

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – August 19, 2020
Meeting Held Virtually – Microsoft Teams Live Event

The regular meeting of the Ohio Casino Control Commission (Commission) was called to order at 10:01 a.m. by Chair June Taylor. Vice-Chair Jo Ann Davidson and Commissioners McKinley Brown, Will Lucas, Ranjan Manoranjan, Lynn Slaby, and John Steinhauer were also in attendance. The minutes of the July 15, 2020 meeting were approved following a motion by Commissioner Lucas and seconded by Commissioner Manoranjan.

Executive Director Matthew Schuler began his report with a Fiscal Year 2021 Problem Gambling and Addictions Fund budget presentation by Stacey Frohnafel-Hasson, MPA, OCPC, Chief of the Ohio Mental Health and Addiction Services' (OMHAS) Office of Prevention and Problem Gaming. Mr. Schuler noted that Ms. Frohnafel-Hasson would present the 2020 Annual Report on Problem Gambling, as well as an outline of the 2021 plan at an upcoming Commission meeting.

Ms. Frohnafel-Hasson began her presentation updating the Commission with some emerging trends being seen in behavioral health care during the COVID-19 quarantine. During the pandemic, financial instability, anxiety, and stress are on the rise among Ohio's citizens. Of particular note, is an increase of 200 calls made to the Problem Gambling Hotline from May to June. Ms. Frohnafel-Hasson indicated that OMHAS is working hard to develop teams and strike forces to address the behavioral health surge Ohio is currently experiencing, and these emerging trends were taken into account when developing the 2021 budget for the Problem Gambling Fund (PG Fund).

Ms. Frohnafel-Hasson reported that the ending balance for 2020 was \$5.4 million. The balance was due to a few of factors, including casino revenue coming in above projections, expenditures that were delayed, and an anticipated research project that never launched due to staffing issues and the COVID-19 pandemic. Moving into 2021, Mr. Frohnafel-Hasson noted that \$1.6 million of the PG Fund's cash reserve would be used to make-up for a \$1.2 million revenue loss due to the closure of the casinos. The usage of the cash reserve will allow OMHAS to avoid any cuts to 2021 budget levels for all current projects, awareness campaigns, and prevention and treatment services.

Commissioner Lucas inquired if any differences in demographics were being seen in people requesting treatment services during the pandemic. Ms. Frohnafel-Hasson indicated that non-white, younger males have shown to be the highest risk population, particularly African American males aged 18-24, and continue to be during the pandemic. Tailored efforts to reach this high-risk population continue, and social media and online tools have become crucial to providing treatment to individuals. OHMAS continues its efforts to find new strategies to reach individuals. It was noted that individuals are taking advantage of telehealth treatment services, and many treatment meetings have moved to virtual settings. Ms. Frohnafel-Hasson explained that the tools currently in place have proven to be successful

during the pandemic in reaching individuals. This success has been quantified by many metrics, including an increase in calls to the problem gambling hotline, thousands of new visitors to the Get Set Before You Bet and Change the Game websites, hundreds of new individuals taking the online problem gambling quiz, and social media feedback regarding problem gambling campaigns and mass messages.

Mr. Schuler underscored the collaboration between Ohio for Responsible Gambling and the Problem Gambling Network of Ohio being rolled out this month, to provide 24-hour access to treatment professionals to individuals calling into the problem gambling hotline. Mr. Schuler also announced that the Change the Game campaign, which highlights problem gaming risks for youth that can lead to problem gambling behaviors, was recently recognized by the National Council on Problem Gambling with its Corporate Public Awareness and Corporate Website awards.

Mr. Schuler ended his report with Rick Anthony, Deputy Executive Director and Director of Operations, providing a review of the Commission's budget estimates for fiscal year 2021 (FY21). It was noted that proposed estimates for FY21 were originally proposed two years prior in September 2019. Mr. Anthony explained that the ramifications of the COVID-19 pandemic has left the Commission in uncharted waters, requiring necessary changes to FY21 budget estimates. The Commission's largest operating revenue source, taxes received from casino revenue, was adjusted to 90% of original estimates plus the actual tax revenue received in July 2020. Mr. Anthony reported that Ohio's casinos saw record-breaking revenue in the month of July. However, several casinos surrounding Ohio remained closed during that time, and flight travel out-of-state remains low during the pandemic. Because these facts could have contributed to July's record-breaking revenue numbers, the Commission will continue to watch casino revenue closely for leveling-out or decreasing trends.

Next, Mr. Anthony outlined budget estimate changes for fees. Due to the change in control of JACK, the Commission already received their operator fee last year. Therefore, operator fees were adjusted based on expected renewal fees. Both casino gaming vendor and key employee fees were lowered to 80% of original estimates, and casino gaming employee (CGE) fees were decreased to 90% of the original estimate. These fees are anticipated to be lower as casino operators are being very diligent in reviewing vacancies closely prior to re-filling positions, consolidating positions, and limiting CGE positions to only those necessary to meet customer demand.

The Commission has reviewed and adjusted its expense estimates to maximize savings. Mr. Anthony explained that the Commission also has been diligent in reviewing its vacancies and has no plans to fill those in the near future. The workload will be closely monitored to determine if the vacancies may need to be filled to meet the Commission's mandated mission. Additionally, cost savings days have been implemented and pay steps are being frozen for exempt and management staff, resulting in a 4% decrease in wage expenses for only the exempt and management staff. Purchased personal services estimates were based upon historical figures, and mainly reflect skill game hearing costs expected for the next year. A slight increase in budget estimates for supplies and maintenance costs were made to

account for expected fees associated with other state agency services. Mr. Anthony reported that all service subscriptions were reviewed for necessity and cost reduction. The Commission was successful in reducing subscription costs for some services and has chosen not to renew others. Mr. Anthony explained that while the FY21 operating budget already had a deficit spending expectancy prior to the COVID-19 pandemic, these budget revisions have resulted in a higher estimated cash balance than recently anticipated.

Finally, Mr. Anthony ended his report with FY21 estimates for the Enforcement Fund. It was noted that while estimates for purchased personal services and equipment had been reduced, an increase in costs for supplies and maintenance had been made. Mr. Anthony explained this category had been increased to account for necessary personal protective equipment needed for on-site staff and Agents, including masks, gloves, and cleaning supplies, to prevent the spread of COVID-19.

Matthew Oyster, General Counsel and Director of Licensing & Investigations, presented to the Commission for consideration eight key-employee license applications. The Licensing & Investigations Division completed background investigations of the applicants, which did not uncover any material derogatory information, and recommended approval of proposed Resolution 2020-29, granting or renewing, as applicable, key-employee licenses to: Kenneth Bossingham, IGT; Daniel Cherry, Penn National Gaming, Inc.; Ilkim Hincer, Seminole HR Holdings, LLC; Heather McGregor, International Game Technology PLC; Richard Primus, Penn National Gaming, Inc.; Alejandro Rangel, Hollywood Casino Toledo; Earl Shanks, Gaming and Leisure Properties, Inc.; and Jennifer Woodward, Penn National Gaming, Inc. A motion to approve the Resolution was made by Commissioner Taylor. The motion was seconded by Vice-Chair Davidson and approved.

Andromeda Morrison, Director of Skill Games, presented to the Commission for consideration 39 skill-based amusement machine-related license applications. The Skill Games Division completed background investigations of the applicants, which did not uncover any material derogatory information, and recommended approval of proposed Resolution 2020-30, granting skill-based amusement machine-related licenses upon receipt of the required licensing fees. A motion to approve the Resolution was made by Commissioner Brown. The motion was seconded by Commissioner Steinhauer and approved.

Mr. Oyster then presented to the Commission for consideration nine administrative rules due for review in September or are otherwise affected by rules due for review then. Mr. Oyster explained that each administrative rule must be reviewed prior to its review date, and the Commission must consider, among other things, whether the rule is still necessary, must be amended, or conflicts with other rules. Mr. Chris Fleenor, Manager of Compliance and Gaming, provided a substantive review of each of the six administrative rules being filed as amendments. Messrs. Oyster and Fleenor then requested approval of amendments to existing rules 3772-10-09, -20, and -23, and 3772-11-13, -14, and -34, pursuant to the required R.C. 119.04 statutory five-year review. Upon approval, staff will prepare and file a Business Impact Analysis and the rules with the Common Sense Initiative Office (CSIO). After CSIO review and

authorization, staff will then proceed with filing the rules with the Joint Committee on Agency Rule Review (JCARR). Pursuant to R.C. 119.03, JCARR will maintain jurisdiction over the amended rules for 65 days from the date of filing with JCARR. During that time, a public hearing will be held on the rules for public comment. After JCARR's jurisdiction ends, staff will seek approval for the final filing of the amended rules at a future public meeting. A motion to approve the initial filing of the six amendments was made by Commissioner Steinhauer. The motion was seconded by Commissioner Slaby.

Next, Messrs. Oyster and Fleenor requested approval of the remaining three no-change administrative rules 3772-11-31, -33, and -37 through Resolution 2020-31. Mr. Oyster explained that no-change rules are subject to slightly different JCARR requirements and would not be re-presented for approval. Pursuant to R.C. 106.031, JCARR maintains jurisdiction over no-change rules for 90 days from the date of filing with JCARR, and the no-change rules simply continue in effect without the need for further Commission action once JCARR's jurisdiction ends. Vice-Chair Davidson made a motion to adopt proposed Resolution 2020-31, approving the filing of the three no-change rules. The motion was seconded by Commissioner Slaby and approved.

Christian Scott, Regulatory Compliance Auditor, presented to the Commission for consideration the three-year approval of AAFCPA, Inc. as an independent registered certified public accounting firm for the purpose of conducting financial statement and compliance audits for Ohio fantasy contest operators. Pursuant to Ohio Adm.Code 3772-74-15, fantasy contest operators are required to undergo a financial audit each year and a compliance audit once each three-year licensure period. A motion to approve AAFCPA, Inc. was made by Commissioner Manoranjan. The motion was seconded by Commissioner Slaby and approved.

Mr. Schuler notified the Commissioners that Governor Mike DeWine has extended the teleworking order to state workers to January 4th, 2021.

There being no further business before the Commission, the meeting was adjourned.

Signed,



Lara B. Thomas

Commission Secretary

Approved: September 16, 2020