

GAMING POLICY ADVISORY COMMITTEE

2399 GATEWAY OAKS DRIVE, SUITE 220

SACRAMENTO, CA 95852-4231

(916) 263-0700 · FAX (916) 263-0499

WWW.CGCC.CA.GOV

MINUTES OF APRIL 25, 2016 GAMING POLICY ADVISORY COMMITTEE MEETING

OPEN SESSION

1. Call to Order and Welcome – Stacey Luna Baxter, Executive Director

Executive Director Stacey Luna Baxter called the April 25, 2016, meeting of the Gaming Policy Advisory Committee (GPAC), to order at 1:30 p.m.

2. Roll Call of Advisory Committee Members

Roll call of the Committee Members was taken. Kermit Schayltz, Brent Meyer, Joy Harn, Haig Kelegian, Jr., Darrell Miers, Yolanda Morrow, Leonard Powell, and Keith Sharp, and Robert Jacobson were present.

Staff Participating: Stacey Luna Baxter, Executive Director and R. Todd Vlaanderen, Chief Counsel.

3. Approval of Meeting Minutes from March 10, 2016

Joy Harn moved to approve the March 10, 2016 meeting minutes. Keith Sharp seconded the motion and by consensus the Committee Members approved the minutes.

4. Nomination and Selection of GPAC Chair and Co-Chair

Kermit Schayltz nominated Joy Harn to be the next GPAC Chairperson. Stacey Luna Baxter informed the members that it was not required that GPAC have a Chairperson and/or Co-Chairperson serve on the committee. There was a general consensus of the members to not select chairpersons for the committee. It was mentioned that should there ever be a need identified, the matter will be brought before the GPAC members for discussion.

5. Category H Vacancy

Stacey Luna Baxter discussed the recruitment efforts to fill the category H opening for the GPAC committee. Ms. Luna Baxter indicated that an advertisement for the position was sent out to organizations statewide such as city councils, the cardroom association, all members signed up for CGCC website notifications and the McGeorge School of Law. Advertisements were also posted online with the Capitol

Weekly and Morning Report publications. Currently she has received two applications. Ms. Luna Baxter asked for volunteers to help with interviewing and Brent Meyer and Kermit Schayltz agreed to help.

6. Update and Discussion of Current Projects

- A. Availability of State Buildings in Los Angeles
- B. Update: is it a Gift to State if GPAC meetings were held at a Cardroom facility?

Stacey Luna Baxter indicated that staff has not found any viable options yet to host GPAC meetings in Southern California. She indicated that staff is still researching state office locations. Ms. Luna Baxter also commented on the difficulty of using a cardroom facility for GPAC meetings indicating that it could be considered a gift to the CGCC and that staff would contact FPPC to inquire whether it would be permissible.

Tyler Burtis, Bureau of Gambling Control, indicated that the Department of Justice's Southern California office might be able to accommodate a GPAC meeting.

7. Update and Discussion of Current Projects

- A. Surveillance Requirements for Video Clarity and Format (Sub-committee Members: Darrell Miers & Leonard Powell)

Leonard Powell reported on the project indicating that standards for video formatting should be specified in regulation and the regulation should be enforceable. He also mentioned that MICS should include policy and procedures for security and surveillance.

Tyler Burtis and Aaron Wong from the Bureau of Gambling Control provided comments on the Bureau's concerns dealing with video surveillance recordings. They indicated that their concerns were the ability to download and view video recordings and the clarity and quality of recordings. Mr. Burtis stated that the Bureau has difficulty viewing approximately 50% of the surveillance recordings. He also discussed the importance of the different angles of the cameras, especially for viewing the cage.

Stacey Luna Baxter indicated that the Commission could facilitate sending out a survey to the cardrooms asking for information on the various types surveillance equipment currently in use.

Joy Harn suggested contacting the vendors and asking them to provide the technical specifications needed for surveillance recordings based the Bureau's needs.

Robert Jacobson suggested that some of the key terms to look at would be zoom, distance, angle, and frames per second.

B. Revision of GPAC Selection Process (Sub-committee Member: Robert Jacobson)

Robert Jacobson provided a red-line version of the draft application for appointment to GPAC for the members to review. The members discussed changes to the term for service and categories G and H. Discussion also occurred concerning a process for the removal of GPAC members. It was also decided that applicants may check multiple boxes to describe their affiliations and to remove the word "one" from the instructions. Mr. Jacobson indicated that he would write up the changes decided on at the meeting and send out to the members for review to be discussed at the next GPAC meeting.

C. Review of the Licensing Structure (Sub-committee Members: Haig Kelegian, Jr. & Yolonda Morrow)

Haig Kelegian, Jr. provided a report on the licensing structure indicating that he had telephone interviews with both the Washington and Nevada State gaming agencies concerning their process for licensing renewal. Mr. Kelegian, Jr. stated that he would contact the state gaming agencies for both New Jersey and Pennsylvania to inquire about their licensing process. He also suggested using proposed language that states "substantial interest owner," and putting together an outline for objectives and possible regulatory language.

Yolanda Morrow stated that she would provide a list of the number of applications currently pending at the Bureau that are already approved licensees.

D. Review of the Licensing Renewal Cycle & Possible Extension (Sub-committee Members: none as yet)

Todd Vlaanderen reported on which license renewal cycles can be changed by regulatory process vs. a statutory change. He indicated that only the Third Party Providers of Proposition Players (TP) registrations and licensing was set by regulation and all other licensing cycles are mandated by statute. Since regulatory changes are already being reviewed and proposed to modify the TP licensing structure, the GPAC members decided to not pursue the project.

E. Delegating Additional Authority to the Executive Director and/or Bureau (Sub-committee Member: Keith Sharp)

Keith Sharp indicated that he would work with Todd Vlaanderen to come up with a list of items that can be expedited by delegating authority for approval to the Executive Director and/or Bureau rather than having to be agenized before the Commission. Some of the examples that Mr. Sharp gave were approvals of requests for additional tables and basic loans.

8. Open Discussion of Any New Items

A. Introduction and Discussion of Possible New GPAC Projects

Stacey Luna Baxter mentioned that she would be sending the proposed regulatory language for the licensing restructuring to the GPAC members for their review and comments.

B. Soliciting GPAC Input:

- Placing Item on Commission Agenda for Commissioner Suggestions
- GPAC Email Account & Commission Newsletter

Stacey Luna Baxter stated that she will have an item placed on a future Commission meeting agenda for discussion by and direction from the Commissioners on what topics they would like the GPAC to focus on. Ms. Luna Baxter also stated that a GPAC email account has been set up for the public and industry to contact GPAC with suggestions and concerns. The new email account was advertised in the Commission newsletter. Ms. Luna Baxter also invited all attendees to utilize the Commission newsletters by submitting articles or article ideas for future publications.

C. Future Bureau Presentations (i.e., Compliance Review, Audits, etc.)

Yolanda Morrow indicated that the Bureau's compliance field representatives can provide a presentation to GPAC of their compliance review checklists for cardrooms, and she mentioned that audits staff could come speak on adequate financing. Stacy Luna Baxter also indicated that staff from the Commission's regulatory unit will be meeting with GPAC to discuss upcoming rulemaking projects.

9. Next Meeting

It was decided that the next GPAC meeting would be scheduled on June 23, 2016 at 1:30 p.m.

10. Public Comment

None.

ADJOURNMENT

The meeting was adjourned at 3:50 p.m.