

# Maryland Lottery and Gaming Control Commission

Larry Hogan, Governor



Montgomery Park Business Center  
1800 Washington Blvd., Suite 330  
Baltimore, Maryland 21230

Tel: 410-230-8800  
TTY users call Maryland Relay  
www.mdlottery.com

## MARYLAND LOTTERY AND GAMING CONTROL COMMISSION OCTOBER MINUTES

DATE: October 22, 2020

TIME: 10 a.m.

PLACE: Maryland Lottery and Gaming Control Agency Headquarters  
(Meeting conducted via conference call audio link, livestreamed on website)

PRESENT: Chair E. Randolph Marriner  
Vice Chair Bert J. Hash, Jr.  
Commissioner F. Vernon Boozer  
Commissioner George L. Doestch, Jr.  
Commissioner Michelle Fager  
Commissioner James Stakem  
Commissioner Jerry E. Williams

Gordon Medenica, Director  
Jim Nielsen, Deputy Director, Chief Operating Officer  
John Martin, Managing Director, Chief Revenue Officer  
James Logue, Managing Director, Gaming  
Leo Mamorsky, Managing Director, Marketing  
John Mooney, Managing Director, Regulatory Oversight  
Paula Yocum, Managing Director, Acting Chief Financial Officer  
Carole Gentry, Managing Director, Communications  
James Butler, Managing Director, Organizational Compliance  
Holly Citko, OAG Acting Principal Counsel  
Kathy Lingo, Executive Assistant

OTHERS: Representative from Hollywood Casino Perryville  
Representative from Ocean Downs Casino  
Representative from Live! Casino  
Representative from Rocky Gap Casino Resort  
Representative from Horseshoe Casino Baltimore  
Representative from MGM National Harbor  
MLGCA Staff

**E. Randolph Marriner, Chair**

F. Vernon Boozer, George L. Doetsch, Jr., Michelle R. Fager, Bert J. Hash, Jr., James J. Stakem, Jerry E. Williams

## **ROLL CALL**

Chair Marriner asked for a roll call to establish that a quorum was present. Roll was called and all Commissioners were on the call. Chair Marriner said that he would poll each Commissioner individually following each vote.

## **CALL TO ORDER**

Chair Marriner called the meeting of the Maryland Lottery and Gaming Control Commission to order at 10:00 a.m. Also on the call were: Vice Chair Bert Hash, Commissioners Vernon Boozer, George Doetsch, Michelle Fager, James Stakem and Jerry Williams.

## **APPROVAL OF THE AGENDA**

Chair Marriner reported that the Commissioners were provided with a copy of the agenda. Chair Marriner asked for a motion to approve the amended agenda. Commissioner Doetsch moved, Vice Chair Hash seconded, and the motion was unanimously approved by roll call.

## **APPROVAL OF THE MINUTES**

Chair Marriner stated that the September 24, 2020, open session minutes were provided to the Commissioners for review, and asked if there were any changes. There were no changes. Commissioner Doetsch moved to approve, Commissioner Stakem seconded, and the motion was unanimously approved by roll call.

## **CONSENT AGENDA**

Chair Marriner said the Consent Agenda contains: EGD Games and Component Testing Certified Lab Software, Hardware and Game Certifications for VLTs, Table Game Components, and Instant Bingo Machines (9/10/20 – 10/8/20); Consent Agreements for Regulatory Violations – MGM National Harbor – July 2020; and Ocean Downs Casino –December 2019, January and February 2020; Consent Agreements for Underage Violations – Horseshoe Casino – Case No. 2020-05-001; Live! Casino – Case Nos. 2020-03-001 to -005; and Ocean Downs Casino – Case No. 2019-02-004; Gaming License Applications Denials/Revocations; and Staff Reports from James Nielsen, Deputy Director, Chief Operating Officer; John Martin, Managing Director, Chief Revenue Officer; Leo Mamorsky, Managing Director, Chief Marketing Officer; John Mooney, Managing Director, Regulatory Oversight; Paula Yocum, Managing Director, Acting Chief Financial Officer; Carole Gentry, Managing Director, Communications; James Butler, Managing Director, Organizational Compliance; and Holly Citko, Acting Principal Counsel, Office of the Attorney General.

Chair Marriner asked if any Commissioners wished to remove any items from the Consent Agenda. There were no requests for removal. Chair Marriner asked for a motion to approve the consent agenda as noted above. Motion to approve was made by Commissioner Doetsch, seconded by Vice Chair Hash, and the motion was unanimously approved by roll call.

## **OPERATOR REPORTS**

### **Hollywood Casino Perryville**

Mr. Matthew Heiskell, General Manager, reported that September gaming revenue was up 12.5% year-over-year, with slot machine revenue up double digits year-over-year driven mainly by comparison to last year which had a large jackpot win. Table games volume was down 5%, with revenue down 4%. October is trending well in volume and hold in both slot machines and table games. Mr. Heiskell said Hollywood is replacing the bases of all of its slot machines and the upholstery on all of the chairs. Plans are under way for New Year's Eve with entertainment, and casino staff are working to ensure that it is a safe experience for customers and team members.

### **Ocean Downs Casino**

Ms. Bobbi Sample, General Manager, reported that gaming revenue was up 3% in September, with slot machines revenue up slightly and table games up 7%, both driven by hold. Ocean Downs is slowly bringing back its marketing and promotional activities, including giveaways. The casino is planning to provide free play for veterans and their spouses for Veterans Day. Ocean Downs recently held an outdoor, socially distanced employee appreciation event. Casino staff will also be volunteering with a local homeless shelter to provide Thanksgiving dinner for those in need, and will conduct a canned food drive. Ms. Sample said that Ocean Downs has received approval from Worcester County for a zoning overlay that will allow for the development of an entertainment district near the casino. Chairman Marriner complimented Ms. Sample on her re-zoning success.

### **Live! Casino**

Mr. Anthony Faranca, Executive Vice President, General Manager, reported that the casino celebrated 90 days since its post-COVID-19 reopening and that staff morale is positive. September gaming revenues were up 3% year-over-year, with slot revenues flat while table games were up modestly. Poker tables benefited from the fact that poker rooms at casinos in Pennsylvania and New Jersey were not fully in operation. Live! has begun a limited marketing program with no large-scale promotions and an emphasis on safety. There is no front-of-house bar service, and the casino is open for card members only on weekends after 10 p.m. Planning is under way for Thanksgiving, Black Friday and New Year's Eve events that can be done safely. Construction is continuing on the Sports & Social venue at the center of the casino, which will be a sports bar, if the State's sports betting referendum is approved.

### **Rocky Gap Casino**

Mr. Skylar Dice, Vice President and General Manager, reported that September gaming revenue was up 5.2%, primarily driven by slot machines, as table games revenue was down 32% year-over-year. Rocky Gap has no plans for large-scale promotions, but is holding smaller promotional giveaways and VIP events. Mr. Dice commended casino staff for keeping the property clean, which led to a Casino Player magazine award recognizing Rocky Gap for its safety measures and clean environment. The casino held an outdoor employee appreciation event in September that included food trucks, and there was great feedback from the team members. Rocky Gap is working on its promotions for the rest of the year, including a food drive that will go into November and a New Year's Eve celebration.

## **Horseshoe Casino**

Mr. Randy Conroy, Vice President and General Manager, reported that gaming revenue totaled \$17.6 million in September, down 5% year-over-year. Slot machine win was up 6.3%, but table game revenue was down 21%, although the numbers improved from July and August. Horseshoe's poker room reopened on Sept. 5, and some non-gaming amenities have also reopened. Marketing efforts are carefully ramping up with an emphasis on safety and social distancing. The casino is planning safe celebrations for Thanksgiving and New Year's Eve, and is planning its safety and compliance training protocols for 2021. An employee relief fund has been providing assistance to staff in need. In October, Horseshoe observed Breast Cancer Awareness Month by supporting local cancer charities.

## **MGM National Harbor**

Mr. Jorge Perez, President, Chief Operating Officer, reported that September gaming revenue was down 0.4%. Slot machines were down 3.2%, but table games revenue was up 5% boosted by hold. Poker was down 18%, driven by a reduced number of tables, but Mr. Perez added that the poker business has rebounded. The casino has brought back approximately 75% of the casino's pre-COVID-19 workforce, and health and safety have been the primary focus. The number of incidents of non-compliance with social distancing protocols has declined. Planning for New Year's Eve is in progress with focus on social distancing. MGM's promotional schedule has been light, including gift giveaways. The theater remains closed, but Mr. Perez said the casino is seeing a demand from groups that are looking to hold non-gaming events. Staff members recently volunteered with Susan G. Komen and at the Capital Area Food Bank.

Chair Marriner thanked all of the casinos for continuing to be diligent in practicing measures to keep both guests and team members safe.

## **STAFF REPORTS**

### *Director's Report – Gordon Medenica*

Director Medenica reported that in the past month the Agency has held its Employee Recognition Day and Customer Appreciation Day. On Oct. 20, staff members participated in a clean-up event in Baltimore City's Carroll Park as part of the Governor's Day-to-Serve initiative.

Business continues to be very strong, with the State's casinos continuing to do well in spite of the COVID-19 capacity restrictions. As reflected in the Lottery Press Releases, year-over-year revenues were only down 7% in July, down 3% in August, but September was up 1%. Year-to-date revenue is down 4.5%, and casino contributions to the State are down 4.3%, which is positive performance with trends continuing to improve.

Lottery sales and profit remain strong, with September sales up 17.6% year-over-year, and profit up 24.7%. Year-to-date sales are up 16.9%, and profit is up 14.9%. Director Medenica said the Lottery continues to benefit as consumers have limited options for their discretionary entertainment dollars due to the pandemic.

Director Medenica said MLGCA has been notified of an upcoming audit performed by the State's Office of Legislative Audits (OLA). The Agency has an internal audit function, external outside auditors, and MUSL Rule 2 auditors (which is mainly focused on technology), and this year we will also have the OLA audit as well, for which we do not expect any issues to arise.

The Agency is also anticipating that the sports betting referendum on the General Election ballot will pass, and has drafted 150 pages of potential regulations pertaining to sports betting in order to be

prepared for implementing legislation that is expected to be adopted during the General Assembly's 2021 session.

**Gaming – James Logue, Managing Director**

There being no questions from the Commission on Mr. Logue's monthly report, he proceeded to his Commission Action Item.

**Commission Action Item – Horseshoe Casino VLT Allocation Reduction**

Mr. Logue said Horseshoe Casino has requested a permanent reduction in the number of VLTs on its gaming floor. The reduction is being requested due to current market factors and business strategies to ensure that the highest potential tax revenues are achieved. With approval, the project will include a reconfiguration of the gaming floor. Horseshoe currently has 2,100 VLTs on the floor and is requesting approval to permanently reduce the number by 300 for a new total of 1,800. With approval, the reduction is scheduled for implementation on March 31, 2021. Because of current social distancing requirements and reduced capacity restrictions, Horseshoe must deactivate certain VLTs. The additional space created by this requested reduction and reconfiguration will allow for the activation of an additional 50 VLTs from current levels. MLGCA staff recommends that the Commission approve Horseshoe's request.

Chair Marriner asked if Horseshoe will be able to reconfigure its gaming floor to add the 50 additional machines in the near term, or whether that will occur in March. Mr. Logue said the reconfiguration will occur later and the 50 machines would be added in March.

Chair Marriner asked for a motion to approve Horseshoe's request to reduce its allocation of VLTs. Commissioner Doetsch motioned to approve, Vice Chair Hash seconded, and the motion was unanimously approved by roll call.

**CLOSED SESSION**

There was no need for the Commission to go into a closed session.

**DATE AND TIME OF NEXT MEETING**

The next monthly Commission meeting is scheduled for 10 a.m. on Thursday, November 19, 2020, one week earlier due to holiday, conducted by audio conference.

**ADJOURNMENT**

There being no further business for discussion, Chair Marriner adjourned the meeting at 10:29 a.m.

Respectfully submitted,



Gordon Medenica  
Director