



STATE OF WASHINGTON
GAMBLING COMMISSION

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

September Gambling Commission Meeting Minutes

Red Lion by the River 700 N. Division
Spokane, WA 99202

**Public Meeting
September 14, 2017**

Commissioners Present:

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

Ex Officios Present:

Representative David Sawyer

Staff Present:

David Trujillo, Director; Amy Hunter, Deputy Director; Tina Griffin, Assistant Director; Michael Kashmar, Chief Financial Officer; John Meader, Assistant Attorney General; Julie Lies, Tribal Liaison; Heather Songer, Public Information Officer; Julie Anderson, Executive Assistant.

Public Session

Chair Sizemore called the September 14 & 15, 2017 Gambling Commission Meeting to order at 11:00 a.m. He recessed the meeting to Executive Session pursuant to the RCW 42.30 to discuss Tribal Negotiations, Pending Investigations and Litigation. He announced the Commissioners would return at approximately 1:30 pm.

Public Session Resumed

Chair Sizemore called the Gambling Commission to order at 1:32 pm and asked for a moment of silence to reflect on the shooting at Freeman High School in Spokane.

After the moment of silence the Chair welcomed everyone to Spokane and introductions were made. There were 35 people in attendance.

Tab 1

Consent Agenda:

August Commission Meeting Minutes/ New Licensees

Commissioner Gray moved to approve the Consent Agenda as presented.

Commissioner Stearns seconded the motion.

The motion passed. 5:0

Snoqualmie Class III Gaming Employees Licensees

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

Commissioner Gray seconded the motion.

The motion passed. 4:0

Commissioner Stearns abstained.

Director's Update:

Director Trujillo updated the Commission on the agency's restacking efforts. The Gambling Commission is housed on three floors currently and will be reducing their footprint to two floors. He reminded the Commissioners of the current human resources workload. He asked the audience if they had any applicable candidates for any positions at the agency to please send them forward. He also highlighted the Employee Service Recognition luncheon that was provided to staff on August 29, 2017. There were games and live music provided by staff. Lastly, he mentioned that Chief Financial Officer Mike Kashmar's last day with the Gambling Commission will be September 29, 2017. Mr. Kashmar has accepted a similar position at the Washington State Department of Veterans Affairs. Director Trujillo thanked Mr. Kashmar for his service and wished him well in the future.

Tab 2

Presentation – Criminal Case Update

Agent in Charge, Gary Drumheller and Acting Agent in Charge, Danny Lisa presented the materials in Tab 2. Mr. Lisa updated the Commissioners on the criminal cases the Regulatory Unit worked in 2016, and Mr. Drumheller updated the Commissioners on the criminal cases the Criminal Enforcement Unit worked in 2016.

Tab 3

Fee Simplification Overview

Chief Financial Officer, Michael Kashmar, presented the materials for Tab 3. Mr. Kashmar went over the structure and filing dates for the Fee Structure Simplification project. Chair Sizemore also thanked Mr. Kashmar for his time on the Fee Structure Simplification project and stated that the agency might not have gotten to where they are without his work. Commissioner Patterson asked Mr. Kashmar if he would be presenting before the Commission again. Mr. Kashmar said he would be available if the Commission needed him. She thanked him for his service to the Commission and wished him well.

Public Comment-

Rick Newgard, Seattle Junior Hockey thanked the Commissioners and staff for the work on this process. Mr. Newgard acknowledged that at times the process was painful, but it was just nice being involved. He said that people may not be happy with the outcome, but they appreciate the opportunity to be involved in the final decision.

Chair Sizemore thanked Mr. Newgard for his support during the process as well.

Tab 4

Staff Request for Rule Changes/Fee Simplification (Package #1)

Deputy Director Amy Hunter and Assistant Director Tina Griffin presented the materials for Tab 4. Deputy Director Hunter introduced the Rule Changes/Fee Simplification and thanked staff for their hard work.

Commissioner Stearns moved to file the Rule Changes/ Fee Simplification Package #1 as presented by staff.

Commissioner Gray seconded the motion.

The motion passed. 5:0

Public Comment-

Dolores Chiechi, Executive Director, Recreational Gaming Association, thanked the Commission for involving the stakeholders in the fee simplification process. The stakeholders appreciated being consulted and brought to the table for the arduous process that took place.

Ms. Chiechi also addressed the discussion that took place at the last meeting. She said the Gambling Commission was created in 1973 and pull tabs were around in 1973. Ms. Chiechi asserted that the Gambling Commission was created because there was corruption among the Legislature, not so much in the industry. She said the Gambling Commission was created by the Legislature to give it an independent voice not influenced by campaign contributions. She appreciated the conversation that took place when Commissioner Troyer raised the topic of modernization of pull tabs. Ms. Chiechi reminded the Commissioners that as an industry, along with the non-profit, pull tab operators, tavern owners, the Recreational Gaming Association, over many years has attempted to get the discussion of modernization of pull-tab discussion to take place at the Legislature. Ms. Chiechi confided that her association don't have the funds to be heard. She added that the Commission has the opportunity to make recommendations to the legislature. During last month's discussion, she heard that modernizing pull tabs does make things easier for enforcement and auditing and that it removes the human element of error. She also heard that if the legislature isn't ready to act, that shouldn't color this commission's discussions. She added that her association members are thankful that the Commission is having this conversation because the conversation will not happen in Olympia unless and until this body decides to bring a recommendation to the Legislature. Ms. Chiechi closed by asking the question "What other industry is prohibited from modernizing its product?"

Meeting adjourned at 3:30 pm.

September Gambling Commission Meeting Minutes

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Spokane, WA 99202

Public Meeting September 15, 2017

Commissioners Present:

Julia Patterson, Vice Chair (Acting Chair)
Kelsey Gray, PhD.
Chris Stearns
Ed Troyer

Staff Present:

David Trujillo, Director; Amy Hunter, Deputy Director; Tina Griffin, Assistant Director; John Meader, Assistant Attorney General; Julie Lies, Tribal Liaison; Heather Songer, Public Information Officer; Julie Anderson, Executive Assistant.

Acting Chair Julia Patterson reconvened the September Commission Meeting at 9:05 am September 15, 2017. She welcomed everyone and announced the meeting would adjourn around 11:00 am. There were 18 people in the audience.

Tab 5

Presentation – Administrative Case Update

Special Agent Supervisor Tony Hughes and Special Agent Tyson Wilson presented the materials for Tab 5. The presentation summarized administrative cases the Licensing Unit and the Regulatory Unit worked in 2016. There were no questions for the agents.

Tab 6

Presentation - Problem Gambling

Ann Gray, DSHS and Maureen Greeley, Evergreen Council on Problem Gambling presented the materials for Tab 6. They presented different PowerPoint Presentation. Ms. Gray included handout materials that she provided to Julie Anderson. Ms. Greeley shared a short video. Commissioner Stearns asked Ms. Gray about the Non-Native data that is not in their system. Ms. Gray said she would get back to the Commissioner with an answer to that question. Acting Chair Patterson asked if the \$1.5 million that they receive in funding is adequate for what they are being asked to do. She also asked if the revenue from the 0.13% of the B&O tax that is collected fluctuates. She also asked staff to double check with the Department of Revenue. Director Trujillo agreed to report back to the Commission. Acting Chair Patterson thanked Ms. Gray and Ms. Greeley for their presentations. She felt this presentation was the most comprehensive problem gambling report she's heard.

Tab 7

Petition for Rule Change – Ducks Unlimited

Assistant Director, Tina Griffin presented the materials for Tab 7. This rule was up for further discussion. There were no questions from the Commissioners.

Tab 8

Staff Request for New Rule – Gambling Equipment

Assistant Director Tina Griffin presented the materials for Tab 8. She said staff is requesting a new rule to require the submission of gambling equipment for evaluation during rulemaking when the gambling equipment is a new concept or is new to the State of Washington and the Commission has agreed to initiate rulemaking. Staff recommends filing for further discussion. Commissioner Stearns asked if the language “New or Novel” could be better defined. Assistant Director Griffin agreed to work on his request.

Acting Chair Patterson asked for questions from the audience. Victor Mena with the Recreational Gaming Association and Chief Operating Officer of Washington Gold Casinos found the rule confusing. Mr. Mena said that there was a fear that this rule would prevent smaller manufacturers from submitting new gambling equipment or games. Mr. Mena added that if he understood correctly, this is to allow the commission to review equipment that is not currently licensed and was not sure what's the difference from the past?

Assistant Director Griffin said this is a proposed rule change will be in the rulemaking section of the WAC. This new rule gives staff the ability to ask for equipment so that such equipment can be evaluated during the rulemaking process. It is needed because staff can't efficiently come up with rules, and safeguards for a concept without having the equipment in hand. Assistant Director Griffin explained that staff want a transparent process and that by having this rule, people who have new concepts for gambling equipment clearly know what the process is going to be.

Mr. Mena said one of the concerns is a doubling of the fee and asked if it creates an additional burden for a manufacturer when they are looking at submitting something new or novel?

Assistant Director Griffin advised Mr. Mena this rule is separate from WAC 230-06-050, which requires an application and fees to be submitted for gambling equipment review and approval. Manufacturers will not be charged a fee for submitting equipment for evaluation during rulemaking under this proposed rule. Staff will be monitoring costs to see if we need to make any adjustments in the future. Assistant Director Griffin said once a petition for rulemaking is finalized, manufacturers would submit an application, money and the equipment so that we can verify compliance as is presently done.

There were no further questions from the audience.

Commission meeting adjourned at 11:42 am.