

UNAPPROVED MINUTES

SOUTH DAKOTA COMMISSION ON GAMING ADMINISTRATIVE HEARING, PROPOSED RULES HEARING AND QUARTERLY BUSINESS MEETING DEADWOOD CITY HALL, DEADWOOD, SOUTH DAKOTA

MINUTES

March 27, 2019

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

The meeting was called to order by Commissioner McFarland.

The court reporter for the hearing was Veronica Fish. The following case is scheduled to be heard:

Administrative Hearing

- Declaratory Ruling – Blue Sky Gaming, Inc., dba Tin Lizzie

Declaratory Ruling – Blue Sky Gaming, dba Tin Lizzie

Blue Sky Gaming, Inc., represented by Roger Tellinghuisen, are requesting a declaratory ruling on the amended petition to the existing floor plan. The purpose of the amendment is to clarify the alterations to a few of the buildings for life safety and/or aesthetic purposes. Mr. Tellinghuisen requested to amend the petition to change the name on the petition from Tin Lizzie Gambling Halls to Blue Sky Gaming and Section 2 change eleven (11) rooms to ten (10) rooms.

Commissioner Wordeman made a motion to approve the amendment to the petition. Commissioner Wagner seconded the motion which carried unanimously.

Mr. Tellinghuisen also requested to amend the petition to strike Issue 3 from Section 3. The Commission accepted the request to amend.

Commissioner Fischer made a motion to grant the variances requested and approve the issues addressed in the petition for declaratory ruling. Commissioner Wordeman 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

Public Hearing on Proposed Rule Change

Variations of play – Triple Win 20 - 20:18:15:30.18

Commissioner Wordeman made a motion to adopt the proposed rule changes as outlined on pages 14-16 in the meeting packet. Commissioner Wagner seconded the motion which carried unanimously.

Variations of play – Blazing 7's Progressive – 20:18:15:30.19

Types of BlackJack Authorized – 20:18:15:01.01

The Blazing 7's Progressive game variation was demonstrated by Scientific Games.

Commissioner Wordeman made a motion to approve the amendment on page 17 (5) of the meeting packet to replace the two lines of the last sentence with ...jackpot according to one of the following paytables selected at the discretion of the casino. The selected payable shall be displayed by table signage or on the table layout. Commissioner Fischer seconded the motion which carried unanimously.

Commissioner Wagner made a motion to approve the amendment on page 19 of the meeting packet to replace Lucky George with Dealer Envy on all four places. Commissioner Wordeman seconded the motion which carried unanimously.

Commissioner Wordeman made a motion to approve the amendment on page 20 in the meeting packet to replace Lucky George with Dealer Envy. Commissioner Strommen seconded the motion which carried unanimously.

Commissioner Wagner made a motion to approve the amendment to 20:18:15:01.01 as set forth on pages 13-14 in the meeting packet, to approve the Blazing 7's Progressive game, and to adopt rule 20:18:15:30.19 as outlined in pages 17-21 in the meeting packet. Commissioner Wordeman seconded the motion which carried unanimously.

A brief recess was taken at 10:16 a.m.

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General Meeting

Commissioner McFarland called the general meeting to order at 10:27 a.m.

Approval of Agenda

No changes to the agenda were noted.

No conflicts of interest to any items on the agenda were noted.

November 15, 2018 Quarterly Meeting

Commissioner Wagner made a motion to adopt the drafted minutes from the November 15, 2018 meeting. Commissioner Fischer seconded the motion which carried unanimously.

Report on 2019 Legislative Session

Susan Christian, Acting Executive Secretary, gave an update on the 2019 Legislative session. This was for information purposes only, so no action was taken.

Remarks by Jim Terwilliger, Secretary of Revenue

Jim Terwilliger, Secretary of Revenue, gave a brief report on the Legislative session and the Department of Revenue.

Report on GLI Round Table

Craig Sparrow, Deputy Executive Secretary, attended the GLI Regulatory Round Table in Las Vegas and gave a summary on the seminars attended. This was for information purposes only, so no action was taken.

Stipulation of Assurance and Voluntary Compliance

Wooden Nickel

A monetary penalty of \$500.00 is to be paid not later than April 1, 2019 was imposed for a complaint that was filed on January 29, 2019 alleging that the Defendant engaged in conduct constituting grounds for disciplinary action by failing to maintain full view and control of the premise where gaming is conducted which resulted in allowing a patron to break into a slot machine and remove the bill box from the property. For the conduct described in the complaint the Acting Executive Secretary required the retail licensee to install video alarms at the entrances, update the surveillance equipment as the licensee stated in his response no later than June 29, 2019. Licensee agreed to the penalty imposed and to the surveillance updates.

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

Approval of Voting Representatives for the ARCI Annual Meeting

Commissioner Fischer made a motion to designate Dennis McFarland as its voting representative and Karen Wagner and Susan Christian as its alternate voting representatives at the annual meeting of the Association to be held in Arcadia, California, April 3-5, 2019. Commissioner Strommen seconded the motion which carried unanimously.

Bond for New Racing Operators

Commissioner Wagner made a motion to approve a bond or CD for new racing operators in the amount of \$150,000.00 to be secured in a bank in Pierre or Ft. Pierre; or such other amount determined by the Commission based on the review of their application. Commissioner Fischer seconded the motion.

On a roll call vote motion was carried unanimously.

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

2019 Live Horse Racing Allocations

Commissioner Wagner made a motion that if Senate Bill 128 becomes law then to make allocations according to Resolution 3-27-19-04. If Senate Bill 128 does not become law, then to make allocations according to Resolution 3-27-19-01. Commissioner Fischer seconded the motion.

On a roll call vote the motion carried 4 to 1.

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

Commissioner Wagner made a motion to approve Resolution 3-27-19-02. Commissioner Fischer seconded the motion.

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On a roll call vote the motion carried 4 to 1.

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

Commissioner Fisher made a motion to approve Resolution 3-27-19-03. Commissioner Wagner seconded the motion.

On a roll call vote the motion carried 4 to 1.

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

2019 State Racing Officials

Commission Officials

Track Officials

Professional Services Lab and Vet Contracts

Commissioner Wagner made a motion to delegate staff to approve the Racing Officials, Track Officials, and the lab and vet contracts for the 2019 horse racing season. Commissioner Fischer seconded the motion.

On a roll call vote motion was carried unanimously.

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

Deadwood Licensing Matters

Key License Approvals

Deputy Executive Secretary Sparrow recommended the approval of the following Key Licenses and Key License renewal:

- ✓ Aaron Maag

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- ✓ Allen Clayton
- ✓ Stephanie Adams
- ✓ David Scott

Key License Renewal -Thomas Frank

Business License Approval

- ✓ Approval of Trevor Croker **(10041-DR)** as Director on the Aristocrat Leisure Limited Manufacturer license **(0108-MA)**.
- ✓ Approval of Gaming Partners, International USA, Inc. for an Associated Equipment Manufacturer/Distributor's license **(10983-AE)**.
- ✓ Approval of Aces Full, Inc and Bart Hamm as owner of an Operator **(11022-OP)** and a Route Operator License **(11159-RO)**. Note; The Distributors license that Aces Full, Inc **(0120-DS)** currently holds will be surrendered upon issuance of the Operator license.

Commissioner Wordeman made a motion to approve the Key Licenses, Key License renewal and Business Licenses as recommended by staff. Commissioner Strommen seconded the motion which carried unanimously.

Ratification of Licensing Actions by the Executive Secretary per 42-7B-11 (16)

License Renewals

- | | |
|------------------|---------------------|
| ✓ Tana Neel | ✓ Tracy Island |
| ✓ Liz Vodicka | ✓ Britton Siemonsma |
| ✓ Jon Johnson | ✓ Deb Klima |
| ✓ Austin Burnham | ✓ Ryan Klima |
| ✓ Jim Spears | ✓ Beverly Bachand |

Retail License Renewal

- ✓ Best Western Hickok House

Commissioner Wagner made a motion to approve the ratification of licensing actions by the Executive Secretary. Commissioner Wordeman seconded the motion which carried unanimously.

Scheduling of Next Quarterly Meeting

Commissioner Wordeman made a motion to approve the next quarterly meeting for June 12, 2019. Commissioner Strommen seconded the motion which carried unanimously.

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Public Comment

There was no participation for the comment period of the meeting.

Executive Session

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

At 11:45 p.m. the Commission went into Executive Session pursuant to SDCL 1-25-2 (1) (3) and (4) and SDCL 42.7B-8.1 (4).

The Executive Session was concluded at 12:27 p.m.

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

The meeting was adjourned at 12:28 p.m.

Respectfully Submitted,
Kathy Fredericksen

Dennis McFarland, Chairman

Susan Christian, CIA, Acting Executive Secretary