

UNAPPROVED MINUTES

SOUTH DAKOTA COMMISSION ON GAMING PROPOSED RULE CHANGES HEARING AND QUARTERLY BUSINESS MEETING DEADWOOD CITY HALL, DEADWOOD, SOUTH DAKOTA

MINUTES

June 25, 2019

At 9:00 a.m. the meeting was called to order. Commissioner Dennis McFarland, Commissioner Karen Wagner, Commissioner Mike Wordeman, Commissioner Karl Fischer, and Commissioner Greg Strommen were present. Staff members present for the meeting were Mike Shaw, Commission Attorney; Susan Christian, Acting Executive Secretary; and Craig Sparrow, Deputy Executive Secretary.

General Meeting

The meeting was called to order by Commissioner McFarland at 9:00 a.m.

Conflicts of Interest Disclosure

No conflicts of interest were noted.

Public Hearing on Proposed Rule Changes

20:18:12.01:18. Use of electronic communication devices prohibited.

20:18:15:35. Drop procedures

20:18:15:36. Count procedures

20:18:16:43.01. Procedure for accepting cash at house banked poker table

20:18:16:43.02. Procedure for distribution of chips to house banked poker table

20:18:16:43.03. Procedure for removing chips or coins from the house banked

20:18:16:44.01. Drop box requirements

20:18:16:48. Statistics

20:18:16:49. The pickup

20:18:16:50. Prohibited acts

20:18:16:51. Player wagering on more than one box

20:18:16:52. Tip bets

20:18:16:53. Winning combination

Commissioner Wordeman made a motion to adopt the proposed rule changes listed above as outlined on pages 3-19 in the meeting packet. Commissioner Fischer seconded the motion.

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On a roll call vote motion was carried unanimously.

Commissioner Wagner	Aye
Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Strommen	Aye
Commissioner Wordeman	Aye

March 27, 2019 Quarterly Meeting

Commissioner Wagner made a motion to adopt the drafted minutes from the March 27, 2019 quarterly meeting. Commissioner Strommen seconded the motion which carried unanimously.

Report by Acting Executive Secretary

Susan Christian, Acting Executive Secretary, gave a report on the ARCI conference that was attended by her and Commissioner Wagner. Ms. Christian was named to the Quarter Horse Racing Board and the Audit Racing Board. The Acting Executive Secretary also attended the NAGRA conference and in July will be attending the NILG conference and GLI round table. Commission staff will continue to be involved with information on sports betting. This was for information purposes only, so no action was taken.

The Acting Executive Secretary congratulated Agent Russ Belina on graduating from the Law Enforcement Academy.

Report on North American Regulator Association Conference

Craig Sparrow, Deputy Executive Secretary, attended the NAGRA conference and gave a summary on the seminars attended. This was for information purposes only, so no action was taken.

Remarks by Representative of Gaming Laboratories International

Mike Capen, representing Gaming Laboratories International, gave a brief report on their testing and consulting services.

Contract for Device Testing and Consulting Services for FY 2020

Gaming Laboratories International, LLC

Commissioner Wagner made a motion to approve the contract with Gaming Laboratories International, LLC. Commissioner Fischer seconded the motion.

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On a roll call vote motion was carried unanimously.

Commissioner Wagner	Aye
Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Strommen	Aye
Commissioner Wordeman	Aye

Stipulation of Assurance and Voluntary Compliance

Chawn Elliot

A monetary penalty of \$150.00 is to be paid not later than April 30, 2019 was imposed for a complaint that was filed on March 29, 2019 alleging that the Defendant engaged in conduct constituting grounds for disciplinary action by failing to conduct the game of poker with a complete standard deck of 52 cards as required per ARSD 20:18:16:06. Ms. Elliot agreed to the penalty and will be taking extra steps to assure this won't happen in the future. Cadillac Jacks have also set up a list of steps for all dealers.

Commissioner Fischer made a motion to accept the Stipulation of Assurance and Voluntary Compliance and the imposed penalty. Commissioner Wagner seconded the motion which carried unanimously.

Silverado

A monetary penalty of \$2,500.00 is to be paid not later than May 30, 2019 was imposed for a complaint that was filed on April 12, 2019 alleging that the Defendant engaged in conduct constituting grounds for disciplinary action by failing to secure and retain recorded video images per ARSD 20:18:29:08. There were 5 incidents and 5 different pieces of equipment that failed and one incident an Agent was unable to do an investigation. Licensee has agreed to the penalty and have purchased a new video system. The new system is being reviewed daily and will be monitored by Commission staff.

Commissioner Wagner made a motion to accept the Stipulation of Assurance and Voluntary Compliance and the imposed penalty. Commissioner Fischer seconded the motion which carried unanimously.

Deadwood Licensing Matters

Deputy Executive Secretary Sparrow recommended approval of the following:

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Key License Approval

- ✓ Joe Gasper

Business License Approval

Deputy Executive Secretary Sparrow recommended approval of the following:

- ✓ Approval of Cliff Street, LLC, and Lawrence Waite its sole member as the owner of a new retail license **(11286-RT)** and that it be assigned to 225 Cliff Street (Comfort Inn location) effective July 1, 2019.
- ✓ Approval of Gold Run, LLC and Lawrence Waite its sole member as the owner of three new retail licenses **(11110, 11111 & 11112-RT's)**. The license's to be assigned to 196 Cliff Street (Super 8 location) effective July 1, 2019.

Business License Renewals 2019-2020

Deputy Executive Secretary Sparrow recommended the approval of all Operators, Route Operators, Retails, Distributors, and Manufacturers listed on pages 40-42 of the meeting packet.

Commissioner Wordeman made a motion to approve the Key License approval, Business License approvals, and Business License renewals as staff recommended. Commissioner Wagner seconded the motion which carried unanimously.

Date of Next Meeting

Commissioner Fischer made a motion to approve the next quarterly meeting for September 18, 2019. Commissioner Wordemen seconded the motion which carried unanimously.

Election of Chairman and Vice Chairman for FY 2020

Chairman

Commissioner Wagner made a motion to nominate Commissioner McFarland as Chairman and to cease nominations. Commissioner Fischer seconded the motion. Commissioner Strommen made a motion to not cease the nominations.

On a roll call vote motion carried 3 to 2. Commissioner McFarland was elected as Chairman.

Commissioner Wagner	Aye
Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Strommen	Nay
Commissioner Wordeman	Nay

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Vice Chairman

Commissioner Wordeman nominated Commissioner Strommen and Commissioner McFarland nominated Commissioner Wagner. On a voice vote Commissioner Wagner was elected as Vice Chairman.

Commissioner Strommen	2 Aye	3 Nay
Commissioner Wagner	3 Aye	2 Nay

Public Comment Period

Roger Tellinghusien, representing the Deadwood Gaming Association, gave a brief report on sports betting and that in 2020 will be going to the Legislative Session with a bill to place sports betting on the ballot.

A brief recess was taken at 9:57 a.m.

Executive Session

Commissioner Wagner made a motion to go into Executive session. Commissioner Fischer seconded the motion which carried unanimously.

At 10:09 a.m. the Commission went into Executive Session pursuant to SDCL 1-25-2 (1) and (4).

The Executive Session was concluded at 10:55 a.m. with the following action taken.

Commissioner Wagner made a motion to contact the Bureau of Human Resources to extend Susan Christian, Acting Executive Secretary, position for an additional 90 days. Commissioner Fischer seconded the motion which carried unanimously.

Commissioner Wagner made a motion to open the Executive Secretary position and list with the Bureau of Human Resources. Commissioner Fischer seconded the motion.

On roll call vote the motion carried 3 to 2

Commissioner Wagner	Aye
Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Strommen	Nay
Commissioner Wordeman	Nay

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With no further business to be discussed Commissioner Wordeman made a motion to adjourn the meeting. Commissioner Strommen seconded the motion which carried unanimously.

The meeting was adjourned at 11:00 a.m.

Respectfully Submitted,

Kathy Fredericksen

Dennis McFarland, Chairman

Susan Christian, Acting Executive Secretary