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CHEROKEE NATION GAMING COMMISSION

MEETING DATE / LOCATION: 18 May 2018
Catoosa Hard Rock Casino & Resort
7th Floor Board Room

COMMISSIONERS PRESENT: Steven Barrick, Vice Chairman
Jennifer Goins, Commissioner
Tina Glory-Jordan, Commissioner
Janice Walters-Purcell, Commissioner

COMMISSIONERS ABSENT: John Sparks, Chairman

COMMISSION STAFF: Jamie Hummingbird, Director
Tammy Dry, Executive Assistant
Debra Wilson, Administrative Officer
Rhonda Trumbla, Special Projects Officer
Tracy Christie, Gaming Systems Analyst
Traci Asher, Internal Audit Manager
Gena Caviness, Compliance Manager
Kristi Cole, Licensing Agent

CHEROKEE NATION ENTERTAINMENT: Mark Fulton, Controller of Operations
Gary Weddell, Operations
Bear Christensen, Compliance
David Ledford, CNE IT
Jennifer Province, CNE Marketing
Angelia Jobe, CNE IT
Tim Mannon, Gaming
Jennifer Bryant, Human Resources
Jennifer Watkins, Compliance
Tim Baker, CNB Legal
Mickey Ward, Operations
Ben Blosch, Accounting
Kevin Scrapper, Marketing
Mitch Moren, Audit Services
Donald Childers, Surveillance & Loss Prevention

VISITORS: Chrissi Nimmo, Office of the Attorney General

CHEROKEE NATION GAMING COMMISSION MEETING MINUTES

18 May 2018

Catoosa Hard Rock Casino & Resort – 7th Floor Board Room

CALL TO ORDER :

Vice Chairman Barrick called the meeting to order at approximately 9:30 a.m.

ROLL CALL:

Present: Vice-Chairman Barrick
Commissioner Jordan
Commissioner Purcell

Absent: Chairman Barrick
Commissioner Goins

A quorum was established.

APPROVAL OF AGENDA:

Jamie requested to add Item I to the agenda as the FY 2019 Budget Proposal.

Commissioner Jordan motioned to approve the agenda with the requested amendment; seconded by Commissioner Purcell. Motion carried.

APPROVAL OF MINUTES:

Commissioner Jordan motioned to table the 27 April 2018 meeting minutes to the next meeting for amendments she requested be made; seconded by Commissioner Purcell. Motion carried.

INTRODUCTION OF GUESTS:

Introductions were made by attendees from the Cherokee Nation Gaming Commission (CNGC), Cherokee Nation Entertainment (CNE), Cherokee Nation Businesses (CNB), Cherokee Nation (CN), and guests.

Commissioner Goins arrived at 9:35 a.m.

Commissioner Jordan motioned to enter into executive session for the CNE reports at 9:36 a.m. The motioned was seconded by Commissioner Purcell. Motioned carried.

CNE REPORTS:

A. FINANCIAL REPORT

B. FACILITIES REPORT

Commissioner Goins motioned to exit executive session at 10:00 a.m. The motion was seconded by Commissioner Purcell. Motion carried. No action was taken during executive session.

OLD BUSINESS:

A. PERSONNEL DISCUSSION – J. HUMMINGBIRD

Commissioner Jordan requested to move this item to the bottom of the agenda as Item J and include the draft usage of recording devices policy; seconded by Commissioner Purcell. Motion carried.

See respected line item below.

NEW BUSINESS

A. PERMITS & LICENSES – K. MYERS

Kristi presented the following and requested approval.

1. Employees

- One hundred and twenty-two (122) individual(s) for temporary permits
- Ninety-seventy (97) individual(s) for suitability determination
- Eighty-six (86) orders
- Three hundred and forty-three (343) renewals for 1 June 2018

Commissioner Goins motioned to approve; seconded by Commissioner Jordan. Motion carried.

2. Vendor & Vendor Representatives

- One (1) Class A Company Order(s) for 18 May 2018
- Seventeen (17) Class A Individual Order(s) for 18 May 2018
- Seven (7) Class A Company Renewal(s) for 1 June 2018
- Eighty-five (85) Class A Individual Renewals for 1 June 2018

Commissioner Jordan motioned to approve; seconded by Commissioner Goins. Motion carried.

B. LICENSE CLASSIFICATIONS – K. MYERS

Kristi presented nineteen (19) new license classifications and requested approval.

Commissioner Goins motioned to approve; seconded by Commissioner Jordan. Motion carried.

C. GAME & SYSTEM APPROVALS – G. CAVINESS

Gena presented the following and requested approval.

1. Electronic Game Themes

➤ AGS	6
➤ Everi	11
➤ Bally	14
➤ IGT	23
➤ Aristocrat	2
➤ Aruze	4
➤ Ainsworth	3
➤ Konami	1

New Game Drives

➤ Everi	2
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OS/Main Programs

➤ Aristocrat	1
➤ IGT	1
➤ Bally	1

New Gaming Component

➤ Everi	1
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Class II Server

➤ IGT	1
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Director Approved Item(s)

➤ IGT	6
➤ VGT	1
➤ Aristocrat	5

Commissioner Jordan motioned to approve as provided; seconded by Commissioner Goins. Motion carried.

2. Table & Card Games

CNE had requested approval for a new Hard Rock Poker felt to be used in the Hard Rock poker room for tournaments only and will showcase the tournament series hosted at the Hard Rock property. All information provided by CNE was reviewed and Gena recommended approval.

Commissioner Purcell motioned to approve; seconded by Commissioner Jordan. Motion carried.

3. Systems

United Tote

CNE sought approval for a new Off Track Betting (OTB) Kiosk and System and received Director's approval on 31 January 2018. This allowed CNE to move forward with implementation and to continue OTB operations at the Sallisaw and West Siloam Gaming facilities. Gena reported that all reports submitted by CNE had been reviewed and requested full approval including the SICS pertaining to this system.

Commissioner Purcell motioned to approve as provided; seconded by Commissioner Jordan. Motion carried.

Atrient

Jamie reported that this system had been under trial for some time with the last changes made in February 2018. CNGG was notified that no changes to the policies were necessary based on the implementation of the system and that all SICS were not in need of revision. Jamie requested final approval of the system including the associated SICS.

Commissioner Jordan motioned to approve as provided; seconded by Commissioner Goins. Motion carried.

D. PROMOTIONS & CALENDAR OF EVENTS – J. BUNCH

Gena handed out an additional memo which was the Catoosa confidential memo that received Director's approval. All documents submitted were reviewed and Gena requested for all presented as listed on the memos.

Commissioner Goins motioned to approve; seconded by Commissioner Jordan. Motion carried.

E. TOURNAMENTS – J. BUNCH

Gena presented the tournaments and calendar of events and requested approval.

Commissioner Jordan motioned to approve; seconded by Commissioner Goins. Motion carried.

F. IN-HOUSE PROGRESSIVE TRANSFERS – J. BUNCH

Gena reported the information and recommended approval for the transfer of retired in-house progressive (IHP) funds to promotional funds for the direct benefit of e-games patrons. Gena requested approval as presented.

Commissioner Purcell motioned to approve; seconded by Commissioner Goins. Motion carried.

Commissioner Jordan inquired on the Balls & Dice and asked if the deadline would be met. Tim Baker asked what would happen if CNGC and CNE did not agree on what was regulatory and SICS. Jamie replied if there are any disagreements or view points, all comments made under the Administrators Procedures Act (APA) would be provided to the Commission along with proposed response, options, and recommendations on what could be decided. The ultimate call would be made by the Commission.

Commissioner Jordan added that if more meetings are needed to accomplish this timeline, she would be committed to doing so.

G. CNGC 2018 AUDIT CYCLE UPDATE – T. ASHER

Traci provided a report for the audit status. Traci spoke to the information provided in the packet. She reported that Audit was behind 2-3 weeks due to staffing issues with three (3) people out on FMLA and a vacancy but was confident that they could meet the audit plan after speaking to her staff and adjusting their programs and workload.

There should be three (3) reports provided in the near future. OTB is one of the reports that they are in process of wrapping up. Drafting of the FY 2019 audit plan has begun.

Commissioner Jordan was concerned about all the Rules and Regulations being up to date on the audit reports due to concerns from the some of the Tribal Council. Traci and Jamie explained the situation and assured her they were all up to date.

No action required.

H. INVESTIGATIONS, LICENSE ACTIONS & HEARINGS – MEYERS/CAVINESS

Commissioner Goins motioned to enter into executive session at 10:35 a.m. for briefings on the hearings and/or investigations and hear each individual as scheduled; seconded by Commissioner Purcell. Motion carried.

Commissioner Goins motioned to exit executive session and return to regular session at 11:51 a.m. The motion was seconded by Commissioner Purcell. Motion carried.

Kristi made the following recommendations and requested approval.

Tab 1 - Present

Action: Conditional license granted pending update of application and provide proof of expungement.

Tabs 2 - Present

Action: Tabled to the 8 June 2018 meeting.

Tabs 4-7

Action: License revocation for 18 months.

Commissioner Goins motioned to approve as presented; seconded by Commissioner Jordan. Motion carried.

Tab 3 - Present

Action: Motion for reconsideration failed.

Commissioner Goins motioned to approve as presented; seconded by Commissioner Purcell. Commissioner Jordan and Vice Chairman Barrick opposed. The motion for reconsideration failed.

I. FY 2019 BUDGET PROPOSAL – J. HUMMINGBIRD

Jamie presented the draft fiscal year 2019 budget to the Commission and reported on the changes in the various line items in the requested budget. Some line items were reduced while others saw increases.

Salaries, benefits, and contract services were reduced while capital acquisitions and indirect cost were increased. The net effect showed a reduction in the overall budget. The Commission discussed having the salaries and benefits for the vacant positions revisited to allow for the potential hire of highly qualified individuals rather than provide a base salary.

Commissioner Jordan motioned to approve based on returning to a flat budget amount; seconded by Commissioner Purcell. Motion carried.

Jamie informed the commissioners that they are looking at getting more help for Compliance. The commissioners agreed.

J. PERSONNEL DISCUSSION – J. HUMMINGBIRD

Commissioner Jordan motioned to table this Old Business Item to the next meeting, along with the draft use of recording devices policy; seconded by Commissioner Goins. Motion carried.

DIRECTORS REPORT - J. HUMMINGBIRD

Animals in properties – Jamie reported an issue with animals being brought into the casinos. Jamie asked Chrissy how the policy should read and how CNE would need to address animals in a facility, particularly the concept of service animals. They have had animals that guests claim are service animals that are not. CNGC recommended something from CNE that would distinguish between a service animal or pet. Chrissi stated that restrictions can be made. The Office of the Attorney suggested developing policies because the law is not applicable to Cherokee Nation.

Wide Area Progressive (WAP) – Jamie reported that a sizeable WAP was hit on an IGT machine for \$125,000. The verification process was overseen by CNGC Gaming Agent Michael Cordova and all checked out well.

Law enforcement arrest – Law enforcement made an arrest by the Bixby police at the Hard Rock property. Chrissi had no concern with it because there was nothing wrong with CNE Security coordinating with local law enforcement on peaceful property arrests. Jamie stated he noted the arrest because it is unusual for law enforcement to coordinate an arrest on casino property.

The CNGC staff meeting will be on Friday, June 1st at the Tenkiller Lodge and will begin at 9:00 a.m.

Meeting Location Change – The June 29th Commission meeting location has been changed from the golf course to the Deer 1 & 2 rooms.

EPHS Facility Inspection Reports – The reports for Roland, Roland Travel Plaza, and the Catoosa Smoke Shop were provided by Debra Wilson. They were sent out via email to CNE. Also provided was the Office of Environmental Health (OEH) report for the Roland property. Debra added an attachment regarding an unsanitary issue in the basement storage of the Roland Casino. She reported the finding to OEH.

Commissioner Barrick asked if there were generator backups for all facilities. Jamie stated that each facility had generators except for the Catoosa smoke shop, which needs one. Jamie stated that CNE is considering moving the smoke shop into the new casino 4 building and, if done, they will no longer need one. Jamie indicated that surveillance cameras are connected to the Hard Rock and are on battery backup.

OPEN SESSION:

Jamie announced that his daughter was graduating this evening and is part of the six (6) remaining first class of immersion students.

ADJOURNMENT:

Commissioner Jordan motioned to adjourn at 12:28 p.m. The motion was seconded by Commissioner Purcell. Motion carried.

Approval of Minutes:



CHAIRMAN SPARKS



DATE