



STATE OF WASHINGTON
GAMBLING COMMISSION

"Protect the Public by Ensuring that Gambling is Legal and Honest"

May Gambling Commission Meeting Minutes

Great Wolf Lodge
20500 Old Highway 99, SW
Ground Mound, WA 98531
May 11 & 12, 2017

Commissioners Present:

Bud Sizemore, Chair
Julia Patterson, Vice Chair
Kelsey Gray, PhD.
Chris Stearns
Ed Troyer

Ex Officios Present:

Senator Steve Conway
Senator Lynda Wilson
Representative Brandon Vick Representative David Sawyer

Staff Present:

David Trujillo, Director; Amy Hunter, Deputy Director; Tina Griffin, Assistant Director; Brian Considine, Legal and Legislative Manager; Haylee Mills, Staff Attorney; John Meader, Assistant Attorney General; Heather Songer, Public Information Officer; Julie Anderson, Executive Assistant

**-Public Meeting-
May 11, 2017**

Vice Chair Patterson called the first day of the Gambling Commission's two-day meeting to order at 9:40 am. She welcomed everyone to the Great Wolf Lodge and announced they would be going immediately into Executive Session. Commissioner Patterson announced that the Public Meeting would reconvene at approximately 11:15 am.

At 11:15 an announcement was made by Julie Anderson that Executive Session would be extended by another 15 minutes, reconvening the Public Meeting at 11:30 am.

The May Commission Meeting reconvened at 11:45 am after the Commissioners had a short break.

There were about 30 people in attendance.

Chair Sizemore called the May Commission Meeting back to order and introductions were made. Chair Sizemore welcomed the new Ex Officios members, Senator Lynda Wilson and

Representative David Sawyer, and asked if they would introduce themselves and give a short bio.

Tab 1

Squaxin Island Compact Amendment

Washington State Gambling Commission Director David Trujillo, Squaxin Island Intergovernmental Tribal Council Liaison Ray Peters and Washington State Gambling Commission Tribal Liaison Julie Lies presented the power point presentation for tab 1. Here is a summary of the major changes in the proposed amendment, which is consistent with several other tribes' gaming compacts.

- Increases number of Class III gaming facilities from one to two.
- Includes the definition of “Indian lands” from the Indian Gaming Regulatory Act to align compact definition with the Act and allow a gaming facility on qualifying land that is not within the reservation boundaries.
- Allows tribally chartered entities wholly-owned by the Tribe to own the Class III gaming facility.
- Adds the definitions of “gaming” or “gaming activity” and “gaming promotions.”
- Adds an annual reporting requirement on how problem gambling funds from Appendix X2 were used.
- Adds eligibility, which allows the Tribe to conduct initial background checks and temporarily license its employees to begin working immediately. The state will continue to conduct background checks.
- Allows persons between the ages of 18 and 21 to play in accordance with applicable liquor laws.

Commissioner Troyer moved to forward the Squaxin Island Compact Amendment Compact to the Governor for review and final execution. Commissioner Stearns seconded the motion. The motion passed 9-0.

Tab 2

Presentation – Problem Gambling

William “Ted” Hartwell, Associate Research Scientist, Desert Research Institute, Nevada System of Higher Education and Sydney Smith, LPC, LADC, NCGC, Ph.D. Candidate, CEO and Clinical Director, Rise Center for Recovery presented on Research and Community Outreach on Problem Gambling in Tribal Communities in Nevada presented the materials for tab 2. Commissioner Stearns had suggested the Commission invite Ted and Sydney to speak at a Commission meeting, after hearing them present at problem gambling conference he previously attended.

Commissioner Patterson was interested in hearing more about the residential programs offered in Nevada and the cost per resident.

Tab 3

Presentation – Tribal Community Contributions

Agent in Charge, Cathy Harvey and Special Agent Supervisor, Kelly Main presented the materials for tab 3.

For 2014, the contributions were:

- \$4.8 m. – Community Impact Funds (this contribution is based on table games)
- \$10.6 m. – Charitable Distributions (this contribution is based on TLS/machines)
- \$2.4 m. – Smoking Cessation Distributions
- \$2.8 m. - Problem Gambling Contributions

Public Comment-

Maureen Greeley from Evergreen Council on Problem Gambling reminded the Commissioners about the National Problem Gambling Conference in Portland, Or. July 19-22, 2017. She also thanked Ted Hartwell and Sydney Smith for their presentation on Problem Gambling.

Day one of the two day meeting adjourned at 1:30 p.m.

-Public Meeting-
Great Wolf Lodge
20500 Old Highway 99, SW
Ground Mound, WA 98531
May 12, 2017

Commissioners Present:

Bud Sizemore, Chair
Julia Patterson, Vice Chair
Kelsey Gray, PhD.
Chris Stearns
Ed Troyer

Staff Present:

David Trujillo, Director; Amy Hunter, Deputy Director; Tina Griffin, Assistant Director; Brian Considine, Legal and Legislative Manager; Haylee Mills, Staff Attorney; John Meader, Assistant Attorney General; Heather Songer, Public Information Officer; Julie Anderson, Executive Assistant

Chair Sizemore welcomed everyone back for the second day of the Gambling Commission Meeting. The meeting reconvened at 9:17 am.

There were about 17 people in the audience.

Tab 4a

Consent Agenda:

April Commission Meeting Minutes/ /New Licensees

Commissioner Stearns moved to approve the Consent Agenda as presented.

Commissioner Gray seconded the motion.

The motion passed. 4:0 Commissioner Troyer was not available for the vote.

Snoqualmie Class III Gaming Employees Licensees

Commissioner Gray moved to approve Snoqualmie Class III Gaming Employees as presented.

Commissioner Patterson seconded the motion.

The motion passed. 3:0

Commissioner Stearns abstained. Commissioner Troyer was not available for the vote.

Director's Update:

Director Trujillo reported on the agency's social media presence and encouraged individuals in the audience to "like" us on our various platforms such as Twitter, Facebook, Instagram and LinkedIn. He mentioned Public Service Recognition Week (May 8-12) was a success at the Gambling Commission, and the Commissioners have before them the same items that were given to each staff member of the agency for their state service.

Director Trujillo updated the Commissioners on the Gambling Commission's Headquarters Building / Move status. The agency is getting closer to a final look at the building blueprints for the agency's smaller footprint in its current location, rather than a move to a different building. The Gambling Commission will likely be located on floors one and three. Currently, we are on 2 ½ floors.

Lastly, Director Trujillo gave a short update on the hard work Commission staff has been doing regarding the recruitment efforts. He mentioned that recruitment is proving difficult to fill officer positions and heard the same from other similar agencies.

Tab 4b

Legislative Update

Brian Considine presented the legislative report to the Commissioners. Brian gave a short report on our agency request legislation and bills to follow during special session.

HB 1274, concerning the voting member requirement for charitable and nonprofit organizations HB 1274 was voted out of the Senate 49-0 on April 11, 2017. It was signed into law by the Governor on April 27, 2017. It will go into effect on July 23, 2017.

HB 1475, clarifying the limited authority of gambling commission officers HB 1475 was passed out of the Senate 41-8 on April 11, 2017. It was then signed by the Governor into law on April 25, 2017. It will go into effect on July 23, 2017.

Brian touched on Agency Adjudicative or Rule-making Authority Bills, 2SHB 1120 implements State Auditor recommendations to Small Business Economic Impact Statements (SBEIS) used in agency rule-making. It passed out of the Senate 49-0 and was signed by the Governor on April 19, 2017. It will go into effect on July 23, 2017.

State Government Bills

HB 1717, concerning state agency collection, use, and retention of biometric identifiers

SHB 1717 relates to biometric identifiers, including fingerprints. The bill passed the House 97-1 and the Senate 49-0. It has been delivered to the Governor, but it had not been signed yet.

Public Meeting / Public Disclosure Bills

ESHB 1594, Improving public records administration ESHB 1594: (1) identifies the topics the current Public Records Officer training should cover; the bill passed the Senate 40-7-2 with amendments and the House concurred on final language 80-18 on April 17, 2017. It has been delivered to the Governor for signature.

EHB 1595, Concerning costs associated with responding to public records requests EHB 1595: (1) requires agencies to go through agency rule-making procedures before it publishes a schedule of costs for producing public records. The bill passed the Senate 43-4-2 with amendments and the House concurred on final language 80-18 on April 17, 2017. It has been delivered to the Governor for signature.

Clarification of what an agency can charge a requestor when producing paper or electronic records is a positive impact, but the agency will likely need to publish a rule identifying the charges should it decide to charge for the production of paper or electronic records. The remaining aspects of the bill should have either a positive or no impact to the agency.

Brian mentioned to the Commissioners that the state budget outlook remains the same. The agency continues to expect the Gambling Revolving Account to be left whole, and does not expect general fund appropriations for the agency at this time. He also spoke about the 2018 Agency Request Legislation. He asked Commissioners about what topics they would like to see staff explore for possible legislation during the 2018 legislative session.

Brian will conduct a preliminary outreach to stakeholders for their input. Brian hopes to have more concrete proposals for Commissioners' consideration for the July Commission Meeting. Commissioners will need to vote at the August or September Commission meeting on final agency request legislation to be submitted to the Governor's Office. Submissions are usually due to the Governor's Office by the middle of September.

Tab 5

Default

Haylee Mills presented the materials for this tab.

Commissioner Gray moved to revoke the Card Room License for Christina Jimenez.

Commissioner Stearns seconded the motion.

The motion passed. 4:0 (Commissioner Troyer was not present for the vote)

Licensee was not present at the meeting.

Commissioner Gray moved to revoke the Card Room License for Chanthoeurn Sath.

Commissioner Stearns seconded the motion.

The motion passed. 4:0 (Commissioner Troyer was not present for the vote)

Commissioner Stearns wanted clarification about the charges that were against Chanthoern Sath in 2013. Licensee was not present at the meeting.

Commissioner Stearns moved to revoke the Card Room License for Khamphone Mounkhoun.

Commissioner Gray seconded the motion.

The motion passed. 5:0 (Commissioner Troyer rejoined the meeting)

Licensee was not present at the meeting.

Tab 6

Petition for Rule Change

Assistant Director Tina Griffin and Mr. McNutt from Fortune Casino presented the materials for this tab. Commissioner Stearns inquired about the pre-shuffled cards and how they are currently ordered. Commissioner Patterson asked for reassurance as to how the system works currently with card recognition software and what would change if this petition goes forward. Tina reiterated that staff does have concerns with this petition and stated staff would be willing to work with the petitioner on language on an internal controls template. This quality control measure would assure randomness of the cards. The package staff would put together would put some quality controls in place that would hold the manufacturer accountable for the integrity of the cards.

Commissioner Gray moved to initiate rule-making proceedings, as recommended by staff.

Commissioner Stearns seconded the motion.

The motion passed. 5:0 (Commissioner Troyer rejoined the meeting)

Election of Officers

Chair Sizemore asked Commissioners for open nominations for Chair of the Gambling Commission.

Commissioner Patterson moved to nominate Chair Sizemore to retain the chairmanship for another year starting May 15, 2017.

Commissioner Stearns seconded the motion.

The motion passed. 4:0 (Chair Sizemore abstained from voting)

Commissioner Stearns moved to nominate Commissioner Patterson as Vice Chair of the Gambling Commission for another year.

Commissioner Gray seconded the motion.

The motion passed. 4:0 (Commissioner Patterson abstained from voting)

Other Business-

Chair Sizemore announced that he recently toured SciGames in Las Vegas and was impressed with their LEAN management process for assembly of the machines.

Public Comment-

Director Trujillo mentioned to the Commissioners and audience that there was a visitor in the audience that was getting college credit for attending a meeting that was following “Roberts Rules of Order”.

Chair Sizemore announced that the next Gambling Commission meeting will be held at the Hampton Inn and Suites in Olympia on July 13th only.

The second day of the Gambling Commission meeting adjourned at 10:36 a.m.