

INDIANA GAMING COMMISSION
REGULAR MEETING

11:00 AM December 10, 1993 Genesis Convention Center
Gary, Indiana

MINUTES

Present: Commission members Alan Klineman, Ann Marie Bochnowski, Gene Hensley, Robert W. Gilmore, Jr., David E. Ross, Jr., Robert W. Sundwick; Staff members John J. Thar, Floyd B. Hannon, Kay Fleming, Judy Greene, and an audience. Donald Vowels was absent, due to illness.

At 9:00 AM, the Indiana Gaming Commission toured the Buffington Harbor and USX properties, potential docking sites for riverboats in Gary, Indiana.

1. Call to order and roll call, remarks and introduction by Alan Klineman, Chairman.

Chairman Klineman called the meeting to order and called the roll. He expressed regret that Donald Vowels had made the trip to Gary, but had become ill, and was unable to attend the tour or the meeting. He thanked Mayor Thomas Barnes for arranging the tour of the potential riverboat docking sites in Gary and introduced Mayor Barnes.

2. Remarks by the Honorable Thomas Barnes, Mayor, City of Gary.

Mayor Barnes thanked the commission for coming to Gary, where they could gain a better appreciation of the community as a whole, seeing it first hand. He noted that the city has employed the best consultants in the gaming industry and is moving with all deliberate speed to assist the commission with decision it has to make.

Alan Klineman introduced Mayor Robert Behler of Michigan City, and Mayor Donald Combs of Lawrenceburg, who were attending the meeting.

3. Approval of the minutes of the November 12, 1993, meeting.

The minutes of the November 12, 1993, meeting were approved as corrected on motion of Robert Sundwick, second by Ann Marie Bochnowski.

4. Report of the Executive Director.

Executive Director John J. Thar introduced Kay Fleming, Chief Legal Council. The staff will increase by one more person: Pamela Ayres will serve as Secretary, starting December 20. The staff is looking for larger space, both for the investigations of applicants and for staff itself. Deputy Director Floyd B. Hannon will head the investigative teams, with staffing coming from the Indiana Department of Revenue, Indiana State Police, and the Internal Revenue Service. In order to streamline the investigative process, staff is also contacting other state gaming regulatory

organizations and developing Memorandums of Understanding that will permit the sharing of background information. John Thar thanked the Illinois Gaming Board and its staff in particular for their generous assistance, which has enabled us to get off to a smooth and speedy start.

During November staff drafted Part II of the application and the Personal Disclosure Form I; developed the concept of the investigative teams in cooperation with the other state agencies; began meeting with economic development specialists from the state university system, introduced by the Indiana Department of Commerce; answered the phones and inquiries from applicants, governmental entities, and the general public. In the future, staff will develop the applications for suppliers and occupational license applications for riverboat employees, name the staff on the investigative teams, and fix the scope and cost of the economic development reviews.

5. Report of the State Election Board setting deadlines for referenda in May 1994.

Executive Director John Thar introduced Resolution 1993-14, reading remarks prepared by Brad King, attorney for the State Election Board. Resolution 1993-14 establishes the process for placing the question of riverboat gambling on the May 1994 primary. Applicants must file Part I of the Application in the commission office, along with the non-refundable \$50,000.00 application fee, and pay the applicable balloting costs to the local county auditor by noon, March 4, 1994. County election boards will determine the cost before then. Resolution 1993-14 passed unanimously on motion by Ann Marie Bochnowski, second by Gene Hensley. (Resolution 1993-14 is attached.)

6. Old business.

Staff is still looking at the possibility of a transfer fee in lieu of payment of the full application fee for those applicants wanting to transfer their application from a county or city where riverboat gambling was unsuccessful in a referendum to a location where riverboat gambling was approved in a referendum. The statute is clear: the fee is nonrefundable.

7. New business.

a. Deadline for all locations participating in and passing the November 2, 1993, referendum. Executive Director John J. Thar introduced Resolution 1993-15, which establishes noon Indianapolis time, February 2, 1994, as the deadline for the filing of the Indiana Riverboat Owner License Part I for those applicants in all locations participating in and approving riverboat gambling in the November 2, 1993, referendum. The application must be filed in the commission office and accompanied by the non-refundable \$50,000.00 application fee. (Resolution 1993-15 is attached.)

b. Review and discussion of Part II of the Application.

Commission members have received Part II of the Application in the mail and have had the chance to review it. Executive Director John Thar said that Part II was a continuation of Part I of the application. It consists of information required by statute to be in the public domain, and confidential information. The latter material, which pertains to financial security and matters declared confidential by tax law, along with the Personal Disclosure Form 1 also required with Part II, will be used for investigative purposes and kept confidential by the gaming commission. The Personal Disclosure Form 1 will be required of all Substantial Owners of the applicant, that is those holding a minimum of a 5% interest in the applicant. It will also be required of all Level 1 Occupational License applicants. John Thar noted that Part II of the application will be due in the commission office sixty days after the deadline for Part I for that particular locality. Section B, the confidential section, will be bound and filed separately from the public information section; each page should be stamped "confidential" and initialed by the applicant. Staff will review Part II and the Personal Disclosure Form 1 for format and typographical errors and issue it as close to December 15 as possible. If the application should be available later than December 15, the deadline for submission of Part II by Gary applicants will be sixty days after Part II becomes available. Alan Klineman noted that the commission may always request more information of an applicant. Resolution 1993-16, adopting Part II of the application and Personal Disclosure Form 1, passed unanimously on motion by Ann Marie Bochnowski, second by Robert Sundwick. (Resolution 1993-16 is attached.)

c. Other Business. Ann Marie Bochnowski asked if the commission will be holding meetings open to public comment. John Thar replied that a procedure is being worked out for including public comment during the hearings. Ms. Bochnowski commented positively on the efforts these qualified applicants are making in connection with the local government entities. From the point of view of the gaming commission, in order to maintain public confidence in the license awarding process, city governments charging fees of applicants should lay out exactly what the money is for, she said. Alan Klineman agreed and emphasized that the commission wants the city governments to evaluate all applicants and make that information available to the commission, as outlined in Resolution 1993-10.

8. Next Meeting: 11:00 AM Friday, January 14, 1994, Auditorium of the Conference Center, Indiana Government Center South, Indianapolis, Indiana.

9. Meeting adjourned at 12 noon on motion by Bob Gilmore, Second by Gene Hensley.