

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: CATEGORY-1 LICENSE RENEWAL - PID, LLC, d/b/a  
PRESQUE ISLE DOWNS CASINO

\* \* \* \* \*

PUBLIC HEARING

\* \* \* \* \*

BEFORE: Linda S. Lloyd, Presiding Officer  
Denise J. Smyler, Chair  
Frank Dermody, Commissioner  
Frances J. Regan, Commissioner

HEARING: Wednesday, September 25, 2024  
10:31 a.m.

LOCATION: Summit Township Municipal Building  
1230 Town Hall Road West  
Suite 100  
Erie, PA 16509

WITNESSES: Gary Hendricks, Jill Snyder, Michael  
Meagher, Corporal Brian Knarr, Daniel Rossman,  
Katlyn Tortorice, Anthony W. Davis, Al P. Messina,  
Joseph Pfadt, Gary Horton

Reporter: Benjamin Morrow

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ALSO PRESENT:

Matthew Ennis, Esquire

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PRESIDING OFFICER: Good morning. I'm Linda Lloyd, and I'm the Presiding Officer assigned by the Board to conduct this portion of the Category-1 License Renewal Hearing for PID, LLC, d/b/a Presque Isle Downs Casino. Before we begin, if we could all please turn off, or at least to vibrate, our cell phones and other electronic devices so we don't interrupt our speakers. I would like to remind everyone that this proceeding is being recorded today by a Court Reporter who's sitting down to my right and is also being recorded on video and live streamed to the Board's website at this time. If you would like to watch this again in the future, it will be posted to our website as well.

As Presiding Officer, I call this hearing to order. The date is Wednesday, September 25th. The time is 10:32 and the location is the Summit Township Building at 1230 Town Hall Road in Erie, Pennsylvania.

The Race Horse Development and Gaming Act, as amended, requires at Section 1326 that an operator's license shall be subject to renewal by

1 the Board every five years. This License Renewal  
2 Hearing is convened by the Board pursuant to the  
3 mandate found in Section 1205(b) of the Gaming act  
4 that requires, as part of the renewal process, a  
5 public hearing to be held in a municipality where  
6 the license facility is located. This public  
7 hearing was advertised on the board's website,  
8 announced by the board at public board meetings, and  
9 advertised in local newspapers.

10 Board Members present today for the  
11 hearing are, to my immediate right, our Chair,  
12 Denise Smyler, and to my left, Commissioner Frank  
13 Dermody, and Commissioner Fran Regan.

14 The hearing will begin with a  
15 presentation by PID, and after that presentation,  
16 the Board's Office of Enforcement Counsel and the  
17 Board will have an opportunity to ask questions of  
18 PID's witnesses. After the conclusion of that  
19 presentation, the OEC will make its presentation,  
20 and again, Counsel for PID and our Board Members  
21 will have opportunity to ask questions of those  
22 witnesses.

23 After the close of the testimony and  
24 evidence from both parties, those witnesses who have  
25 registered to speak today at today's Public Input

1 Hearing will have their name called and will have  
2 approximately five minutes each to provide their  
3 thoughts regarding the renewal. Following the close  
4 of public comment, PID and OEC will each have the  
5 opportunity to provide a short closing statement.

6 So let's begin by having all  
7 witnesses from Presque Isle down and OEC who will  
8 testify here today stand, raise your right hand and  
9 be sworn by our Court Reporter.

10 ---

11 (WITNESSES, SWORN EN MASSE)

12 ---

13 PRESIDING OFFICER: Thank you. And  
14 PID, take it away and if you can, state and spell  
15 your name first time you speak for our Court  
16 Reporter, he does have some spellings, but not all  
17 of them.

18 ATTORNEY HAYES: Director Lloyd,  
19 Chair Smyler, Commissioner Regan and Commissioner  
20 Dermody, morning and welcome to Erie County. My  
21 name is Kevin Hayes. That's K-E-V-I-N, H-A-Y-E-S,  
22 of the Sabre Law Firm in Scranton, and I have the  
23 pleasure of representing Category-1 Slot Machine  
24 Licensee PID, LLC, doing business as, Presque Isle  
25 Downs and Casino.

1                   As Director Lloyd indicated, Presque  
2 Isle Downs will offer a presentation this morning as  
3 part of the public input proceeding. Here are the  
4 topics that we will discuss during our case in  
5 chief. First, we are going to provide you with an  
6 overview of the property's licensing history as a  
7 racetrack casino, as well as a description of its  
8 current operations under the ownership of Churchill  
9 Downs Incorporated. We will describe the capital  
10 investment that Churchill Downs has made this  
11 property since acquiring it in 2019.

12                   Next, the management team of Presque  
13 Isle Downs is going to describe the initiatives and  
14 strategies that it has implemented to develop a  
15 diverse workforce and to create opportunity for  
16 women and minority-owned business enterprises to  
17 transact business with Presque Isle Downs. We will  
18 also describe the benefits that are offered to  
19 Presque Isle Downs employees and the successes that  
20 the property has enjoyed in retaining its employees  
21 in what you will hear is a challenging labor market.

22                   Today, we will also describe Presque  
23 Isle Downs' effort to address responsible gaming and  
24 alcohol management at the property, as well as the  
25 measures that have been taken to prevent minors from

1 accessing the licensed facility and to prevent  
2 unattended minors.

3           We will provide a summary of the  
4 economic impact and the tax revenues generated by  
5 this property to the benefit of the Commonwealth,  
6 Erie County, Summit Township and the horse racing  
7 industry. We will provide you with a description of  
8 how Presque Isle Downs has honored its commitment to  
9 Pennsylvania's horse racing industry. And lastly,  
10 we will describe Presque Isle Downs community  
11 outreach initiatives and the meaningful impact that  
12 this property has had on several non-profit  
13 organizations in the area.

14           We have a number of representatives  
15 from Presque Isle Downs, Churchill Downs and  
16 Churchill Downs here today to offer testimony and  
17 answer your questions. At this time, I'm going to  
18 introduce someone who you are very familiar with,  
19 Presque Isle Down's Vice President and General  
20 Manager, Gary Hendricks, who will introduce the  
21 members of his team and then begin today's  
22 presentation. Gary?

23           MR. HENDRICKS: Thank you. Chair  
24 Smyler, Director Linda - Director Lloyd, I'm sorry.  
25 Commissioners, thank you for joining us today, and

1 the staff, appreciate you coming to our little  
2 corner of the Commonwealth today. Hope you enjoyed  
3 your visit yesterday. Excited to see the race and  
4 all that. My name is Gary Hendricks, G-A-R-Y,  
5 H-E-N-D-R-I-C-K-S, And we have a fairly large  
6 contention of employees here that I kind of wanted  
7 to share with you.

8 Jill Snyder, who just sits down  
9 beside me is our Director of Human Resources, you'll  
10 hear from her. We also have, in the back behind me,  
11 we have Michael Meagher, who's our Executive vice  
12 President, of Churchill Downs, excuse me. Sitting  
13 beside him is Oz Sharia (phonetic), one of our  
14 Counsel outside. On the other side, Weaver Asconia  
15 (phonetic), another counsel from the Corporate  
16 Office.

17 In the back of the room, we also have  
18 Matt Ennis, who is my Senior Director of Operations,  
19 who is a longtime employee. A lot of these people  
20 that are here today are actually day-one employees.  
21 Jennifer Seed (phonetic), my Director of Marketing.  
22 Jake Graff (phonetic), my Director of Finance, Ross  
23 Douklist (phonetic), who is our Controller. Terry  
24 Schneider in the back there is our Director of  
25 Compliance. Beside her is Nicole Ford, our Internal

1 Auditor. Then we have Bill Sireg (phonetic), our  
2 Director of Facilities, and Clark Metzger  
3 (phonetic), our Director of security.

4                   So all kind of here to observe today.  
5 We welcome their presence. So I'll move forward  
6 here. So this represents a timeline of events here  
7 in Erie through 2019 when Churchill assumed the  
8 ownership of the casino. It's presented in house  
9 against the backdrop that makes one of the most  
10 beautiful pictures of property, with the view of the  
11 lake in the background. It's a shame that it's  
12 grayed out. It is one of the really, it's just a  
13 grandiose property. It's a beautiful area.

14                   We're showing some key moments in our  
15 history, including our grand opening in 2007 and  
16 Churchill coming in January of 2019. I myself  
17 joined the property a few years later in September  
18 of 22, after having served as GM in Nemaquin. I've  
19 been a GM now in Pennsylvania since 2016. Later in  
20 the presentation, we'll share some events that have  
21 taken place since Churchill came in.

22                   So here we have some photos of the  
23 property showing the diversity of gaming operation  
24 here. We have 1525 slot machines, 34 table games,  
25 15 hybrid seats, which make up three of those games.

1 We have our sportsbook area, our one mile Tepeta  
2 Surface Racetrack that we all saw yesterday. As I  
3 was mentioning yesterday, it was recognized as one  
4 of the safest tracks in the country with that  
5 synthetic surface, and I'll have quite a bit more to  
6 speak about racing a little bit later on.

7 So, dining at Presque Isle, we have a  
8 variety of restaurants for our patrons to enjoy.  
9 This includes Bourbon & Brew, casual dining  
10 restaurant. LaBonne Vie, our higher-end steakhouse,  
11 which has been recognized locally by Yelp and  
12 Opentable as a premium dining service here in town.  
13 And we recently opened a cafe, which is a grab-and-  
14 go concept pizza, those kind of things, or patrons  
15 to give them another option.

16 So quite a few options to choose from  
17 and then the lower-right corner is the center bar,  
18 which is a fabulous place. There's a lot of game  
19 tops around there for video poker, but it's just a  
20 great place to sit and enjoy the environment.

21 So Churchill Downs, everybody's  
22 familiar with the race, operates 27 properties  
23 across 14 states. This includes six thoroughbred  
24 tracks, of which Presque Isle is one, three harness  
25 tracks and one training track. The Kentucky Derby

1 is the longest running sport event in North America.  
2 Earlier this year ran the 150th race, one of the  
3 most exciting finishes that I've ever seen -. It's  
4 just incredible

5                   Since Churchill came in 2019, we've  
6 had \$17 million yearly spent in capital investment  
7 in the property. As I was pointed out yesterday,  
8 some of the newest projects we just laid down new  
9 carpeting last year in November. Just before that,  
10 we replaced all our slot chairs, which you have 1500  
11 chairs moving in and out of the casino is always an  
12 exciting day.

13                   We are currently bringing in within  
14 the next two or three days, we have some slot  
15 machines coming in. We have 60 machines coming in  
16 this fall, another couple million dollars. It's not  
17 included in that \$17,000,000. And we also open that  
18 food outlet to give our patriots the other option  
19 with the InCafe.

20                   So going on to talk about diversity.  
21 We have a commitment to diversity within our  
22 purchasing and our employment practices. I'm going  
23 to speak a little bit to the purchasing side. We  
24 recently partnered with a company named Supplier.io.  
25 They're a company that specializes in identifying

1 minority women-owned businesses. What we found is  
2 that just relying on businesses itself wasn't  
3 necessarily reliable.

4                   So we brought this group in as a  
5 company. They started with us in quarter one, and  
6 while you can see that we had a few efforts in that  
7 lower-right table to kind of get a little bit better  
8 spend, having them start quarter one, the quarter  
9 two results of 2004 nearly doubled the prior year at  
10 6.8 percent. And it's a trend that we're continuing  
11 to grow with this group. It's a really exciting  
12 event - opportunity here for us to expand that.

13                   With that, I'm going to turn it over  
14 to Jill to talk about employment.

15                   MS. SNYDER: Good morning, Chair  
16 Smyler, Director and Commissioners and staff, my  
17 name is Jill Snyder, J-I-L-L, S-N-Y-D-E-R. We  
18 consider diversity to be a crucial part of our  
19 success, and our commitment can not only be found in  
20 our plan, but in our workforce. We are committed to  
21 attracting qualified, diverse candidates by sharing  
22 all external postings with our diversity contacts.

23                   These contacts include, but are not  
24 limited to, our Veterans Administration, Mission  
25 Empower, the JFK and Booker T. Washington Centers,

1 CareerLink, our local schools to include high  
2 school, college and technical schools, etcetera. We  
3 evaluate applicants using job-related requirements  
4 and prohibit discrimination. All management  
5 participates in diversity training; with this year's  
6 scheduled for November. This training will help  
7 management recognize that we all have biases and how  
8 those biases can influence decisions and  
9 interactions with others.

10 Our intent is to pursue inclusion of  
11 all people, which strengthens PID and our pursuit  
12 for excellence. 34.6 percent of our employees are  
13 women, with this trend continuing through our  
14 executive team. The majority of us on the executive  
15 team are not only day-one employees, but have been  
16 promoted from within.

17 In order to maintain a diverse pool  
18 of applicants, we rely not only on our partnership  
19 efforts with our contacts, but our community  
20 outreach as well. This includes attendance at local  
21 job fairs, job boards, and providing interviewing  
22 practice and feedback at local schools. Internally,  
23 we work with our team members to align their  
24 schedules to fit the bus routes and offer a referral  
25 -. With the help of these efforts, our total ethnic

1 minority percentage exceeds Erie County's by four  
2 points.

3                   While we are committed to finding  
4 qualified, diverse applicants, we are also committed  
5 to our current diverse workforce. It is our mission  
6 that all our team members feel valued and respected.  
7 Earlier this year, we conducted an engagement survey  
8 requesting feedback from all team members. We used  
9 that information to create action plans for  
10 improvement.

11                   We are currently conducting a pulse  
12 survey to evaluate how effective those action plans  
13 are through the eyes of our team members. We have  
14 spent over \$100 million in payroll taxes and  
15 benefits since 2019 when we joined the Churchill  
16 family. With 93 percent of our employees being PA  
17 residents, that money is reinvested into our local  
18 economy.

19                   We have a rich, comprehensive benefit  
20 package. Our employee stock purchase plan is a  
21 unique benefit allowing all team members, including  
22 frontline, to become equity owners in our company.  
23 This is a benefit full time and part-time team  
24 members can partake in as long as they've been  
25 employed for 30 days and work at least 21 hours per

1 week. We offer a 401K plan where you are 100  
2 percent vested in the company match on day one.  
3 This match is 100 percent up to three percent and  
4 half of the fourth and fifth percent.

5 We offer free life insurance and  
6 short-term disability. We have an Employee  
7 Assistance Program that is not only a resource for  
8 both full time and part-time team members, but their  
9 family members as well. Next week, we are hosting a  
10 health fair with local vendors offering flu shots,  
11 mental health awareness, financial wellbeing, an  
12 opportunity for our team members to donate blood.  
13 We celebrate our team members often.

14 Our director of food and beverage  
15 partnered with one of our Nepali team members to  
16 prepare goat curry for us all to enjoy. It was so  
17 successful that we have plans to do something  
18 similar again, first quarter 2025. Hiring an  
19 inclusive, diverse workforce and making sure our  
20 workforce is valued and treated with respect is  
21 something we pride ourselves on.

22 MR. MEAGHER: So while we're  
23 committed to diversity in our employees, we're also  
24 committed to our compulsive gaming and responsible  
25 alcohol service. Employees are trained in new-hire

1 orientation and have annual CCTV training refresher  
2 for all employees, as well as events to raise  
3 awareness, which I have a couple of examples in the  
4 next slide, for items like - such as responsible  
5 gaming education, which is actually occurring and  
6 ongoing.

7 RAMP is the approved program from the  
8 PLCB, utilized for service training. In addition to  
9 RAMP's training occurring for all service employees,  
10 every service, we also train all gaming management,  
11 table games and slots, and all security staff,  
12 operators or security officers and above within six  
13 months of hire. Employees are required to recertify  
14 this every two years.

15 So the following slide is just an  
16 example of some things that we pass out. That this  
17 is actually done by Terry on the property. A word  
18 search and a questionnaire that employees are asked  
19 to take part in during this Responsible Gaming  
20 month. Another key component of responsible gaming  
21 enforces our minor prevention and underage  
22 unattended minors. You can see several examples of  
23 what we've done at the property.

24 It's a circular program where the key  
25 component is you see something, say something. We

1 have signage all through the building, both on the  
2 exterior with the, it's illegal leave children  
3 unattended sign, with the girl on it, and I believe  
4 that was actually picked up by the Board as part of  
5 the drive that you guys did as well, or something  
6 very similar. We have rack cards inside the casino  
7 that have this, and as you heard yesterday, we have  
8 a recurring message every two hours that we play. A  
9 former employee speaks to everybody, reminding them  
10 that it's illegal to leave children in the casino.

11 We have had a few incidents at the  
12 property, but it's been significantly less since we  
13 put all these initiatives into place. Sorry. And  
14 the incidents that we do have resolved most of the  
15 things -.

16 So the economic impact since the  
17 property opened, nearly \$1.5 billion in tax revenues  
18 have been generated. The support property tax  
19 relief in the local community and horse racing since  
20 Churchill Downs has taken ownership, that's \$335  
21 million.

22 So this is a quick snapshot of the  
23 competitive landscape. It's a little unique in this  
24 part of the state in that we face pressure from not  
25 only within the state - casinos, but also from Ohio

1 and New York, which has been a challenge. Ohio went  
2 live with sports betting earlier in January of '23  
3 and had a major impact on us. It's one of the  
4 impacts. I'll show you in just a minute.

5           The smaller map shows about a five  
6 mile radius around the property. And we've  
7 identified upwards of 150 skill games in that area.  
8 To put that in context, I shared this with a few  
9 people yesterday. We've seen estimates of upwards  
10 of 100,000 skill games across the Commonwealth. If  
11 you think about the casino floor being around 1,500  
12 games, that represents an additional 67 casinos  
13 across the Commonwealth. In addition to the  
14 regulated casinos, so they definitely do have an  
15 impact on us.

16           I'll share a few pictures with you  
17 and what I really want to call out is the other one,  
18 Lake Erie Games 777, and notice their Facebook or a  
19 snapshot; biggest gaming floor in Erie with 30 of  
20 the hottest and most popular skill games. These are  
21 no longer just a few places in the back of a  
22 restaurant or bar. There, in the one below, Miele  
23 Plumbing has been turned into parlor as well. These  
24 are actually small scale casinos.

25           So what we have here is revenue

1 trends, essentially since Churchill came in, but  
2 showing some of the key things that happened during  
3 that time. 2018 ,PA operators began to accept  
4 retail sports wagers in 2019. In July, we began  
5 taking retail sports. In December, we began to do  
6 online sports wagers. And in 2020, we began to  
7 accept interactive wagers.

8 In 2022, New York operators began to  
9 accept retail and online sports. In '23, as I just  
10 said, Ohio began to accept theirs. In '23, we began  
11 to see really expansive growth in skill based games  
12 in '24 that has continued. You can see the revenue  
13 trend is slightly down. Of course, 2020 is a bit of  
14 an outlier because of the COVID.

15 So this is a next page is a page that  
16 we shared with several legislators showing the  
17 effect of the tax rate. What this is, is over the  
18 course of the years, we've seen our revenue trend  
19 down. This is slot revenue. It's driven by the \$10  
20 million flat LSA fee, which paid in full during that  
21 COVID shutdown by the way.

22 We've removed COVID in 2020 on this  
23 slide, it is significantly skews the data, but what  
24 this represents is slot gaming taxes, including the  
25 admin fee and the LSA, we divide it into our slot

1 revenue. This is before any other expenses,  
2 including payroll tax, sales and use tax, property  
3 tax, racing, those kind of things which would  
4 actually drive that number up fairly significantly.

5           So go on to racing. Since Churchill  
6 ownership, nearly \$69 million in purses have been  
7 paid out over the course of 377 racing days. In our  
8 '24 meet, which ends later in October, we expect to  
9 have 76 days of live racing. Our 16th Masters Stake  
10 Race was just held last Friday with a purse of  
11 \$300,000. We actually have four stakes during that.  
12 The Masters is 300,000 a mile, 100,000 for the two  
13 smaller races in front of that.

14           But this was a record day for us,  
15 first time we've done it on a Friday, we drove  
16 nearly \$2.7 billion in handle. The prior record was  
17 \$1.9 million. So it was a huge day. Very, very  
18 successful. For the first time, we also partnered  
19 with Parx Casino to tie into their Pennsylvania  
20 Derby, which happened on Saturday.

21           We offered a Pick Four and a Daily  
22 Double against their two - two of their races and  
23 two of our races, which performed very well here.  
24 This was the first for Pennsylvania racing, and the  
25 response that this initiative received from the

1 Racing Commission that we're thrilled to see this -  
2 just to try to breathe some new life into that  
3 product. And we continue to look at opportunities  
4 to change post times, those kind of things, to get  
5 the public more involved. We're actually looking at  
6 some changes for next year, which we have to in  
7 front of that, but always looking for things.

8           So our community outreach, this  
9 represents cash disbursement. It doesn't include  
10 volunteer efforts, employees who volunteer with the  
11 fire departments, those kind of things, which we  
12 have a lot of that. We also have a lot of in-kind  
13 donations that we do. We'll give dinner for two and  
14 LBV or dinner for two at Bourbon & Brew. This just  
15 represents cash. Some of the people that we've  
16 worked with. Combined donations since Churchill  
17 came in, is \$1.4 million.

18           The logos that I put on this page  
19 represent some of the more exciting groups that  
20 we've worked with. Erie Gives, this year, Community  
21 Giving Day, raised \$9.7 million. It's their record  
22 for that day as well. They were also recognized at  
23 that event for being number three in community  
24 charity days in the country. So they're very  
25 excited about that.

1                   What this does is they represent a  
2 group that then takes the money that we donate to  
3 them and gives that out, distributes it to 500 other  
4 charities. So it allows us to reach many more  
5 people than we could ever manage on our own. I  
6 actually gave a speech for them at their UPMC  
7 ballpark last week, thanking them and for their  
8 efforts. We've been working with them for multiple  
9 - for over ten years, doing that program.

10                   Warriors of Washington is another  
11 organization with which we work. Every year they  
12 take a group of veterans to tour D.C. and you'll be  
13 hearing from one of their members here. We allow  
14 them to utilize our parking lot which keeps their  
15 cars under surveillance while they take a bus to  
16 D.C. One of my favorites also is the Boys and Girls  
17 Club of Erie. I'll switch over to some photos here.  
18 You can see that they participate with -.

19                   So I've done that, managed to do that  
20 two years in a row. Next year will be Jay Craft, he  
21 doesn't know that. But a couple other groups that  
22 we've done there on the page, most notably, the  
23 Veterans Miracle Center is another group that we  
24 support. We rotate every month at different - a  
25 different group through this program to raise money

1 for them.

2 With that being said, that concludes  
3 our part of the presentation. If you have any  
4 questions.

5 PRESIDING OFFICER: I will turn it  
6 over to David Tepper, our OEC, for questions.

7 ATTORNEY TEPPER: Good morning. For  
8 the Court Reporter, David Tepper, T-E-P-P-E-R.  
9 Tepper turning to slide four.

10 Are there any plans to change the  
11 size or footprint of the gaming floor?

12 MR. HENDRICKS: Not at this point.  
13 We are looking, I think you've heard, we're looking  
14 at the legislature to potentially reduce the slot  
15 count. If we do that, we will be making some  
16 changes, but we have to have that legislation  
17 approved and also to note that would not entail any  
18 decrease in staffing. We'd simply be right-sizing  
19 the business to the current volumes.

20 So as we saw yesterday, there's large  
21 sections of the floor that don't get play. So we've  
22 already - the staffing is already set for that level  
23 of play. We would not expect any decrease in  
24 revenue for that.

25 ATTORNEY TEPPER: You mentioned

1 potential plans if the legislature allowed, to  
2 reduce slot machines. Are there any plans to reduce  
3 table games or hybrid gaming spaces or increase  
4 them?

5 MR. HENDRICKS: No, not at this time.

6 ATTORNEY TEPPER: Are there any plans  
7 to add banked table games such as Poker?

8 MR. HENDRICKS: No, not at this point.

9 ATTORNEY TEPPER: Are there any plans  
10 to change the percentage or area of the game before  
11 that permits smoking or -?

12 MR. HENDRICKS: No. Not unless a  
13 smoking ban does get issued, obviously we would  
14 react to that, but there's no plans for anything.

15 ATTORNEY TEPPER: Are there 15 hybrid  
16 table game seats included in the total number of  
17 table games on the slide?

18 MR. HENDRICKS: Yeah, 31 actual table  
19 games. Fifteen (15) seats, accounts for three  
20 tables in hybrids, so 34 total.

21 ATTORNEY TEPPER: And turning to  
22 slide number 5, are there any plans in the works for  
23 either renovations or new projects?

24 MR. HENDRICKS: Not at this point.  
25 We always look for an opportunity. We recently

1 opened the InCafe and while we continue to evaluate  
2 other options for the casino, we could expand into  
3 the old buffet with potentially a coffee shop or  
4 something. We're waiting to kind of see how the  
5 volume goes. It's difficult to turn long plan term  
6 capital strategy until we understand the state of  
7 the market specifically.

8 ATTORNEY TEPPER: And turning to  
9 slide number six, are all of these properties both  
10 owned and operated by Churchill Downs Incorporated?

11 MR. HENDRICKS: There are two that  
12 are joint ventures, Miami Gaming Valley and the  
13 Chicago Rivers at this point are joint ventures.  
14 Chasers in New Hampshire is actually - the building  
15 is owned by another entity, but we operate all those  
16 properties.

17 ATTORNEY TEPPER: Thank you. And do  
18 all these properties that operate at the casino also  
19 operate for Horse or Harness Racing?

20 MR. HENDRICKS: No. Out of all these  
21 casinos, there are essentially nine tracks, which I  
22 mentioned earlier. Also one racing training tracks.  
23 So ten total tracks.

24 ATTORNEY TEPPER: And turning to  
25 slide number ten. What qualifies an employee to be

1 eligible for benefits such as medical, dental and  
2 vision insurance?

3 MS. SNYDER: Regular, full-time.

4 ATTORNEY TEPPER: How many hours a  
5 week is constituted full time?

6 MS. SNYDER: Thirty (30).

7 ATTORNEY TEPPER: And how long is the  
8 full time employee work to be eligible for benefits?

9 MS. SNYDER: Benefits are the first  
10 of the month, following 30 days of employment,  
11 except for 401k, which is three months, and then the  
12 employee stock purchase plan.

13 ATTORNEY TEPPER: And are there any  
14 benefits that the non-full-time employees are  
15 eligible for?

16 MS. SNYDER: Yes. They can  
17 participate with the EAP, our Employee Assistance  
18 Program. They can earn PTO and also the employee  
19 stock purchase plan.

20 ATTORNEY TEPPER: And what percentage  
21 of promotions are internal?

22 MS. SNYDER: Our policy is to always  
23 look internally and we estimate about 63 percent are  
24 internal. However, looking at our executive team,  
25 it's 88 percent.

1                    ATTORNEY TEPPER: And of those, 63 to  
2 88 percent, what's the breakdown between Presque  
3 Isle Downs versus other Churchill properties?

4                    MS. SNYDER: I believe the percentage  
5 is three, but over the last five - three percent,  
6 but over the last five years, it was seven people  
7 that have come in from Churchill.

8                    ATTORNEY TEPPER: Thank you. And  
9 93.3 of employees are Pennsylvania residents. Can  
10 you please provide a breakdown of what states the  
11 remaining employees are residents of?

12                   MS. SNYDER: Predominantly, it's New  
13 York and Ohio, but during our racing season, we see  
14 employees come in from all over the U.S., to include  
15 Texas, Florida, Kentucky, Michigan.

16                   ATTORNEY TEPPER: And turning to  
17 slide 13, what measures are being taken to ensure  
18 that those 18 to 20 who are wagering on horse  
19 racing, are not accessing gaming floor?

20                   MR. HENDRICKS: So whenever we have  
21 libraries, there's the mutual's area, which is open  
22 to the outside. We have security staffing, security  
23 checkpoint there to make sure that no one's getting  
24 past into the gaming floor.

25                   ATTORNEY TEPPER: And what measures

1 does crestfallen take to detect unattended minors or  
2 vehicles?

3 MR. HENDRICKS: So you see what we  
4 have here as far as signage goes out in the parking  
5 lot, we have a continual security-manned vehicle  
6 that controls the parking lot. If, for instance,  
7 somebody is on break at a certain time, there will  
8 be surveillance, we'll be watching the parking lot  
9 as well. And inside the building we have message  
10 that was played continually.

11 ATTORNEY TEPPER: Thank you. The OEC  
12 has no further questions.

13 PRESIDING OFFICER: I will turn to  
14 Board Members if they have any questions. I'll  
15 start at the end with Commissioner Regan.

16 MS. REGAN: No questions. Thank you  
17 very much. It was very thorough.

18 MR. DERMODY: No questions.

19 PRESIDING OFFICER: And how about our  
20 Chair?

21 CHAIR SMYLER: You know I have  
22 questions. Actually, my first question is not  
23 addressing anything that you just presented today.  
24 Yesterday, during the tour, I remember there were  
25 calendars at the escalators showing special events

1 and a special burger of the month.

2 How do you advertise those events  
3 outside of the casino so people know about them as  
4 opposed to the folks that are inside the casino  
5 already?

6 MR. HENDRICKS: Right. Multiple  
7 sources, right. We have a lot of online presence,  
8 Facebook, Instagram, those kind of things. We also,  
9 of course, have direct mail that gets sent out with  
10 as well, messaging through that and some amount of  
11 television and radio advertising in the local  
12 market.

13 CHAIR SMYLER: And the direct mail.  
14 That list is based on what folks that have been at  
15 the casino?

16 MR. HENDRICKS: Yeah. Players that  
17 are signed up and if not on the self-exclusion, of  
18 course, and have opted in for that.

19 CHAIR SMYLER: And the executive  
20 team, what's the percentage of females or minorities  
21 on the executive team?

22 MS. SNYDER: Females is 40 percent.  
23 Thank you. Minorities, I don't have that number in  
24 front of me.

25 MR. HENDRICKS: Non-executive team.

1                    CHAIR SMYLER: You can get back to us  
2 on that. And with regard to - I think you're doing  
3 a great job with your outreach Board, including  
4 minorities and diverse employees, but did you ever  
5 think about expanding it from local schools to  
6 regional or statewide? Because there are folks that  
7 aren't in the local area that might want to come to  
8 Erie, believe it or not.

9                    MR. HENDRICKS: One of the  
10 difficulties have is that if you think of Erie is  
11 the community right outside of Erie is very, very  
12 rural. Not very diverse at all. It's like getting  
13 down into Pittsburgh, it represents a challenge. We  
14 have gone outside of that market. As an example, my  
15 director of finance is from Buffalo. we go outside  
16 that market for people that we can bring in and move  
17 in, and we're always willing to talk to people. We  
18 always look for opportunity.

19                    CHAIR SMYLER: Well, I know Cheyney  
20 University's President is interested in that, being  
21 more of his folks get involved in the gaming  
22 industry. So you may want to reach out to the CU or  
23 some others. Just a thought.

24                    MR. HENDRICKS: We've been to - we do  
25 job fairs at some of the universities outside, like

1 Edinboro in that area. We don't go out much further  
2 than that.

3 CHAIR SMYLER: All right. Thank you.  
4 Nothing else.

5 PRESIDING OFFICER: Any additional  
6 information you want to provide to answer the  
7 Chair's question, you can send that information to  
8 the Board Clerk email address, and we'll get it  
9 distributed to all Board Members. And I see Mr.  
10 Hayes wants to -.

11 PRESIDING OFFICER: We got to do some  
12 housekeeping.

13 ATTORNEY HAYES: Director Lloyd,  
14 would it be appropriate now to move for - to be  
15 entered into the record?

16 PRESIDING OFFICER: Yes.

17 ATTORNEY HAYES: Okay.

18 As that concludes the presentation of  
19 Presque Isle Downs Casino, at this time, I would  
20 request the PowerPoint presentation which was  
21 referenced during today's hearing to be entered into  
22 the record as PID-1.

23 ---

24 (Whereupon, Exhibit PID-1, Presentation, was  
25 marked for identification.)

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PRESIDING OFFICER: Any objections?

ATTORNEY TEPPER: OEC has no objections.

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(Whereupon, Exhibit PID-1, Presentation, was admitted.)

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ATTORNEY HAYES: In addition, Director Lloyd, I would ask that the following Written Statement of Support be entered into the record. As PID-2, correspondence dated September 9, 2024, from Pennsylvania State Representative Ryan A. Bizzarro of the 3rd Legislative District.

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(Whereupon, Exhibit PID-2, Correspondence dated 9/9/24, was marked for identification.)

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ATTORNEY HAYES: As PID-3, Correspondence dated September 17, 2024, from Pennsylvania State Senator Dan Laughlin of the 49th Senatorial District.

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(Whereupon, Exhibit PID-3, Correspondence dated 9/17/24, was marked for identification.)

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ATTORNEY HAYES: As PID-4,  
Correspondence dated September 10, 2024, from the  
President of Warriors to Washington.

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(Whereupon, Exhibit PID-4, Correspondence dated  
9/10/24, was marked for identification.)

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ATTORNEY HAYES: As PID-5,  
Correspondence dated September 12, 2024, from Al  
Messina, Executive Director of the Boys and Girls  
Club of Erie.

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(Whereupon, Exhibit PID-5, Correspondence dated  
9/12/24, was marked for identification.)

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ATTORNEY HAYES: As PID-6,  
Correspondence dated September 12, 2024, from Jennie  
Hagerty, Executive Director of the Mercy Center for  
Women.

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(Whereupon, Exhibit PID-6, Correspondence dated  
9/12/24, was marked for identification.)

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ATTORNEY HAYES: As PID-7,

1 Correspondence dated September 20, 2024, from Todd  
2 Mostoller, the Executive Director of the  
3 Pennsylvania Horseman's Benevolent and Protective  
4 Association.

5

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6 (Whereupon, Exhibit PID-7, Correspondence dated  
7 9/20/24, was marked for identification.)

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9 ATTORNEY HAYES: And lastly, as PID-  
10 8, Correspondence dated September 24, 2024, from  
11 State Representative Rob Merski of the 2nd  
12 Legislative District.

13

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14 (Whereupon, Exhibit PID-8, Correspondence dated  
15 9/24/24, was marked for identification.)

16

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17 ATTORNEY TEPPER: We have no  
18 objections.

19

PRESIDING OFFICER: Okay.

20

21 So PID-1 through 8 are admitted into  
22 the record.

22

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23 (Whereupon, Exhibit PID-2, Correspondence dated  
24 9/9/24, was admitted.)

25

(Whereupon, Exhibit PID-3, Correspondence dated



1 (Whereupon, OEC Exhibit 1, State Police Report,  
2 was marked for identification.)  
3 (Whereupon, OEC Exhibit 2, Letter, was marked  
4 for identification.)  
5 (Whereupon, OEC Exhibit 3, Memorandum, was  
6 marked for identification.)  
7 (Whereupon, OEC Exhibit 4, Statement of Account,  
8 was marked for identification.)  
9 (Whereupon, OEC Exhibit 5, Letter, was marked  
10 for identification.)  
11 (Whereupon, OEC Exhibit 6, Consent Agreements,  
12 was marked for identification.)  
13 (Whereupon, OEC Exhibit 7, Compliance  
14 Memorandums, was marked for identification.)  
15 (Whereupon, OEC Exhibit 8, Warning Letters and  
16 Responses, was marked for identification.)  
17 (Whereupon, OEC Exhibit 9, Demand Letter and  
18 Responses, was marked for identification.)  
19 (Whereupon, OEC Exhibit 10, Stipulation of  
20 Facts, Omission of Evidence, was marked for  
21 identification.)

22 ---

23 ATTORNEY TEPPER: OEC and Presque  
24 Isle Downs entered into stipulations regarding the  
25 admissibility and authenticity of these exhibits,

1 which include the Pennsylvania State Police Report  
2 obtained from the National Incident Based Reporting  
3 System from 2019 to 2023. This addresses criminal  
4 incidents that occurred at Presque Isle Downs since  
5 its time of last renewal. This Report is marked as  
6 OEC Exhibit 1.

7 A Letter dated August 8, 2024 from  
8 the Pennsylvania State Police Bureau of Liquor  
9 Control Enforcement indicating that one citation and  
10 a corresponding adjudication had been issued against  
11 Presque Isle Downs since its license was reissued in  
12 2019. These documents are marked as OEC Exhibit  
13 Number 2.

14 On August 15, 2024, the Board's  
15 Office of Compulsive and Public Gambling issued a  
16 Memorandum regarding Presque Isle Downs' compliance  
17 with its casino and iGaming compulsive and problem  
18 gambling plans. This Memo is marked as OEC exhibit  
19 number three. On August 12, 2024, the Pennsylvania  
20 Department of Revenue, Bureau Alliance provided a  
21 copy of Presque Isle Statement of Account,  
22 confirming that it is in good standing with the  
23 Pennsylvania Department of Revenue. This is marked  
24 as OEC Exhibit Number 4.

25 On August 5, 2024, the Pennsylvania

1 State Horse racing Commission issued a letter to the  
2 Office of Enforcement Counsel indicating that the  
3 Licensee's racing license is in good standing with  
4 the Commission. This Letter is marked as OEC  
5 Exhibit 5.

6 OEC Exhibits 6 through 10 are not  
7 before you, but remain accessible through a shared  
8 link previously provided to Presque Isle Downs and  
9 Members of the Board. Since their licensure in  
10 2019, OEC and the Licensee entered into three Board-  
11 Approved Consent Agreements, together these are  
12 marked as OEC Exhibit Number 6.

13 OEC and the Licensee conducted six  
14 Compliance Conference since the license was reissued  
15 in 2019. Altogether, these Compliance Conference  
16 Memorandum are marked as OEC Exhibit Number 7.  
17 Since their license was reissued in 2019, OEC has  
18 issued the Licensee, 17 Warning Letters.  
19 Altogether, these Warning Letters and Presque Isle  
20 Downs's Responses are marked as OEC Exhibit Number  
21 8.

22 OEC has issued Presque Isle Downs one  
23 Demand Letter since their license was reissued in  
24 2019. Presque Isle Downs appropriately responded to  
25 this Demand Letter. This Demand Letter and the

1 Response are collectively marked as OEC Exhibit  
2 Number 9. And finally, OEC and Presque Isle Downs  
3 entered into a Stipulation of Facts and Omissions of  
4 Evidence, executed by the parties on September 17,  
5 2024. This is included and marked as OEC Exhibit  
6 10.

7 And at this time, the OEC  
8 respectfully requests that Exhibits 1 through 10 be  
9 introduced into the record with Exhibits 7, 8 and 9  
10 being marked as Confidential.

11 PRESIDING OFFICER: Mr. Hayes?

12 ATTORNEY HAYES: No objection.

13 PRESIDING OFFICER: Okay.

14 So moved, with 7, 8 and 9 remaining  
15 Confidential.

16 ---

17 (Whereupon, OEC Exhibit 1, State Police Report,  
18 was admitted.)

19 (Whereupon, OEC Exhibit 2, Letter, was  
20 admitted.)

21 (Whereupon, OEC Exhibit 3, Memorandum, was  
22 admitted.)

23 (Whereupon, OEC Exhibit 4, Statement of Account,  
24 was admitted.)

25 (Whereupon, OEC Exhibit 5, Letter, was

1 admitted.)

2 (Whereupon, OEC Exhibit 6, Consent Agreements,  
3 was admitted.)

4 (Whereupon, OEC Exhibit 7, Compliance  
5 Memorandums, was admitted.)

6 (Whereupon, OEC Exhibit 8, Warning Letters and  
7 Responses, was admitted.)

8 (Whereupon, OEC Exhibit 9, Demand Letter and  
9 Response, was admitted.)

10 (Whereupon, OEC Exhibit 10, Stipulation of  
11 Facts, Omission of Evidence, was admitted.)

12 ---

13 ATTORNEY TEPPER: We have no formal  
14 PowerPoint presentation. The OEC will call three  
15 witnesses today to testify about Presque Isle Downs.  
16 Those witnesses are from the Pennsylvania State  
17 Police, Bureau of Gaming Enforcement, the Board's  
18 Bureau of Casino Compliance and the Board's Bureau  
19 of Investigations and Enforcement. Our first  
20 witness is Corporal Brian Knarr from the  
21 Pennsylvania State Police.

22 ---

23 CORPORAL BRIAN KNARR,  
24 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND  
25 HAVING PREVIOUSLY BEEN DULY SWORN, TESTIFIED AND

1 SAID AS FOLLOWS:

2 ---

3 DIRECT EXAMINATION

4 ---

5 BY ATTORNEY TEPPER:

6 Q. Good morning, Corporal. Can you please  
7 state your name, spell your last name?

8 A. My name is Corporal Brian Knarr. It's  
9 spelled B-R-I-A-N, K-N-A-R-R.

10 Q. Can you please introduce yourself?

11 A. Sure. Again, my name is Brian Knarr.  
12 Pennsylvania State Police, and my job title is  
13 Presque Isle Downs Supervisor in the State Police  
14 Office of Gaming Enforcement.

15 Q. Can you please describe your career with  
16 the Pennsylvania State Police?

17 A. I've been employed with the Pennsylvania  
18 State Police for 20 years. I've been a Corporal  
19 since December of 2018. I've been in Presque Isle  
20 Downs now for about two and-a-half years. Before  
21 that, 20 years, I - a lot of 18 years was on the  
22 road, working the road. Before being promoted to  
23 Corporal, I served as a field training officer,  
24 working on the road, training new cadets that come  
25 out of the academy.

1 I serv as a temporary criminal  
2 investigator in that capacity, basically a detective  
3 criminal investigator. I was on the tactical  
4 mounted unit as a field rider for two years. Some  
5 of the things I was involved with, but one of the  
6 things I was - while as a member of the tactical  
7 mounted unit, I participated in the security of the  
8 2016 Democratic National Convention.

9 I was involved in the 2014 Poconos  
10 manhunt for Aaron Freeman, about ten years ago,  
11 actually, and I was also involved in security with  
12 the 2015 Pope Francis visit in Philadelphia.

13 Q. And what are your current job duties?

14 A. As a Corporal, I act as the - in a  
15 supervisory capacity for the troopers that are  
16 assigned to Casino. I conduct - some of the things  
17 I do conduct yearly member performance evaluations  
18 for our troopers. I correct and approve the  
19 trooper's reports, investigative reports, and  
20 assignment reports. I'm also the custodial officer  
21 for our evidence room and I maintain our fleet of  
22 cars that we use for the casino, and I also help  
23 assist with any calls as needed.

24 Q. And what is the role of the Pennsylvania  
25 State Police Bureau of Gaming Enforcement at Presque

1 Isle Downs and Casino?

2 A. Our role is to conduct investigations  
3 pertaining to Title IV investigations, Pennsylvania  
4 criminal offenses, as well as property preservation.  
5 Additionally, we oversee operations pertaining to  
6 the security of transactional money in and out via  
7 transport, when the money truck comes every other  
8 day.

9 Q. And can you please provide the  
10 Pennsylvania State Police's jurisdiction at Presque  
11 Isle Downs and Casino?

12 A. Our jurisdiction has changed over the  
13 last six years because we're primarily covered by  
14 Pennsylvania State Police Erie station, located in  
15 Lawrence Park, which is just outside of Erie.  
16 Therefore, this change provided that all incidents  
17 are reported to the Bureau of Gaming Enforcement  
18 Office for investigation. If we need assistance, we  
19 can call on them at the State Police Erie station  
20 for any major incidents like homicides, anything  
21 like that.

22 Q. And who's primarily jurisdiction over the  
23 parking lot?

24 A. That was explained, but we do. We handle  
25 most minor crashes and now, more importantly, we

1 address all minors in vehicles on the property and  
2 we handle those.

3 Q. And can you please describe the  
4 Pennsylvania State Police Bureau of Gaming  
5 Enforcement's working relationship with the local  
6 PSP station?

7 A. Our current working relationship with  
8 Erie Station is great for any necessary -. We would  
9 have - we also try to provide assistance for them as  
10 necessary. It's a good working relationship because  
11 at least seven of our officers that have worked in  
12 Erie and know the people there and everything, I  
13 myself, work in PSP Erie. So it's a very good  
14 working relationship.

15 Q. And can you please describe the working  
16 relationship between the Pennsylvania State Police  
17 Bureau of Gaming Enforcement and Presque Isle Downs  
18 and Casino employees?

19 A. Through our command structure, we have a  
20 very good working relationship at all levels of  
21 casino employees, which bodes well for  
22 investigations, determine clarity and assistance in  
23 identifying suspects and actors. We try to keep a  
24 presence on the floor. We take periodic walks  
25 throughout inside the property. Can't talk too much

1 to the employees because they're busy, we're busy,  
2 but we just maintain that presence. We know that  
3 they feel comfortable with us and it does bode for a  
4 working relationship.

5 Q. And can you please describe the working  
6 relationship between the Pennsylvania State Police  
7 Bureau of Enforcement and the Board's Bureau for  
8 Casino Compliance?

9 A. Our relationship is great, especially  
10 since we're only separated by the door. The lines  
11 of communication are open both ways. The  
12 supervisors were able to talk about any and all  
13 issues with the members and - and further  
14 investigation results and related reporting. Very  
15 good.

16 Q. Are you familiar with how risk statistics  
17 are reported by the Pennsylvania State Police?

18 A. Yes.

19 Q. Can you please describe how these  
20 statistics are reported?

21 A. We use NIBERS, which is - stands for  
22 National Incident Based Reporting System. It's a  
23 national database, utilized by the FBI being  
24 reported through our RMS, which means record  
25 management based system. The offenses are

1 documented with any and all reporting being made  
2 through this RMS system. UCR, which Uniform Crime  
3 Reporting, the - system is utilized by our  
4 department prior to RMS.

5 Q. And I understand that these reports are  
6 sometimes referred to as Senate Reports. Can you  
7 please describe that a little further?

8 A. End of year Senate reports are prepared  
9 annually to obtain all arrests being made at our  
10 particular location.

11 Q. And how frequently is this information  
12 obtained and the report updated?

13 A. Annually.

14 Q. What is the last date these statistics  
15 are available for reported offenses at Presque Isle  
16 Downs and Casino?

17 A. December 31st of 2023.

18 Q. And is this information contained  
19 therein, subject to editing and revision?

20 A. No.

21 Q. And can the number offenses be reduced if  
22 the case is later determined to be unfounded?

23 A. No, but it should be noted in an  
24 unfounded case, we did not make an arrest. We  
25 conduct a thorough investigation and we charge as

1 warranted.

2 Q. I'm going to direct you to what has been  
3 provided as OEC Exhibit 1, I believe you have a copy  
4 in front of you. Can you identify this document?

5 A. Yes.

6 Q. What is this document?

7 A. This is arrest statistics from '19  
8 through 2023.

9 Q. And does the OEC Exhibit 1 show the  
10 actual number of arrests which were prosecuted?

11 A. Yes.

12 Q. And did you review the arrest statistics  
13 from Presque Isle Downs from the time period 2019 to  
14 2023?

15 A. Yes.

16 Q. And what is the most common criminal  
17 offense based on the information you can find in OEC  
18 Exhibit 1?

19 A. Every year, defiant trespassing is the  
20 most common arrests made at our location. That  
21 doesn't include the management and self-excluded  
22 suspects.

23 Q. And can you say approximately how many  
24 thefts are reported on average each month?

25 A. This can range depending on any given

1 year, but generally around seven to ten per month.  
2 Many of these thefts are gray-area crimes, but it  
3 could easily become chargeable offenses, most common  
4 being under Pennsylvania Code - Title 18 3924, which  
5 is theft of property loss, mislead or delivered by  
6 mistake, and that's without cooperation of the  
7 victims.

8 Q. And are there a significant number of  
9 violent crimes at Presque Isle Downs and Casino?

10 A. No.

11 Q. Are there significant number of crimes  
12 regarding individuals under the age of 21?

13 A. What these types of crimes have reduced  
14 significantly since changes were made after COVID-  
15 19.

16 Q. And has there been a noticeable increase  
17 in any specific findings between 2019 and the  
18 present?

19 A. No.

20 Q. Do you see a pattern in the type of  
21 actual offenses that have occurred at Presque Isle  
22 Downs and Casino?

23 A. No. Nothing sticks out.

24 Q. Overall, are the Pennsylvania State  
25 Police satisfied with the level of cooperation from

1 Presque Isle Downs and Casino employees and the  
2 Pennsylvania State Police Trooper Station at the  
3 casino?

4 A. Absolutely, yes.

5 Q. And in your opinion, are there any issues  
6 or concerns which would negatively impact Presque  
7 Isle Downs and Casino's suitability for continued  
8 licensure?

9 A. No.

10 ATTORNEY TEPPER: Thank you. No  
11 further questions.

12 PRESIDING OFFICER: Mr. Hayes, any  
13 questions?

14 ATTORNEY HAYES: No questions, thank  
15 you.

16 PRESIDING OFFICER: Any questions  
17 from our Board Members?

18 CHAIR SMYLER: I just have one  
19 question. You said that after the changes that were  
20 made after COVID, helped reduce the number of  
21 underaged individuals going into the casino, were  
22 those changes made by your organization or by the  
23 casino?

24 THE WITNESS: Well, I wasn't there  
25 during COVID. I've only been there for two and-a-

1 half years. But I know when our current Sergeant  
2 came in, he worked, I think, closely with casino  
3 management. And a lot of the things you saw, heard  
4 them talk about earlier with like the signs and the  
5 placards and things like that, just being more aware  
6 and getting more involved with having the lines of  
7 communication open. That's kind of where the  
8 changes are come in. We just get more involved.

9 CHAIR SMYLER: thank you.

10 THE WITNESS: In addition, if I could  
11 add, prior to COVID-19 we actually allowed underage  
12 in the building to go into the buffet area from the  
13 racetrack. Currently, nobody under 21 since then,  
14 you have to be 21 to get in the casino.

15 CHAIR SMYLER: Thank you. Nothing

16 PRESIDING OFFICER: Thank you,  
17 Corporal.

18 ATTORNEY TEPPER: The OEC's next  
19 witness Dan Rossman from the Board's Bureau of  
20 Casino Compliance.

21 ---

22 DANIEL ROSSMAN,  
23 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND  
24 HAVING PREVIOUSLY BEEN DULY SWORN, TESTIFIED AND  
25 SAID AS FOLLOWS:

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DIRECT EXAMINATION

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BY ATTORNEY TEPPER:

Q. Good morning. Can you please state your name and spell your last name?

A. Daniel Rossman, R-O-S-S-M-A-N.

Q. And can you please introduce yourself?

A. My name is Dan Rossman. I work for the Pennsylvania Gaming Control Board. I'm the Casino Compliance Supervisor at Presque Isle Downs

Q. Can you please describe your employment history with the Board?

A. I've been employed with the Gaming Control Board for 16 years, 11 years as a supervisor. Prior to that, I was a Casino Compliance Representative.

Q. And what are your job duties as the Bureau of Casino Compliance supervisor assigned to Presque Isle Downs?

A. I oversee the monitoring of casino operations at Presque Isle Downs, and manage the online PGCB office.

Q. Can you describe the role of the Bureau of Casino Compliance and a slot machine licensee?

1           A.       We monitor the daily operation; making  
2       sure personnel, employees and departments are  
3       abiding by their internal controls and standard  
4       operating procedures, along with PGCB regulations.  
5       We also investigate any patron complaints,  
6       suspicious activity, employee misconduct issues,  
7       which can include procedure violations and gaming  
8       licensing. We assist any patron that requests  
9       information about problem gambling and document any  
10      self-excluded patron found on the gaming floor for  
11      violating the gambling ban.

12          Q.       And how has the role of the Bureau of  
13      Casino Compliance changed since the control - change  
14      of control from El Dorado Resorts to Presque Isle -  
15      Presque Isle Downs as to Churchill, since the Board  
16      reissued the license in 2019?

17          A.       The Presque Isle Downs PGCB office role  
18      has stayed the same. The transition from El Dorado  
19      Resorts to Churchill was seamless.

20          Q.       Can you please describe the level and  
21      scope of access which the Bureau of Casino  
22      Compliance has at Presque Isle Downs and Casino?

23          A.       Our office has better access to all areas  
24      with no issues.

25          Q.       Does this include the surveillance room?

1 A. Yes.

2 Q. The count room?

3 A. Yes.

4 Q. And Central Control Computer System Room?

5 A. Yes.

6 Q. And briefly turning to the central  
7 control computer system room, have there been any  
8 connectivity issues between the central control  
9 computer system and Presque Isle Downs?

10 A. No.

11 Q. Can you please describe the Bureau of  
12 Casino Compliance's interaction with the Department  
13 of Revenue, who controls the central control  
14 computer system?

15 A. We generally work with the Department of  
16 Revenue auditors when they perform their onsite  
17 gaming or audits and we give them any assistance  
18 needed. There's no problems.

19 Q. Can you please discuss the relationship  
20 between the Bureau of Casino Compliance and the  
21 onsite Pennsylvania State Police at Presque Isle  
22 Downs?

23 A. We often share information regarding  
24 casino incidents. We have a good working  
25 relationship.

1 Q. Can you please explain the way in which  
2 the Bureau of Casino Compliance interacts with  
3 patrons of Presque Isle Downs?

4 A. Casino compliance representatives watch  
5 the gaming floor and often speak to patrons  
6 gambling. They assist patrons that wish to sign up  
7 for self-exclusion, investigate complaints and  
8 answer any gaming inquiries.

9 Q. And how are patron complaints handled?

10 A. Patron complaints are fully investigated  
11 by the casino compliance representative by first  
12 interviewing the patron that has the grievance.  
13 Then the investigation leads to speaking to any  
14 witnesses or employees involved, then reviewing  
15 surveillance coverage or any - coverage, and any  
16 electronic evidence, if applicable.

17 Casino compliance representative  
18 documents the investigation and admits - and submits  
19 the findings to me for review. At the inclusion of  
20 the investigation, the patrons are in contact by  
21 phone or email with the results.

22 Q. Can you please describe the relationship  
23 between the Board's Bureau of Casino Compliance and  
24 Presque Isle Downs staff?

25 A. The PGCB office has a cooperative and

1 professional relationship with Presque Isle Downs.

2 Q. And does Presque Isle Downs been  
3 cooperative in the compliance reviews conducted by  
4 the Bureau of Casino Compliance?

5 A. Yes.

6 Q. As the Casino Compliance Supervisor  
7 assigned to Presque Isle Downs, are you familiar  
8 with the regulatory issues which occur at the  
9 casino?

10 A. Yes, I am.

11 Q. And what are the most common regulatory  
12 issues that press violence.

13 A. The most common violations are procedure  
14 violations that normally occur with table games and  
15 draw team employees. The violations are generally  
16 caused by employee error.

17 Q. And in your opinion, are there any issues  
18 or concerns which would negatively impact Presque  
19 Isle Downs suitability for continued licensure?

20 A. No.

21 ATTORNEY TEPPER: Thank you. We have  
22 no further questions.

23 PRESIDING OFFICER: Mr. Hayes?

24 ATTORNEY HAYES: No questions. Thank  
25 you.

1                   PRESIDING OFFICER: Any questions  
2 from our Board Members?

3                   CHAIR SMYLER: No.

4                   PRESIDING OFFICER: Thank you.

5                   ATTORNEY TEPPER: Thank you. The  
6 OEC's last witness is from the BIE.

7   ---

8                                   KATLYN TORTORICE,  
9 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND  
10 HAVING PREVIOUSLY BEEN DULY SWORN, TESTIFIED AND  
11 SAID AS FOLLOWS:

12   ---

13                                   DIRECT EXAMINATION

14   ---

15 BY ATTORNEY TEPPER:

16           Q.       Good morning. Can you please state your  
17 name and spell your last name for the record?

18           A.       Good morning. My name is Katlyn  
19 Tortorice. That's T-O-R-T-O-R-I-C-E.

20           Q.       And can you please introduce yourself?

21           A.       I am an Investigator for the Pennsylvania  
22 Gaming Control Board's BIE. I'm also the case agent  
23 at Presque Isle Downs Casino.

24           Q.       And can you please describe your  
25 employment history with the Board?

1           A.       I've been employed with the Board for  
2 over 15 years. The first five I spent as a casino  
3 compliance rep at Rivers Casino, the last ten as an  
4 investigator and I was selected to case agent in  
5 January of 2019.

6           Q.       Now, what are your job duties as an  
7 Investigator with the BIE and as the assigned case  
8 agent?

9           A.       I conduct background investigations on  
10 individuals or companies attempting to hold or renew  
11 licensure with the gaming controller, in order to  
12 conduct business with, provide services to own or  
13 even just work at Pennsylvania.

14          Q.       And as part of your duties as an  
15 Investigator with the BIE, did you conduct an  
16 investigation into PID, LLC, which does business as,  
17 Presque Isle Downs and Casino, for the renewal of  
18 its Category-1 Slot Machine License?

19          A.       Yes.

20          Q.       And can you please describe the scope of  
21 a typical casino renewal investigation?

22          A.       The renewal period would consist of a  
23 time frame for when the applicant's license was  
24 previously approved up through the time when that  
25 license is renewed. Typically speaking, it is a

1 five-year period.

2 Q. Can you please give me some examples of  
3 the areas of the BIE looks at during a renewal  
4 investigation?

5 A. Yeah. We look at tax compliance, credit  
6 and litigation history, criminal history, along with  
7 any non-gaming or other gaming licensure held by the  
8 applicant, including regulatory compliance.  
9 Additionally, for individuals, we complete a network  
10 analysis to verify every asset and liability held by  
11 the applicant.

12 Q. And what tools does the BIE utilize to  
13 examine these areas?

14 A. We have several database searches that we  
15 use. They include JNET, Accurint, PACER and  
16 TrueView. We process a FOIA through the FBI. We  
17 conduct local police checks with police  
18 jurisdictions. Additionally, any other Internet  
19 search that the investigator deems necessary. Some  
20 of those include sanctions list, the Pennsylvania  
21 Department list and the New Jersey Prohibited Vendor  
22 Report.

23 Q. And all those suitability investigations  
24 remain ongoing, at this time, as the renewal  
25 investigation into the Licensee and its associated

1 individuals and entities complete?

2 A. Yes.

3 Q. Was PID, LLC cooperative during the  
4 renewal investigation?

5 A. Yes, they were.

6 Q. Did the BIE discover any areas of  
7 interest during the investigation?

8 A. No, we did not.

9 Q. And in your opinion, are there any issues  
10 which would negatively impact PID, LLC's suitability  
11 for continued licensure?

12 A. No.

13 ATTORNEY TEPPER: We have no further  
14 questions.

15 PRESIDING OFFICER: Mr. Hayes?

16 ATTORNEY HAYES: No questions. Thank  
17 you.

18 PRESIDING OFFICER: Any questions  
19 from Board Members?

20 CHAIR SMYLER: No questions. Thank  
21 you.

22 PRESIDING OFFICER: And that  
23 concludes your -?

24 ATTORNEY TEPPER: That concludes -.  
25 Yes. That concludes our presentation and witnesses.

1                   PRESIDING OFFICER: Thank you. So we  
2 will move on to our public comment period. First, I  
3 will address written public comment that was  
4 received by the Board Clerk through either our Board  
5 Clerk email address or the registration online. We  
6 received four public comment, which I think in some  
7 cases overlaps with those Mr. Hayes has already  
8 presented, but we will present them again as we did  
9 receive them through those channels and they are  
10 marked as Hearing Exhibits 1 through 4, and they are  
11 all in support of the renewal of the Presque Isle  
12 Downs' license. They have been provided to the  
13 parties, OEC and PID Counsel.

14

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15           (Whereupon, Hearing Exhibit 1, Written Public  
16           Comment, was marked for identification and  
17           admitted.)

18           (Whereupon, Hearing Exhibit 2, Written Public  
19           Comment, was marked for identification and  
20           admitted.)

21           (Whereupon, Hearing Exhibit 3, Written Public  
22           Comment, was marked for identification and  
23           admitted.)

24           (Whereupon, Hearing Exhibit 4, Written Public  
25           Comment, was marked for identification and

1 admitted.)

2 ---

3 PRESIDING OFFICER: So we will now  
4 begin with the public comment portion of the  
5 hearing. As I call your name, please come forward  
6 to the microphone and on the podium, and each  
7 speaker should begin their remarks by stating and  
8 spelling their name for the Court Reporter. You  
9 will have about five minutes for your remarks, and  
10 if you're getting close to that, I'll let you know.  
11 If you have registered to speak today, if you could  
12 stand and raise your right hand to be sworn by the  
13 Court Reporter. Oh, good, that matches the number  
14 that I have, three.

15 ---

16 (WHEREUPON, WITNESSES SWORN EN MASSE.)

17 ---

18 PRESIDING OFFICER: And we'll start  
19 with Anthony Davis. He's a Local Government  
20 Representative. Come forward to the podium.

21 ---

22 ANTHONY W. DAVIS,  
23 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND  
24 HAVING PREVIOUSLY BEEN DULY SWORN, TESTIFIED AND  
25 SAID AS FOLLOWS:

1 ---

2 MR. DAVIS: Good morning. Anthony  
3 Davis, A-N-T-H-O-N-Y, D-A-V-I-S I'm one of the  
4 three Supervisors in Summit Township and I just - I  
5 have a few points to make for the casino. Presque  
6 Isle Downs and Casino benefits the community by  
7 generating significant tax revenue for Summit  
8 Township and the neighboring townships, as well as  
9 Erie County as a whole. With the revenue in Summit  
10 Township helps to support our local fire department,  
11 allowing them to provide the proper level of  
12 emergency services to the residents and the  
13 employees of Summit.

14 The casino donates, generously,  
15 \$2,500 each year for the Annual Summit Township's  
16 Senior Picnic, which is very nice. The casino also  
17 stimulates economic growth with its employment  
18 opportunities at the casino and the other local  
19 businesses such as hotels, restaurants, convenience  
20 stores, with the tourism that it attracts.

21 In conclusion, having Presque Isle  
22 Downs and Casino and Summit Township has been  
23 extremely beneficial, and we support the renewal of  
24 the casino's gaming license. Thank you.

25 PRESIDING OFFICER: Thank you. Next,

1 we have, from community groups, Al Messina from the  
2 Boys and Girls Club of Erie.

3 ---

4 AL P. MESSINA,  
5 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND  
6 HAVING PREVIOUSLY BEEN DULY SWORN, TESTIFIED AND  
7 SAID AS FOLLOWS:

8 ---

9 MR. MESSINA: Good morning. My name  
10 is Al Messina, M-E-S-S-I-N-A. I'm the Executive  
11 Director of the Boys and Girls Club. Prior to  
12 coming to Erie, I should say back to Erie, I grew up  
13 here, I worked in other places, mainly in New York  
14 City, Washington, D.C. and other places. And with  
15 that work, I had the opportunity that maybe I would  
16 know otherwise have had to work with CEO's of  
17 Fortune 500 companies. I worked with NASA  
18 scientists at the Hoover Institution of Stanford. I  
19 worked with senior members of the Justice  
20 Department, including the Deputy Attorney General of  
21 the United States.

22 The reason I referenced these  
23 examples, is to illustrate what a high level of  
24 professionalism looks like, and what a high level of  
25 integrity looks like, and the point I want to make

1 here is that I see these same attributes in the  
2 leadership team with Gary Hendricks, Matt Ennis,  
3 Jennifer Sead, Brenda Moski and Jake Rack. And I've  
4 seen something else in them that I think has kind of  
5 already been reported here today. And that is they  
6 have a deep dedication to the community, and  
7 particularly in my case, to kids.

8                   In fact, absent their efforts,  
9 they've raised a lot of money on our behalf. But  
10 absent those efforts, I'm not sure we would have  
11 made it through the pandemic, but we did. We're  
12 doing fine now. The Club is a safe haven. It sits  
13 on the edge of perhaps the most dangerous, the most  
14 violent neighborhood in Erie County. Maybe one of  
15 the most violent in the state. But kids who come to  
16 the club, they can find mentors to mentor them.  
17 They can have their talents nurtured and they're in  
18 a safe place.

19                   It's an iconic institution in Erie.  
20 Established in 1895, and thousands of young people  
21 have gone through that institution and because of  
22 its influence, have I think, found a better life for  
23 themselves. I know this to be true because I'm one  
24 of them.

25                   So as you think about renewing the

1 license for Presque Isle Downs and Casino, which, of  
2 course, I support and we support, I would simply  
3 point out the tremendous professionalism of the  
4 people involved in it, their integrity, and most  
5 important, perhaps to me, is their deepest  
6 dedication to the kids of the Erie County community.  
7 Thank you.

8 PRESIDING OFFICER: Thank you. Mr.  
9 Messina, we have a question from Board Members, I'm  
10 sorry.

11 MS. REGAN: I was just wondering if  
12 you could specify how exactly the casino supports  
13 the Boys and Girls Club. Is it strictly financial?

14 MR. MESSINA: It is financial. They  
15 participate in our major fundraiser. They're the  
16 big dog in the group. And I don't know if I want to  
17 calculate the numbers, but it's really very  
18 significant and it's provided a lot of -. It's  
19 allowed us to keep the lights on, open the doors,  
20 pay the staff and do the work and change the lives  
21 children. So without them, I think it would be hard  
22 and stressful to make our budget.

23 MS. REGAN: Thank you.

24 PRESIDING OFFICER: Thank you. And  
25 Joseph Pfadt, from the Warriors to Washington.

1 Sorry if I mispronounced your last name.

2 ---

3 JOSEPH PFADT,  
4 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND  
5 HAVING PREVIOUSLY BEEN DULY SWORN, TESTIFIED AND  
6 SAID AS FOLLOWS:

7 ---

8 MR. PFADT: That's okay. It's Joe  
9 Pfadt, just like you got in a fight, you fought  
10 someone. My name is spelled J-O-E, P-F-A-D-T and  
11 I'm the President of Warriors to Washington. We're  
12 a local Nonprofit, 501(c)(3) that features C three,  
13 that features a mission of taking veterans to  
14 Washington, D.C. once a year. In fact, a week and-  
15 a-half ago, we were in Washington on our annual  
16 trip.

17 Just as a role for the Presque Downs  
18 and how much we what they've done for our  
19 organization, they allow us to use their parking lot  
20 to park our vehicles from Friday night until we  
21 return on Sunday. For veterans who have a certain  
22 insecurity about the surroundings around them, by  
23 having that parking lot security in place is a  
24 wonderful thing for them. It helps us assure the  
25 veterans that people are caring about them and

1 caring for them. And I think for our mission to  
2 support our local veterans, that's a hallmark of it.  
3 We want to show them support. We want to show them  
4 that people are aware of them and are caring about  
5 them and caring for them and that's what our group  
6 is intended to do.

7           We leave on Friday. The casino has  
8 been terrific in support. They support us with our  
9 first evening meal. Again, so that's a way for us  
10 to show our veterans that people in the community  
11 care about them. We go to Washington, D.C., we see  
12 the sites, we tour the Capitol. We go to the  
13 Declaration of Independence, the Constitution, Bill  
14 of Rights, and for anybody who's ever served, and  
15 myself, I've served for 30 years, when you take your  
16 oath, you're taking it to the constitution and it's  
17 a moving and powerful experience to stand in front  
18 of the Constitution because that's the document that  
19 you wrote that blank check as a service member to.

20           And we go from there, we tour all the  
21 sites that we can, from the mall, from the White  
22 House down to Washington Monument, the Lincoln  
23 Memorial, to new World War II Memorial, the Vietnam  
24 Wall. We take Vietnam veterans with us, and it's a  
25 powerful and moving time for them as well. We go to

1 the Iwo Jima Memorial where our marines can have  
2 their moment. And then on Sunday, the next day, we  
3 go to the Pentagon first. We have two individuals  
4 that speak with us, one who was in the Pentagon,  
5 another one who had their in-laws on American 77 and  
6 were lost in that.

7                   So that powerful moment occurs, and  
8 again, we can't do that without sponsors and  
9 support, without people like the casino. The most  
10 significant event that we do is we go to Arlington  
11 and we conduct a reflecting ceremony and someone  
12 locally donates the wreath, and it just has that  
13 power for the organization, for those guests that we  
14 bring, for the veterans and their guests that we  
15 bring on the trip.

16                   And again, all that is possible  
17 because we get donations from people to do this, and  
18 Presque Isle Downs Casino has really stepped up to  
19 the plate for us to offer their support financially  
20 to make this trip possible so that we can do events  
21 like the George Washington Trip to Washington, D.C.

22                   We do four events throughout the  
23 year. We're coming up on number two. On Veterans  
24 Day we have a relationship with Presque Isle State  
25 Park and we conduct a flag raising ceremony there.

1 From that event, in May, on Memorial Day week, we  
2 have a reception for all the people who have gone on  
3 the trip and the people we're going to take in the  
4 next year and then we do a - in Presque Isle State  
5 park in June as well.

6           Again, I can't speak highly enough of  
7 the team from Presque Isle Down in how they've  
8 supported our veterans. Over the course of the last  
9 - it's been at least ten years that we've had direct  
10 support from them and our organization is about 14  
11 years old, and we're very local. In fact, I went  
12 through fourth and fifth grade at Summit Central  
13 across the street over there.

14           So I'm about as local as you get.  
15 But I appreciate their support financially and their  
16 support emotionally. One of the things that we try  
17 and strive for is a small organization is that our  
18 veterans feel appreciated and appreciated by the  
19 community. So we worked hard to do that and with  
20 their help and support, they made that much easier  
21 for us to do. Thank you.

22           MR. HENDRICKS: Thank you.

23           PRESIDING OFFICER: Thank you. That  
24 is the end of the list that I have registered. Is  
25 there anyone here today who thought they registered

1 or would like to speak? Raise your hand.

2 Yes. Come on up. Good morning, and  
3 you are?

4 MS. HORTON: Good morning. My name  
5 is Gary Horton. I am currently wearing several  
6 hats. Gary is G-A-R-Y, H-O-R-T-O-N. I am currently  
7 the President of the local branch of the NAACP, of  
8 which I've been the President the last six years.  
9 I'm the coordinator of the Eastside Grassroots  
10 Coalition, a neighborhood revitalization group, of  
11 which I've been coordinator the last eight years.  
12 We have a project to revitalize the Buffalo Road, a  
13 neighborhood that half the residents are children,  
14 18 and under. A third of them are in homes headed  
15 by single parent women. And our neighborhood has  
16 been racked with disinvestment.

17 First, the bank closed, then the drug  
18 store, then the local elementary school, then the  
19 bakery. And what we have taken its place are smoke  
20 and vape shops, skilled games that were spoken of  
21 here earlier and just people who - liquor  
22 establishments, people who really don't have the  
23 best interest of the vulnerable population at heart.

24 I also am privileged to serve on the  
25 Governor's Advisory Board for Environmental Justice.

1 I serve as the Director of the Urban Erie Community  
2 Development Corporation, of which I've been the  
3 Director come January, 25 years. And I'm privileged  
4 to provide educational programs and language  
5 programs and afterschool programs for new American  
6 populations, in particular, children from resettled  
7 families from places like Tanzania, the Congo,  
8 Rwanda, Burundi, Sudan, Iraq, Syria, Afghanistan,  
9 and I probably forgot a few, but I have over 200  
10 children. Public schools and after school programs  
11 at four different sites, two different Muslim  
12 mosques, one at the Nepali Center, and a hundred  
13 students at a local elementary school.

14 I am here to support the Application  
15 for Renewal, but I believe they can do more. I  
16 think they can do better. Some of the goals or  
17 results that I heard presented here since this  
18 gaming has been in Erie, it could and should. It's  
19 my hope that it presents an opportunity to impact  
20 minority populations better than they have. I  
21 appreciate the outreach that they've done to  
22 organizations. I believe they can do more for  
23 minorities.

24 I think it can be reflected in the  
25 outreach, the results that they're trying to get in

1 employment and participation. Erie has a large -  
2 almost one-quarter of Erie's population, the City of  
3 Erie, is minority. I would hope that even though  
4 these public hearings are held in the municipality  
5 where the license is, that you can have a public  
6 hearing in the City of Erie sometime over some issue  
7 to get input from where Erie's total minority or  
8 most majority minority population lives, or new  
9 American population.

10 Erie's new population has been  
11 stabilized or benefited from the influx of new  
12 Americans in our community, and I didn't hear any  
13 representation or recognition of having to kind of  
14 bridge to those populations. I've been in the  
15 casino one time. Well, I'll take that back. Before  
16 COVID I was provided a meeting within the  
17 administration during the initial renewal or initial  
18 licensing process. I was an elected school board  
19 member. It's where I served eight years, and we  
20 were prevented by law from attending or  
21 participating in the opening and the launch of the  
22 casino. And therefore, I never - I only came back  
23 once for a surprise birthday party for someone in  
24 one of the restaurants. I have never been into the  
25 casino outside of that.

1                   And the people that are with the  
2 casino since its beginning, they can tell you, I  
3 have helped them hire people, initially. I built  
4 job fairs and things like that I feel benefited them  
5 from the beginning. I believe they need a  
6 consultant. They need input from the City. The  
7 consultants that I've seen have been from outside  
8 our area. Maybe they're good at what they do, but  
9 it's not good enough for the impact that it does not  
10 have on the population who state their hopes and  
11 dreams by coming to the casino trying to win.

12                   It's not reflected in the hiring or  
13 the outreach. And I just - I believe that they can  
14 do better. I'm appealing to you. Maybe they need a  
15 nudge and that everybody doesn't say everything is  
16 so good and they just keep on status quo. I want to  
17 see them do better. That's my hope. And that  
18 because I recognize the impact and opportunity that  
19 they have.

20                   So I stand here today in support of  
21 it, but also hopeful and optimistic that they can  
22 appreciate my comments from a constructive  
23 standpoint and endeavor to do better for the  
24 minority population in our region. Thank you for  
25 coming. Provided me the opportunity to share and I

1 entertain any questions that you may have.

2 PRESIDING OFFICER: It was brought to  
3 my attention that we did not swear you in before  
4 you.

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6

GARY HORTON,

7

CALLED AS WITNESS IN THE FOLLOWING PROCEEDING, AND

8

HAVING HEREIN BEEN DULY SWORN AS TO THE ACCURACY OF

9

PREVIOUS TESTIMONY AND TESTIMONY TO FOLLOW,

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TESTIFIED AND SAID AS FOLLOW:

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12

PRESIDING OFFICER: Thank you very  
13 much.

14

MR. HORTON: Any questions?

15

PRESIDING OFFICER: Any questions?

16

Fran has a question? Commissioner

17

Regan? Commissioner Dermody?

18

MR. DERMODY: Just one question. You  
19 mentioned you had job fairs with the casino

20

previously. Have you had the ability to talk to

21

them about job fair since then, and how long it's

22

been since you've had one?

23

MR. HORTON: I can't recall -.

24

MR. DERMODY: How successful were

25

they when you had them?

1                   MR. HORTON: I can't recall, post-  
2 COVID, any communication with the Casino, and I am  
3 very engaged in Erie's minority population, which is  
4 why I believe, and I can say earnestly, I think they  
5 can do better.

6                   MR. DERMODY: Have you reached out to  
7 them?

8                   MR. HORTON: I tried to go online and  
9 register to make comments at this hearing. I was  
10 looking for the opportunity. I've looked at their  
11 Diversity Statement, and it kind of leaves a lot to,  
12 you know, I feel like I'm in their network. They  
13 should be reaching out to me. I'm a person who has  
14 - who has proved that I have helped them in the  
15 past. I would challenge any of them to say I  
16 haven't helped them in the past, and I'm willing to  
17 do that in the future because I believe they can -.

18                   This opportunity, this business  
19 represents an opportunity to benefit people who look  
20 like me. My last point is in the economic benefit  
21 to all the categories, I never heard any economic  
22 benefit to the minority community and I didn't hear  
23 what the impact was on any of that, and I believe  
24 that we take numbers of the people who come to the  
25 casino and that I believe that the representation of

1 minorities, even though I haven't been there, my  
2 estimate is that it's up there somewhere as a  
3 customer, and I just believe they can do better.

4 MR. DERMODY: I'm sure they'll reach  
5 out after this. Thank you.

6 MR. HORTON: Thank you.

7 MS. REGAN: Mostly answered the  
8 question, or asked the question I was going to ask,  
9 but did you have any other specific requests of the  
10 casino?

11 MR. HORTON: Besides -?

12 MS. REGAN: You mentioned a  
13 consultant and you mentioned your outreach. Is  
14 there anything else specifically?

15 MR. HORTON: Well, I think you would  
16 appreciate providing a forum within the community,  
17 the largest community in Erie County, the City of  
18 Erie. You can benefit from input from them. They  
19 could come make a public comment like I am, and  
20 maybe it will benefit the company and the Board. I  
21 believe it will certainly benefit the community.  
22 Having a voice helps.

23 MS. REGAN: Thank you. And would you  
24 agree though, that their efforts at the Boys and  
25 Girls Club is something that's probably benefitting

1 the minority population?

2                   MR. GORTON: I send students to the  
3 Boys and Girls Club. I work with the Boys and Girls  
4 Club, but I also know that I have a much larger,  
5 more diverse population and programs. I have 30  
6 employees. I don't know how many Boys and Girls  
7 club has. I hired 70 kids, 14 to 18, for the  
8 summer, to teach them landscaping and other kinds of  
9 skills, so they would not walk around. Last year,  
10 until they got in trouble, last year I hired a  
11 hundred kids.

12                   I've been able to access AARP funds  
13 for both the county and the city and for the school  
14 district to do that because I believe, as my friend  
15 Al said, our young people are important we don't  
16 nearly invest enough in them. There's a lot of  
17 retention folks. Some of the kids will go on, other  
18 kids who kind of do what we provide for them, stand  
19 around and look. I think more has to be done for  
20 those students and their very diverse and I agreed  
21 more can be done at the Boys and Girls Club, but I  
22 also believe more can be done in the populations  
23 that I serve.

24                   MS. REGAN: Thank you.

25                   CHAIR SMYLER: I have a -.

1                   PRESIDING OFFICER: The Chair has a  
2 question.

3                   CHAIR SMYLER: Well, maybe not  
4 necessarily a question. I'm glad you come forward,  
5 Mr. Horton. I can tell you that we at Pennsylvania  
6 Gaming Control Board have been trying to increase  
7 diversity, not only within our organization, but  
8 also within the industry. And my assistant tried to  
9 reach out to the NAACP in Erie, it was last year and  
10 received no response because we wanted to set up a  
11 meeting.

12                   We, Gaming Control Board, with your  
13 organization to specifically talk about the issues  
14 that you are raising and addressing, to try to make  
15 better inroads into the community, and to also try  
16 to make better inroads into recruiting folks from  
17 the community, into the gaming industry and the  
18 Pennsylvania Gaming Control Board.

19                   So if you can provide contact  
20 information, I will personally make sure that my  
21 staff reaches out. In fact, our Administrative  
22 Director sitting in the back, and she's been a part  
23 of this meeting. We've met with organizations like  
24 yours in several cities across the Commonwealth  
25 already, and it's proven to be very fruitful.

1                   So I'm just saying we did try to  
2 reach out to you guys and I'm glad you're here  
3 because we do want to work with you, and I'm sure  
4 the casino will have their own response, but we have  
5 made that effort and we're going to continue to make  
6 that effort. So if you can make sure we have your  
7 contact information, I will guarantee somebody will  
8 be in touch with you.

9                   Okay.

10                  MR. HORTON: Yeah, could you do that?  
11 And I apologize for missing the communication.

12                  CHAIR SMYLER: It was something  
13 online that - try to leave a message online and just  
14 nobody ever got back to us, so that's why I'm glad  
15 you're here.

16                  MR. HORTON: And I'm not here to look  
17 backwards. I'm here to look forward. I believe I  
18 can help.

19                  CHAIR SMYLER: Good. So are we. So  
20 thank you. I'm glad you showed up. Thank you very  
21 much.

22                  MR. HORTON: Thank you.

23                  PRESIDING OFFICER: Mr. Hayes seems  
24 to want to make a comment.

25                  ATTORNEY HAYES: First of all, I'd

1 like to thank Mr. Horton for taking time out of his  
2 schedule to give his thoughtful comments here today.  
3 On behalf of Presque Isle Downs, we'd certainly  
4 would be willing to have discussions with members of  
5 this organization to see how the relationship could  
6 be built.

7                   And just one point, I think it's  
8 important to raise that Summit Township does receive  
9 two percent of the local share, but Erie County does  
10 as well, and I think people need to understand that  
11 that money is there for economic development  
12 projects in the county. It also should be used for  
13 initiatives that maybe Mr. Horton was discussing  
14 here today, but we'll be willing to make - reach out  
15 to your organization.

16                   MR. HORTON: Yeah, I certainly  
17 appreciate that and look forward to that. I bought  
18 that abandoned elementary school, Alberton. It's  
19 the oldest public school building in City of Erie.  
20 I purchased that and the gaming people gave me  
21 \$100,000 for predevelopment towards the \$10 million  
22 that it will take to revitalize that building and  
23 put it back in place.

24                   So I certainly recognize that, but  
25 also recognize they don't have a diversity plan or

1 diversity motivation or anything like that. They  
2 don't have a commitment to be diverse even though  
3 they try to be diverse in that. And I believe  
4 there's a commitment here to be diverse and I  
5 believe I can help you in that commitment to do  
6 better, but I do appreciate your comments and I look  
7 forward to working with you.

8 PRESIDING OFFICER: Thank you.

9 MR. HORTON: That's it. Thank you so  
10 much. God bless you.

11 PRESIDING OFFICER: Is there anyone  
12 else that thought they registered to speak seeing no  
13 other hands today. I'll turn to Presque Isle Downs,  
14 do you have any closing statements?

15 ATTORNEY HAYES: Just briefly,  
16 Director Lloyd. Chair Smyler, Commissioner Dermody,  
17 Commissioner Regan, on behalf of PID, LLC and  
18 Churchill Downs, we want to thank you for the  
19 opportunity you gave us to appear before you today.  
20 We understand that this is a process that's mandated  
21 by the Act, but it's a - we appreciate your  
22 thoughtful attention to our presentation. And we  
23 also want to thank your staff, under the leadership  
24 of Director O'Toole, for all the hard work that went  
25 into today's hearing, not only in the logistics of

1 the hearing itself, but all of the reports, the  
2 background investigations, all the other materials  
3 that have been prepared to get us in the spot today.

4 That includes the OEC, BIE, Bureau of  
5 Casino Compliance, Bureau of Licensing, Office of  
6 Communications, and of course, Office of Hearings  
7 and Appeals. We also want to thank Corporal Knarr  
8 and the Pennsylvania State Police for their  
9 participation in today's hearing. We are glad to  
10 hear that they share our sentiments that there is a  
11 positive working relationship at the property  
12 between the casino, the regulator and law  
13 enforcement.

14 Lastly, we want to thank the  
15 representatives from Summit Township, Mr. Davis, for  
16 taking time out of your busy schedule to appear in  
17 support of our Application, as well as the  
18 representatives from the nonprofit organizations, Al  
19 Messina and Joe Pfadt for appearing today.

20 And lastly, I want to also  
21 acknowledge the distinguished members of the General  
22 Assembly who offered Letters of Support of this  
23 Renewal application. Senator Laughlin, and  
24 Representatives Bizzarro and Merski, who also are  
25 not here today, but offered their strong support of

1 this Renewal Application. So again, thank you for  
2 your time and consideration today.

3 PRESIDING OFFICER: Thank you. Mr.  
4 Tepper, any closing statement?

5 ATTORNEY TEPPER: The OEC has no  
6 closing statement, but would like to thank the OHA  
7 and the Board for their time this morning.  
8 Enforcement Counsel Head is a no closing statement,  
9 but would like to thank the office of hearings and  
10 Appeals and the board for their time this morning.

11 PRESIDING OFFICER: So the record  
12 will remain open until the Board hears the matter at  
13 a later Public Board Meeting. I will prepare a  
14 report based on the testimony and evidence gathered  
15 today, and that report will be sent to the Board,  
16 along with the transcript and all of the exhibits  
17 entered into the record today, as well as the  
18 application materials. And the Board, at its  
19 convenience, will schedule this matter to be heard  
20 at a future public Board meeting.

21 I would also like to thank the staff  
22 here at Summit Township, especially Lisa, who helped  
23 me schedule this hearing today and have hosted us in  
24 their building today. Thank you for that, and thank  
25 you all for coming and for your cooperation. The

1 hearing is now concluded and adjourned.

2 \* \* \* \* \*

3 HEARING CONCLUDED AT 12:01 P.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings,  
held before Presiding Officer Lloyd, Presiding  
Officer, was reported by me on September 25, 2024 and  
that I, Benjamin Morrow, read this transcript, and  
that I attest that this transcript is a true and  
accurate record of the proceeding.

Dated the 15th day of October, 2024.

Benjamin Morrow

Benjamin Morrow,  
Court Reporter