



# PENNSYLVANIA GAMING CONTROL BOARD

## Meeting of the Board

March 27, 2007

## Minutes

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A meeting of the Pennsylvania Gaming Control Board was held on March 27, 2007 in the State Museum Auditorium. The meeting began at 9:00 a.m.

***Members in attendance were:***

Thomas Decker, Chairman  
Raymond S. Angeli  
Mary DiGiacomo Colins (via teleconference)  
Jeffrey W. Coy  
Kenneth W. McCabe  
Sanford Rivers  
Gary A. Sojka

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

Keith Welks, Acting Deputy State Treasurer for Fiscal Operations

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

George Bedwick – Category 3 licenses  
Audrey Powell – Category 3 licenses  
Charles Dickinson – Category 3 licenses  
Judith Eschberger – Category 3 licenses  
Marie Jones – Category 3 licenses  
Steve Cook – written comments for the record  
Michael Walsh – administration update  
Frank Donaghue – regulations and other business  
Richard Sandusky – regulations  
Kevin Hayes – casino floor plan  
Denyse Miskin – internal controls

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

## **Announcements**

Chairman Decker announced that the Board held an executive session on March 26 to discuss personnel issues. No business was conducted at this session.

## **Category 3 informational discussion**

The following individuals testified before the Board with regard to the eligibility criteria for Category 3 licenses:

- George Bedwick, legislative counsel, House Majority Whip
- Audrey Powell, policy director, House Majority Leader
- Charles Dickinson, Vacation Charters, Ltd. (Split Rock Resort)
- Judith Eschberger, Aurora Gaming
- Marie Jones, Resorts USA, Inc. (Fernwood Hotel & Resort)

## **PGCB MOTION NO. 2007-36 OCC – Accept into the record the written comments of Mohegan Sun**

Motion Made: Board Member Sojka  
Seconded: Board Member McCabe

Resolved, the Board hereby accepts into the record the written comments of Mohegan Sun regarding the Category 3 licenses.

Board Decision: Passed by unanimous vote

## **Administration**

## **PGCB MOTION NO. 2007-37 HR – Employment**

Motion Made: Board Member Rivers  
Seconded: Board Member Sojka

New Hires:

Sharon Reisinger, administrative assistant, BIE  
Robert Lynch, casino enforcement agent, BIE  
Autumn Farkas, administrative assistant, BIE  
Kathy Black, administrative assistant, Licensing  
Rita Spittler, receptionist, Administration

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

Board Decision: Passed by unanimous vote

**Chief Counsel**

**PGCB MOTION NO. 2007-38 REG – Temporary regulation amendments to Chapters 401, 433, 435, 437, 441 and 443**

Motion Made: Board Member Angeli  
Seconded: Board Member Sojka

Resolved, the Board hereby adopts the temporary regulation amendment to Chapters 401, 433, 435, 437, 441 and 443, and directs that it be published in the Pennsylvania Bulletin and be posted on the Board's website.

Board Decision: Passed by unanimous vote

**PGCB RESOLUTION NO 2007-6 REG – Temporary regulation Chapter 429**

Motion Made: Board Member Angeli  
Seconded: Board Member Sojka

WHEREAS On July 5, 2004, the Pennsylvania General Assembly enacted the Pennsylvania Race Horse Development and Gaming Act, establishing the Pennsylvania Gaming Control Board as the primary regulatory agency charged with the responsibility of implementing and overseeing slot machine gaming in the Commonwealth; and

WHEREAS The Act authorizes the Board to adopt "temporary" regulations in order to facilitate the prompt implementation of the Act until April 15, 2007; and

WHEREAS The Board has developed temporary regulations for manufacturer designees; and

WHEREAS The Board's final temporary regulations are designated as Title 58 Recreation, Part VII Gaming Control Board:

Subpart B. Licensing, Registering, Certifying and Permitting; Chapter 429, Manufacturer Designees

WHEREAS The Board reserves the right to amend the temporary regulations as it deems necessary in accordance with the purpose of the Act and in order to further the intent of the Act; be it

RESOLVED That the Board adopts the above regulations as its temporary regulations for manufacturer designees.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2007-39 REG – Temporary regulation amendments to Chapters 401, 405, 423 and 461**

Motion Made: Board Member Coy  
Seconded: Board Member McCabe

Resolved, the Board hereby adopts the temporary regulation amendment to Chapters 401, 405, 423 and 461 and directs that it be published in the Pennsylvania Bulletin and be posted on the Board's website.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2007-40 REG – Temporary regulation amendments to Chapters 501, 503, 511 and 513**

Motion Made: Board Member McCabe  
Seconded: Board Member Sojka

Resolved, the Board hereby adopts the temporary regulation amendment to Chapters 501, 503, 511 and 513 and directs that it be published in the Pennsylvania Bulletin and be posted on the Board's website.

Board Decision: Passed by unanimous vote

**PGCB MOTION NO. 2007-41 REG – Temporary regulation amendments to Chapter 465**

Motion Made: Board Member Rivers  
Seconded: Board Member Sojka

Resolved, the Board hereby adopts the temporary regulation amendment to Chapter 465 and directs that it be published in the Pennsylvania Bulletin and be posted on the Board's website.

Board Decision: Passed by unanimous vote

**PGCB RESOLUTION NO 2007-4 OCC – Casino floor plan for Washington Trotting Inc.**

Motion Made: Board Member Angeli  
Seconded: Board Member Sojka

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

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

- WHEREAS Washington Trotting Association, Inc., an entity for which a slot machine license was approved on September 27, 2006, has submitted a gaming floor plan revised through March 23, 2007 to the Board for approval; and
- WHEREAS Floor plans depicting the gaming floor and all restricted areas servicing the licensed facility to be known as the Meadows Racetrack and Casino have been reviewed for compliance with 58 Pa. Code Section 467.1, including those requirements relating to slot machine locations and seating, surveillance camera configuration, cashiers' cage, count room, and armored car bay specifications, slot storage and repair locations and placement of automated gaming voucher redemption, jackpot payout and automated teller machines; and
- WHEREAS The floor plans have been reviewed and determined to comply with 58 Pa. Code Section 467.1; and
- WHEREAS Washington Trotting Association, Inc., agrees to comply with the requirements of 58 Pa. Code Section 467.1(c) with regard to changes or amendments to the Board approved floor plan;
- WHEREAS Washington Trotting Association, Inc. acknowledges that said gaming floor plan is for a temporary facility and as a condition to its slot machine license it must develop and occupy, within the time limitations mandated under Section 1207(17) of the Act, a permanent facility substantially similar in all material respects to the permanent facility proposed in its application to the Board, presented at its September 11, 2006 suitability hearing and reflected in the evidentiary record relied upon by the Board; be it
- RESOLVED That the Board approves the floor plan of Washington Trotting Association, Inc., as prepared by Climans Green Liang Architects, Inc., revised through March 23, 2007, which depicts 45,660 square feet of gaming floor configured to accommodate a total of 1,738 slot machines.

Board Decision: Passed by unanimous vote

**Corporate Compliance and Internal Controls**

**PGCB RESOLUTION NO 2007-5 OCC – Internal controls for Washington Trotting Inc.**

Motion Made: Board Member Sojka  
Seconded: Board Member Rivers

- WHEREAS Under Section 1202(a) of the Pennsylvania Race Horse Development and Gaming Act (the “Act”), the Pennsylvania Gaming Control Board (the “Board”) has general jurisdiction over all gaming activities or related activities; and
- WHEREAS Under 58 Pa. Code, Section 467.2(a)(4), a slot machine licensee may not commence slot operations until a slot machine licensee’s internal control systems

and audit protocols (collectively “internal controls”) have been approved by the Board; and

WHEREAS Washington Trotting Association, Inc. (“WTA”), an entity for which a Conditional Category 1 Slot Machine License was approved on September 27, 2006, has submitted internal controls for Board approval; and

WHEREAS The internal controls submitted by WTA meet the minimum requirements set forth in Section 1322 of the Act, including procedures for safeguarding assets and revenues; retaining accurate and reliable financial records; and ensuring complete connectivity to the central control computer system; and

WHEREAS WTA has submitted a narrative description of its ownership structure; a jobs compendium; and standard operating procedures for its Finance, Information Technology, Internal Audit, Security, Slot Operations, and Surveillance Departments; and

WHEREAS The Board is in receipt of an attestation by Mr. Michael Graninger, Chief Executive Officer of WTA, attesting that he believes, in good faith, that the submitted internal controls conform to the requirements of the Act and the regulations promulgated thereunder; and

WHEREAS The Board is in receipt of an attestation by Ms. Amy Ware, Director of Accounting of WTA, attesting that she believes, in good faith, that the submitted internal controls are designed to provide reasonable assurance that the financial reporting conforms to generally accepted accounting principles in the United States and comply with applicable laws and regulations, including the Act and the regulations promulgated thereunder; and

WHEREAS The Board is in receipt of a report prepared by Piercy Bowler Taylor & Kern, an independent registered public accounting firm, which opines that, in all material respects, WTA has complied with the design requirements set forth in the Board’s regulations; and

WHEREAS WTA, as a condition to its license, acknowledged that the internal controls are reviewed and approved by the Board in concept form and expressly agreed to immediately implement any procedural revisions in its internal controls as requested by the Board should Board review of the internal controls as implemented support the conclusion;

RESOLVED That the Board approves the internal controls of WTA, subject to the condition that any implementation of an amendment to the internal controls will be preceded by notice to the Board.

Board Decision: Passed by unanimous vote

**Adjournment**

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