, embracing of slots. If you
3 have been to the facility, you will notice that all of
4 the restaurants and the eateries except one, the diner
5 facility, have front-facing windows where you can
6 actually see all of the horses go on and the races at
7 any one time.

8 Also, last year, we did a little promotion that
9 I think Shonette put together, where we had some people
10 that expressed an interest from the slot machines to
11 come and see the horses.

12 Well, we actually took them down after the
13 races and used a cart that Harrah's purchased and took
14 them for a ride on the racetrack. I don't know how you
15 give someone any more than that.

16 Lastly, I will speak to our relationship with
17 Harrah's. Since this project was conceived, there has
18 been a real comfortable relationship with them.

19 They have been very receptive to anything we
20 brought up. I would like to think we have been
21 receptive to theirs.

22 We are at the point that we actually feel it is
23 a really true partnership. We are grateful for this.
24 There was some skepticism because as horsemen we have
25 never dealt with corporations, but what a pleasant

1 surprise.

2 Again, I thank you both, all of you here for
3 your cooperation, and thank you for hearing me.

4 PRESIDING OFFICER LLOYD: Thank you very much.

5 MR. IZZO: Do you have any questions?

6 PRESIDING OFFICER LLOYD: No.

7 Doreen Storey.

8 MS. STOREY: Good afternoon. I am Doreen
9 Storey, S-t-o-r-e-y. I am the Executive Director of the
10 United Way Southeast Delaware County located here in
11 Chester. I'm here this afternoon to speak to you on
12 behalf of Harrah's and, of course, renewing their
13 racetrack application.

14 United Way is very proud of our relationship
15 with Harrah's Chester Casino and Racetrack. For the
16 past two years, as seen earlier, we have administrated
17 the Harrah's scholarship.

18 They have provided \$200,000 for scholarship for
19 residents of the City of Chester. Not only are they
20 giving their money, but they are giving their time
21 because they really participated and fully engaged in
22 the process on the actual Scholarship Committee.

23 This year alone, 23 students have benefited
24 from these dollars as they continue on their higher
25 education.

1 United Way also received funds when they began
2 running those slot machines. That is the \$6,000 that
3 enabled the United Way to have our educational summit.
4 Without the money from Chester, we wouldn't have been
5 able to. We thank you very much.

6 Harrah's staff is offering several hours of
7 volunteer. We are just one of the many organizations
8 that are receiving benefit from having a Harrah's staff
9 member on our Board and I would like to also thank Mike
10 Vinci, who is the Harrah's Vice President of Finance who
11 has really helped move forward.

12 Besides running the United Way campaign with
13 their employees, they participate in our community
14 impact process. That is a process where folks from
15 Harrah's help us allocate dollars. This is way above
16 the call of duty that most of our participating agencies
17 do.

18 I'm sure, as many of you know, United Way
19 offers several opportunities to organizations to
20 participate in our community, Days of Caring, community
21 development, and of course, the monetary gifts that we
22 received.

23 Harrah's Racetrack Casino employees have really
24 done all of them, and I am very happy they are doing all
25 of that.

1 I hope you offer and continue to support and
2 offer their license. Thank you very much.

3 PRESIDING OFFICER LLOYD: Thank you.

4 Joe Woods?

5 MR. WOODS: My name is Joe Woods, W-o-o-d-s.

6 I'm here representing City Team which is a full service
7 rescue mission that has been here in Chester for about
8 20 years.

9 I have been on the local Board here for 15 of
10 those years. There is two areas of our ministry that I
11 would like to mention that Chester -- that Harrah's has
12 been a great assistance to us.

13 One is career counseling where -- one of our
14 ministries is a 12- to 18-month live-in drug and alcohol
15 rehab program; and as part of that, we prepare the men
16 to become active members of the workforce again.

17 Robin Roberts, the Vice President of Human
18 Resources at Harrah's has been on our Board for a little
19 over three years, and she has been crucial to -- she has
20 been crucial to us in setting up this program.

21 She has been a mentor to our staff, and there
22 is various ways that one can become a mentor. One of
23 the most effective is putting their arms around somebody
24 on our staff and saying, we want you to be a success
25 with this program.

1 She was setting up a program, and as mentioned
2 before, seeing that on the slide, where we have held
3 mock interviews for people who were returning to the
4 workforce.

5 I don't know if you have been in the state of
6 addiction for a while, it is kind of scary to get back
7 in the workforce again.

8 Robin has helped us develop a program that has
9 enabled the men to be successful in getting back into
10 the workforce again.

11 We have statistically -- we have had in the
12 little over a year that this program has been in effect,
13 we had 16 of our men getting employment, full-time
14 employment, a few of them at Harrah's.

15 The secondary is that of food service.
16 Harrah's has provided us with some of their left over,
17 perfectly edible food that we take back and put into our
18 walk-in refrigerators, walk-in freezers. We have two of
19 each at the mission and we will heat it up and serve it
20 again.

21 We serve meals each night to anybody who shows
22 up, and we have had -- in my experience, I've been there
23 a few times for supper -- anywhere from 40 to 80 people
24 come for a nutritious hot meal.

25 Having all of this prepared food to us means we

1 don't have to open a lot of cans that get donated to us
2 and we can save those cans and save them for our
3 emergency food box program.

4 We have a program where once a month, we will
5 give people who are preregistered with us, we will give
6 them food for their family for three days.

7 It is a balanced box of food with some veggies,
8 protein, fruit, cereal, puddings, that kind of thing,
9 for three days' worth of meals for the entire family.
10 The more cans we have, the more we can provide all of
11 this.

12 Last year, we provided over 20,000 of these
13 emergency food boxes. This year, the demand is up by 20
14 percent for those, as one might expect in this economy,
15 and having the prepared food that Harrah's has given to
16 us has been a big help.

17 We also have had some people from Chester come
18 and chop up veggies for use, doing just regular kitchen
19 chores, and they also help serve the meals to the poor
20 and the disadvantaged.

21 If any of you would like to come for supper
22 tonight, feel free to come. You'll get a good meal.

23 We also had Harrah's provide us with turkeys at
24 holiday time. Harrah's has been a tremendous help to
25 us, not only in the things they have provided to us but

1 in the professional support. Robin's professional
2 expertise has been vital to us.

3 Thank you, Harrah's, for all of the support you
4 have given to help us support the disadvantaged.

5 PRESIDING OFFICER LLOYD: Thank you.

6 MR. WOODS: Questions?

7 PRESIDING OFFICER LLOYD: No questions.

8 We'll move onto our individual speakers.

9 Patricia Steinberg.

10 MS. STEINBERG: Good morning. Patricia
11 Steinberg, 316 Edgemont Avenue. I am President and
12 majority owner of Hardware and Supply Company of
13 Chester. Hardware and Supply Company is a 67-year-old
14 industrial supplier located here in the City of Chester.

15 We are not a small, mom-and-pop hardware store.
16 In fact, we believe we are the only small, women-owned
17 and operated, hub zoned, certified industrial supplier
18 to be awarded a GSA contract as a super hardware store.

19 We have longevity. We have credibility. In
20 2006 when we began this process, we certainly had the
21 strength to bring on Harrah's in order to build
22 relationships.

23 We had positive cash flow. We have no debt.
24 We own our own property. We don't need a line of credit
25 to pay payroll. We discount all of the rolls including

1 that tax bill I paid Monday morning.

2 You need to know what our experience has been
3 with Harrah's. Let there be no mistake whatsoever, we
4 are so very appreciative to the sales we have enjoyed
5 from Harrah's.

6 This is where we stand. We are a WBE. We have
7 credibility. We are established. We met Fred Keeton,
8 who is our Diversity Director for Harrah's. We have met
9 him in public at public meetings and I have even tried
10 to e-mail.

11 His office nor he has ever contacted Hardware
12 and Supply to advise us of the process of diversity or
13 inclusion and how to do procurement with Harrah's.

14 I may owe him a personal apology at this point.
15 Maybe I was floored in my thinking. So we reached out
16 to John Wallace, who is the Director of Strategic
17 Sourcing.

18 We have met him also in public. We have spoken
19 with him. We have e-mailed him also to ask him to
20 include us to compete with their suppliers. I compete
21 with those same suppliers at the federal level and when
22 I do, I beat the pants off of them. He has been
23 nonresponsive.

24 In 2006 , prices from Harrah's were 26,209,
25 2007, 19,761.21; 2008, 5,996.98; 2009 year to date,

1 \$550.

2 On April 15th we were called to Harrah's at
3 Chester. We met with Dan Worer and my outside sales rep
4 Michael Evert.

5 We met with Michael Shertel who told us that
6 all purchasing was going to be moved to New Jersey. Is
7 this Board aware of that?

8 I don't have to speculate on the ramifications
9 of what that means when you say Chester first and the
10 mantra that it is good business to do business here with
11 the vendors here in Chester, but we learned from these
12 two people that the buying that is going to be done for
13 Chester is coming out of the state of New Jersey.

14 But you may take perspective well, they have
15 that right to do that. Certainly, they do have that
16 right to do that. Let's look at some of the other
17 things that may have affected the bottom line.

18 We were thrilled to think that with Harrah's
19 here, you would be whizzing down 291 and I'm right
20 across the street and says guess what, Hardware and
21 Supply, we need a battery or a flashlight. We have had
22 no auxiliary sales as a result of Harrah's being here.

23 Our expectations then go to what about tax
24 relief. Yes, it is true, we have seen a de minimis
25 decrease in the city wage tax for our employees, but we

1 have not seen a decrease in the emergency tax that our
2 employees have to pay, the \$50 whether they're full-time
3 or part-time.

4 Let's look at the property tax. We have not
5 seen at any level; city, county, or school real estate
6 taxes diminish in any way.

7 There is also a third tax, that is called a
8 mercantile tax. That is what we pay here in the City of
9 Chester, what we have to pay to the city for having done
10 business in the City of Chester.

11 My competitors who sell here in Chester who are
12 not located here do not pay that tax, and so I'm
13 actually penalized for being located within the City of
14 Chester because I have to pay that tax and they don't.

15 As it stands now, it would appear that one time
16 we not only came to the table, we were in the game and
17 we were playing. We are no longer there.

18 While there is nothing of entitlement in our
19 Constitution and while I applaud that idea of
20 entitlement, I don't want Harrah's to feel that they
21 must give me business. They don't have to give me
22 business.

23 We compete with the big boys and do a better
24 job because of who we are, experienced professionals in
25 procurement.

1 But there is by virtue of Constitution the
2 opportunity to be included. I have a sense now that
3 being told that the purchasing is being done in New
4 Jersey that we are being excluded.

5 As an active citizen, I hold Chester elected
6 officials and appointed officials such as you
7 accountable for the activities of Harrah's to appear to
8 be the elimination of local vendors at the Chester site
9 as your elected sworn duty to enhance economic
10 development, not by entitlement but by the ability to
11 compete competitively.

12 It would be ludicrous for me to say to you
13 based on that they shouldn't be here. Oh my gosh, that
14 is not so. I was at the forefront of Harrah's coming
15 here too, which of they are.

16 Hardware and Supply Company was the first
17 company to stand up and validate Chester Downs Casino
18 and gave the first breakfast and luncheon out our
19 location.

20 So I don't want you to leave with the thought
21 that we don't have suggestions. We have many
22 suggestions.

23 Many of them being first a disparity study must
24 be undertaken . We need a measure in disparity. It is
25 needed to accurately reflect the distribution of awarded

1 contracts and dollars spent here in the City of Chester.

2 There were no figures this morning given on
3 what that is through Harrah's in the City of Chester and
4 who is getting what.

5 Secondly, you need to have them, meaning
6 Harrah's, look and invade their corporate agreements,
7 their blanket agreements so you can debunk them and
8 invent a process for the inclusion of businesses and
9 others in the City of Chester.

10 PRESIDING OFFICER LLOYD: Your time is running
11 out, if you could wrap up.

12 MS. STEINBERG: I appreciate the opportunity.
13 We've got plenty more suggestions, and I know Harrah's
14 is going to be here. Good luck.

15 PRESIDING OFFICER LLOYD: Thank you.

16 Gloria Scott?

17 MS. SCOTT: Good afternoon. My name is Gloria
18 Scott, S-c-o-t-t. I am a Chester resident, and I was
19 born and raised in Chester.

20 I began my employment July of 2006 as a
21 receptionist, and I was promoted to benefits coordinator
22 July of 2007.

23 Before Harrah's came to Chester, I believed we
24 only had two major large companies and that was Kimberly
25 Clark and Wells Fargo.

1 Harrah's not only made sure that Chester
2 residents were hired but extended their hiring to
3 residents of Delaware Valley.

4 As a young lady, I watched big businesses leave
5 Chester and then I watched residents leave Chester. I
6 travel -- at the time, Chester residents had to go
7 outside of Chester for employment.

8 I traveled to Philadelphia for over ten years
9 paying a high cost of transportation and Philadelphia
10 wage tax.

11 Currently, some of the employees and myself are
12 now able to walk to work; and we don't have to pay the
13 large Philadelphia wage tax.

14 Harrah's has not only given our residents jobs,
15 but they have also given back to the community such as
16 financial contributions, Chester City Clean Up,
17 assisting Chester Senior Citizen, YMCA, and City Team
18 Ministries. Just yesterday -- and someone has spoken on
19 this earlier.

20 Just yesterday, Harrah's sponsored a community
21 outreach fair, which was extended also to the public,
22 and the reason for this fair was to advise the community
23 of different community services that was offered to them
24 that they would have no other way of knowing.

25 Surprisingly, it was a big success. Not only

1 Chester residents, but our senior citizens now have a
2 place to go for fun and entertainment and they don't
3 have to just sit in the house all of the time.

4 I, as a city resident, I thank Harrah's for
5 coming to the city. I think they have made a big impact
6 on the city, and I am here to note today that I support
7 Harrah's casino. Thank you.

8 PRESIDING OFFICER LLOYD: Thank you.

9 Judith Ward.

10 MS. WARD: Good afternoon. I'm Judith Ward,
11 W-a-r-d. My company is Advanced Enviro Systems, and we
12 are located here in Chester. Excuse me. I have a
13 little bit of a cold.

14 I'm here in support of Chester Downs
15 application. I'm not sure exactly of the date, sometime
16 in late 2005, early 2006, a representative from Harrah's
17 came to our door, showed up looking for a quart of
18 hydraulic oil and basically just said, how can we do
19 business with you? What do you do?

20 We sat down together and talked about the many
21 opportunities, and we have had that same experience with
22 them over and over .

23 They continually reach out to us. We would
24 like to do this and can you help us. We have gone to
25 them with areas that are somewhat innovative and

1 suggested to them that they want to try -- they were
2 disposing of manure and we are helping them to recycle
3 it.

4 They had purchased two trash compactors for the
5 facility, and we worked it out with one of them to use
6 one of them.

7 They started recycling their cardboard bales
8 and it was when they were maxed out and we came up with
9 a shared program where we invested in the equipment and
10 we invested in the sale of the material.

11 They are recycling upwards of 30,000 pounds of
12 material each year out of the facility and that doesn't
13 include the food that they donate.

14 We are in the process of talking about a food
15 waste compost for food that is inedible. They are very
16 open to improving the environment and working with us as
17 the local vendor.

18 They have many opportunities to work with a
19 local vendor to manage their waste, but they opted to
20 work with us.

21 We are also certified WBE; and to date, we have
22 done business in excess of \$250,000 with Chester Downs.
23 So, I support their application. Thank you.

24 PRESIDING OFFICER LLOYD: Thank you.

25 Bob Buono.

1 MR. BUONO: My name is Bob Buono, B-u-o-n-o.
2 I'm President of Buono Bothers, Incorporated. We are a
3 vendor of Harrah's Chester. We provide them with
4 Italian breads and rolls and other baked goods.

5 I have worked in this city for over 20 years.
6 My father grew up here. We have seen the good times and
7 the bad times come through.

8 Since Chester is on the move and Harrah's has
9 played a big part with all of the gears in motion. We
10 are proud to be a vendor and proud to serve them as a
11 company.

12 We hope that they stay around for a long time.
13 We think they do very well down here. It is a good part
14 -- a good fit for the city, and it is putting it in the
15 right direction.

16 PRESIDING OFFICER LLOYD: Thank you.

17 Kyle Staples.

18 MR. STAPLES: Good afternoon. I'm Kyle
19 Staples. DVS Supervisor at Harrah's Chester. I'm here
20 to speak briefly about the opportunities I was granted
21 at Harrah's Chester.

22 I was actually born in Chester, Pennsylvania
23 and raised here. I went to Chester High School. I
24 graduated in 2006, attended Immaculata University for
25 about a year.

1 When Harrah's came to town, I found myself
2 interested in working for them. I applied for a job as
3 a steward, basically a dishwasher.

4 After a few months of working as a dishwasher,
5 I was promoted to stewarding supervisor to showcase my
6 leadership skills.

7 After maybe seven months of that, I was
8 transferred to another department, front service
9 supervisor, which is in control of the valet parking
10 operations.

11 I was recruited by our leadership team to take
12 another role as DVS supervisor, a more critical role, it
13 is basically housekeeping in a hotel environment.
14 Needless to say, I accepted that opportunity.

15 Throughout my two and a half years of working
16 at Harrah's, I have been taught management skills,
17 leadership, and coaching skills. I have been exposed to
18 great mentors who have guided me in the right direction
19 and afforded me an opportunity to influence, coach, and
20 supervise numerous people at Harrah's.

21 I am truly thankful that Harrah's opened a
22 casino in Chester. It afforded many residents of
23 Chester opportunities, including myself.

24 God only knows what I would be doing if I did
25 not apply for a job at Harrah's. Therefore, I would

1 like to thank God and Harrah's leadership teams in
2 helping me achieving my goals. Thank you all for having
3 faith in me.

4 PRESIDING OFFICER LLOYD: Thank you.

5 And Lisa Witomski?

6 MS. WITOMSKI: My name is Lisa Witomski,
7 W-i-t-o-m-s-k-i, the president of T Front McCalls. T
8 Front McCalls has been a business at 6th and Madison
9 Street since 1876, 133 years.

10 McCalls is a State of Pennsylvania certified
11 WBE. We distribute such items as tissue and paper
12 towels.

13 From the moment Harrah's opened their office,
14 Harrah's management has reached out. Harrah's
15 management facilitated a meeting with our corporate
16 director of purchasing prior to the opening.

17 With great effort and persistence, everyone at
18 Harrah's Chester worked to ensure that McCalls would
19 become an official registered vendor. This was no small
20 feat given that there were many vendors that could have
21 supplied this facility.

22 Harrah's Chester also made an exception to use
23 Kimberly Clark products rather than a national contract
24 with Georgia Pacific. This not only benefited T Front
25 McCalls but the Kimberly Clark paper mills.

1 In the last 12 months, Harrah's Chester has
2 spent almost \$300,000 with T Front McCalls. We are
3 hoping to approach the \$1 million mark since the
4 opening. Needless to say, we support Harrah's Chester.

5 PRESIDING OFFICER LLOYD: That is the list of
6 registered speakers.

7 Have I missed anyone that is here that believes
8 they are here registered to speak?

9 Okay. Moving on, Chester Downs, any closing
10 remarks at this point?

11 MR. STABILE: Miss Lloyd, members of the
12 public, counsel, thank you for the opportunity to be
13 here to speak on behalf of our renewal and to present
14 what I believe has been a great success story for
15 Chester Downs, as well as for the City of Chester.

16 I appreciate your courtesy and your patience as
17 well as of counsels' and working together in order to be
18 able to get this hearing off the way it has been today.
19 I have nothing else further to add at this time.

20 However, I do believe that we have the issue of
21 when the record will close for purposes of today's
22 hearing, I will defer to you and Mr. Miller on your
23 thoughts.

24 PRESIDING OFFICER LLOYD: We'll take care of
25 that after the Mr. Millers close.

1 MR. D.W. MILLER: I really have no closing
2 remarks. This was a pleasure to be here in the City of
3 Chester, and I ask that the record be kept open for 15
4 days in case OEC or Harrah's Chester has any additional
5 documents or presentations to include with the record.

6 PRESIDING OFFICER LLOYD: Is that --

7 MR. STABILE: Thank you. I will appreciate
8 that. That will get us to -- October 1st?

9 PRESIDING OFFICER LLOYD: That sounds about
10 right.

11 MR. D.L. MILLER: I have reason to believe that
12 there will be something needed to be included after the
13 October 7th Board meeting. I think that will be a
14 better date.

15 PRESIDING OFFICER LLOYD: We will make it
16 October the 8th.

17 MR. D.L. MILLER: I think that is it.

18 MR. STABILE: Do you know what day of the week
19 that is?

20 PRESIDING OFFICER LLOYD: Thursday.

21 MR. STABILE: Thursday. All right. No
22 objection to that.

23 PRESIDING OFFICER LLOYD: And I will remind
24 both Chester and OEC that if you wish to provide any
25 kind of a brief to the Board, you have five business

1 days to do so, so that would be close of business next
2 Wednesday to file with the Board's clerk.

3 I would like to tell everyone that is still
4 here after the hearing closes and the record closes on
5 October the 8th, I will send a report to the Board with
6 essentially findings of fact from this hearing and the
7 documents presented, and the Board would then schedule a
8 Public Board Meeting to hear the remainder of the
9 Chester Downs License Renewal Hearing at a future date.

10 At that point, they will consider the record
11 created here today; and we'll have the opportunity at
12 that time to ask questions of Chester Downs or OEC at
13 that time if they wish to do so.

14 Look on our -- if you are interested in when
15 that is, look on our Board's website for the meeting
16 agenda. It will be on the same day as some future
17 Public Board Meeting, which I don't know when will be.
18 It is the Board's choice.

19 MR. STABILE: Ms. Lloyd, may I ask, is there
20 anything that you wish us to address in the next five
21 days that we haven't covered that hasn't been addressed?

22 PRESIDING OFFICER LLOYD: I don't wish you to
23 address anything. If there is anything that you want
24 the Board to know based on the public comment --

25 MR. STABILE: Thank you. That is very helpful.

1 PRESIDING OFFICER LLOYD: If there is nothing
2 else from either party or the public, I want to thank
3 you all for coming today. Again, thank the City of
4 Chester for the use of their facility.

5 This hearing is now concluded and adjourned.
6 Thank you.

7 (The hearing concluded at 1:15 p.m.)

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1 I hereby certify that the proceedings and
2 evidence are contained fully and accurately in the notes
3 taken by me on the within proceedings and that this is a
4 correct transcript of the same.

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Hillary M. Hazlett, Reporter
Notary Public

