

OHIO CASINO CONTROL COMMISSION
MEETING MINUTES
10:00 A.M. – July 21, 2021
JO ANN DAVIDSON HEARING ROOM
100 E. BROAD STREET, 20TH FLOOR
COLUMBUS, OHIO 43215

The regular meeting of the Ohio Casino Control Commission (Commission) was called to order at 10:19 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 June 16, 2021 meeting were approved following a motion by Chair Taylor and seconded by Commissioner Steinhauer.

Executive Director Matthew Schuler began his report with a budget overview by Rick Anthony, Deputy Executive Director and Director of Operations, for FY20. Revenue was slightly above estimates in FY20, with taxes up 2.7%. Estimates for licensing fees were conservative due to casino-gaming-employee, key-employee, and gaming-related-vendor application and licensing fees being difficult to estimate, but vendor and key-employee fee estimates came in above estimates despite the COVID-19 pandemic. Casino gaming employee fees were below estimates for FY20, as the casinos hired conservatively for these positions during pandemic closures and curfew mandates. Licensing fees from skill gaming and fantasy contests also attributed to an overage in estimated fees this past year. Additionally, revenue received from the CARES fund contributed to higher revenue than was anticipated for the year. Enforcement Fund revenue also came in above original estimates for FY20, particularly due to receiving a \$90,000 forfeiture award as a result of undercover operations associated with illegal casino gaming investigations.

Wages and benefits remained below estimates due to the consolidation of jobs and vacancies not being filled. Similarly, purchased personal services for the year were below estimates, mostly due to hearings being halted during the pandemic. Supplies and maintenance were below estimates, notably due to the Commission's continued paperless initiative and personnel teleworking. Equipment exceeded estimates in FY20, however, revenue received from the CARES fund helped offset these expenses. Enforcement Fund purchased personal services, supplies and maintenance, and equipment categories were all below estimates for FY20. This was largely the result of the pandemic closures and curfew, which resulted in a decreased need for undercover supplies and equipment.

Following Mr. Anthony's budget overview, Maria Saliaris, Human Resources Administrator, explained that Governor Mike DeWine had recently signed parity language included in HB 110 for exempt employees paid in accordance with the E-1 and E-2 pay schedules under R.C. 124.152. Each pay schedule was given a 3% cost-of-living increase for FY22. Additionally, the parity language includes a 3% cost-of-living increase for FY23 and FY24. Mr. Schuler, per his authority as the Executive Director, has approved these cost-of-living increases for staff who are not currently under the E-1 pay scale. These pay increases

go into effect the pay period that includes July 1 in FY22, FY23, and FY24. To effectuate the same for the Executive Director, Ms. Saliaris explained that the Commissioners would need to approve these cost-of-living increases. A motion to approve the 3% cost-of-living increases for FY22, FY23, and FY24 for the Executive Director was made by Chair Taylor. The motion was seconded by Commissioner Lucas and approved.

Next, Mr. Schuler provided an update on the Licensing & Investigations Division's plan for an upcoming renewal event at the Hard Rock Cincinnati Casino. The Licensing & Investigations Division will be processing license renewal applications and performing fingerprinting for both casino gaming employee and key-employee license applicants. Approximately 200 applicants are anticipated to attend this two-day event.

Next, Mr. Schuler reviewed licensing and regulatory accomplishments of the Skill Games Division. Mr. Schuler explained that the Skill Games Division has recently worked through the annual report process for licensed type-C skill-based amusement machine operators (type-C operators) and licensed skill-based amusement machine vendors (vendors). Vendors are required to provide information on the operators with whom they do business as well as the games sold to each operator. Type-C operators are required to disclose all type-C skill-based amusement locations (type-C locations) it owns, leases, or manages, as well as all skill-based amusement machine vendors it transacts business for use in the state. Additionally, type-C operators are required to provide a complete list of all type-B and type-C skill-based amusement machines being operated, as well as information regarding the revenue generated and prizes awarded from those machines. To date, 12 licensees have been identified as being non-compliant with the annual reporting requirement, which had a deadline of March 31, 2021. The Skill Games Division is in the process of contacting these entities to bring them into compliance with regulatory requirements.

Mr. Schuler commended the Skill Games Division for its diligence in creating helpful job aides to assist applicants and licensees with the licensing process. Step-by-step tutorials with voice recordings are available on the Commission's website as well as a live chat feature. Additionally, the Skill Games Division has extended its hours of operation to allow the scheduling of one-on-one discussions. The Skill Games Division is rapidly approaching its first renewal period and is striving to provide its licensees with a variety of tools and communication options to aid in the renewal process. License renewal notices were sent out to all affected Licensees on June 19th.

Mr. Schuler ended his report with an announcement that Ohio for Responsible Gambling's Change the Game campaign won the 2021 People's Choice Award for the campaign category.

Anna Marin Russell, Director of Licensing & Investigations and Senior Legal Counsel, presented for consideration the suitability of three holdings companies. The Licensing & Investigations Division conducted a suitability investigation of Cullen Enterprises A LLC, Dunkeson Enterprises A LLC, and Eby Investments LLC, as holding companies of JACK Cleveland, to determine what impact, if any, these new holding companies would have on the casino-operator licensee's suitability. Following this assessment,

the Licensing & Investigations Division did not uncover any material derogatory information that affects the licensee's suitability. Ms. Russell then recommended a finding of suitability through adoption of proposed Resolution 2021-25. A motion to approve the Resolution was made by Commissioner Brown. The motion was seconded by Commissioner Manoranjan and approved.

Then, Ms. Russell presented for consideration six 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 2021-26, granting or renewing, as applicable, key-employee licenses for: Phillip Lee, TCS John Huxley Europe Limited; Renato Ascoli, IGT; Adam Chibib, PlayAGS, Inc.; Deborah Davis, Hard Rock Casino Cincinnati; Yvette Landau, PlayAGS, Inc.; and Jane Scaccetti, Penn National Gaming, Inc. A motion to approve the Resolution was made by Commissioner Slaby. The motion was seconded by Vice-Chair Davidson and approved.

Andromeda Morrison, Director of Skill Games and Senior Legal Counsel, presented for consideration 50 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 2021-27, granting skill-based amusement machine-related licenses upon receipt of the required licensing fees. A motion to approve the Resolution was made by Commissioner Lucas. The motion was seconded by Commissioner Steinhauer and approved.

William Cox, Senior Legal Counsel, presented for consideration administrative rules for final filing. Mr. Cox explained that the Commission previously approved the rules at its March 17, 2021 meeting. After receiving this approval, the rules were filed with the Common Sense Initiative Office and then with the Joint Committee on Agency Rule Review. After completing the rule-review process, the amended rules became eligible for final filing. Chair Taylor made a motion to adopt proposed Resolution 2021-28, approving the final filing of Ohio Adm.Code 3772-1-01 — 3772-1-07, 3772-2-01 — 3772-2-07, 3772-2-10, 3772-2-11, 3772-4-01 — 3772-4-09, 3772-4-11, and 3772-10-04. The motion was seconded by Commissioner Manoranjan and approved.

Next, Mr. Cox presented for consideration administrative rules that were either approaching their R.C. 106.03 review date or were otherwise affected by rules with an impending review deadline. Mr. Cox 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. Next, Mr. Cox provided an overview of the administrative rules and requested approval to initially file the following new, amended, or rescinded rules: Ohio Adm.Code 3772-03-01 — 3772-3-04, 3772-3-06, 3772-5-01 — 3772-5-06, 3772-6-01 — 3772-6-05, and 3772-8-01 — 3772-8-06. In so doing, Mr. Cox reminded the Commissioners that upon this approval, the rules and a Business Impact Analysis will be filed with the Common Sense Initiative Office (CSIO). After CSIO review and authorization, the rules will then be filed with the Joint Committee on Agency Rule Review (JCARR). After JCARR's jurisdiction ends, the rules will be brought before the Commissioners again at a public meeting for final-

filing approval. A motion to approve the initial filing was made by Commissioner Lucas. The motion was seconded by Commissioner Slaby and approved.

Next, Ms. Morrison presented for consideration two skill games final orders:

A final order regarding the closure of skill-based amusement machine license applications for Conditionally Approved Applicants (case nos. #2020-SLIC-023, -026, -030 — -034, -037 — -039, -053, -054, -062 — -064, -066, -067, -072, -073, -077 — -081, -083, -086 — -088, & -092). Chair Taylor moved to close the skill-based amusement machine license applications for the cases listed in the final order. The motion was seconded by Vice-Chair Davidson and approved.

A final order regarding the closure of skill-based amusement machine license applications for Registered Applicants (case nos. # 2020-SLIC-094 — -096, -098, -100, & -121). Chair Taylor moved to close the skill-based amusement machine license applications for the cases listed in the final order. The motion was seconded by Commissioner Steinhauer and approved.

Next, Ms. Russell noted that representatives from JACK Entertainment were in attendance and prepared to provide an update on the financial health of the enterprise as well as organizational initiatives focusing on diversity, equity, and inclusion. Dan Reinhard, Senior Vice President of Government Affairs, and Kathryn Hall, Vice President, Diversity and Inclusion, presented on each topic, respectively.

Upon completion of these public remarks, the Commissioners had certain questions that were confidential in nature relating to financial and trade-secret information. Due to the confidential nature of the materials being discussed, Chair Taylor made the following motion: "JACK Entertainment's financial update contains matters required to be kept confidential by state statute. In particular, this discussion requires disclosure of financial and trade-secret information that is deemed confidential under R.C. 3772.16(A)(9) and (12), respectively. Accordingly, I move to go into executive session pursuant to R.C. 121.22(G)(5)." The motion was seconded by Vice-Chair Davidson and adopted by a roll call vote of 7-0.

The Commission moved into Executive Session at 11:03 a.m. The regular meeting of the Commission went back on the record at 12:18 p.m.

Under other business to come before the members, Commissioner Steinhauer recognized and commended Mr. Schuler's leadership during and the staff's resiliency and agility in dealing with the COVID-19 pandemic. He then made a motion for a resolution to be prepared memorializing this commendation. The motion was seconded by Commissioners Lucas and Slaby and approved.

Last, Mr. Schuler introduced Corey Timmons, the newest member of the Regulatory Compliance Division. Mr. Timmons is a welcomed addition to that division and the agency as a whole; he will serve as an auditor, performing compliance and financial audits on behalf of the Commission.

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

Signed,

A handwritten signature in cursive script that reads "Lara B. Thomas".

Lara B. Thomas

Commission Secretary

Approved: August 18, 2021