

**GAMING POLICY ADVISORY COMMITTEE**

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**MINUTES OF JUNE 27, 2023  
GAMING POLICY ADVISORY COMMITTEE MEETING**

Pursuant to Government Code Section 11133, the meeting was held by tele/videoconference and there was no location open to the public.

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**OPEN SESSION**

1. Welcome and Call to Order

Executive Director Stacey Luna Baxter called the June 27, 2023 meeting of the Gaming Policy Advisory Committee (GPAC) to order at 1:30 p.m.

2. Roll Call of GPAC Members

Roll call of the Committee Members was taken. Kirk Blackinton, John Choo, David Fried, Linda Graves, Luis Jaramillo, Anita Johnson, Michael Koniski, Jieho Lee, Emmanuel Macalino and Lisa Wardall present.

3. Review and Approval of April 18, 2023 Meeting Minutes.

John Choo moved to approve the April 18, 2023 meeting minutes. Anita Johnson seconded the motion, which was unanimously approved by a roll call vote of the members.

4. Resumption of In-Person Meeting Location Requirements

Stacey informed GPAC that Government Code Section 11133, which temporarily authorized state bodies to hold public meetings electronically and waived the requirements to provide an in-person location for a public meeting, sunsets on July 1, 2023. As a result, future GPAC meeting locations must include an opportunity for in-person participation wherever GPAC members will be participating. She indicated that meetings will be conducted in a hybrid manner allowing for public participation via Zoom and in-person with locations likely in Southern California and the Bay Area, in addition to Sacramento. Meeting locations will be noticed on the public agendas.

## 5. Update and Discussion of Current Projects:

### A. Update on GPAC Outreach Project (Sub-Committee Member: Emmanuel Macalino and Linda Graves)

Sub-Committee member Emmanuel Macalino reported on the results from the initial outreach and contact to the industry. He indicated that three entities consisting of a cardroom and two TPPPS companies were contacted. He informed GPAC of the concerns that were discussed during the meetings. David Fried, Michael Koniski and Kirk Blackinton volunteered to help reach out to industry entities.

## 6. Update on Annual Fee Alternative Methodologies

### A. Discussion of Responses Received

### B. Next Steps

Stacey explained that the Commission's Fee's Modernization Project was in response to the 2018 industry requested audit and resulting recommendation that the Commission and Bureau conduct a cost analysis and restructure fees to better align with regulatory costs. Due to the concerns raised by the industry at a number of regulatory hearings and other forums, the Commission released an invitation through GPAC to the industry on December 28, 2022, to provide alternative methodologies for consideration. Three responses were received and are posted on the Commissions website [here](#). Stacey provided a summary of the three submissions indicating that the first two gave suggestions but did not provide alternate methodologies. She indicated that the third submission was a thorough response that included alternate methodologies in the format the Commission had requested. Staff conducted a review of the alternative methodology submitted using actual industry figures for their calculations and noted that the majority of entities for both the cardrooms and TPPPS realized a significant increase in the annual fees cost under this alternative methodology.

David Fried, Kirk Blackinton and Emmanuel Macalino expressed concerns that calculations of gross revenue used in the current methodology was during Covid-19 years when businesses were not operating at full capacity. Those fees will go up substantially now that businesses are back to normal operation and the gross revenues have increased.

David Fried also had questions about the 1.7 million in Cost Pool 2 noted on the invoice. Stacey indicated that those costs are associated with Bureau intake related costs such as opening mail, answering calls, etc. that are not linked with a specific application.

David Fried also asked a question about the unfunded positions reference in Streamline Report; however, Stacey explained that she would not be able to answer that question as she is unsure of the data used to make that reference. Stacey did

explain that the cost and fee analysis consists of breaking down each position within the Bureau and Commission and the workload they perform.

Emmanuel Macalino inquired whether the Commission intended to refund cardrooms in the event fees are over collected. Stacey confirmed that refunds would be issued for over collection of fees. Stacey also confirmed that the fees are currently under collecting, per the released Governor's Budget.

#### Public Comments:

Christina Fung commented on submission 3 from GHJ stating that the proposed methodology relies on the number of tables for cardrooms and the number of licensed employees for TPPPS. They believe that the methodology is easy to understand and also would provide good visibility to both the industry and to the public on how fees are calculated.

Lauren Hammond also had questions concerning the number of unfunded positions at the Bureau. Lisa Wardall confirmed that the Bureau does not have any unfunded positions. Ms. Hammond also asked if there was a way that the Commission could disclose data without breaching confidentiality and commented on the number of Commission employees designated to work on tribal gaming.

Randall Keen, on behalf of Parkwest Casinos, commented on submission 3 stating that they did not ask Streamline to attend the GPAC meeting because they had not received any questions concerning their report but if it would be helpful they can ask Streamline to attend the next GPAC meeting. Mr. Keen also talked about the submission 3 proposal and hoped that the Commission would want to workshop collaboratively to come up with a better proposal.

Alan Titus had questions concerning end of the year adjustments in regulation, and which three-year period was included on the invoices. He indicated that Artichoke Joe's supports the submission 3 proposal that fees be based on the number of tables and not gross revenue.

In response to the concerns raised by the GPAC members and the public comments that the 2022 gross revenues will be substantially greater because there is no longer any Covid-19 restrictions on business, Stacey indicated that the Commission will run the 2022 numbers and if there is something further to discuss she will bring it back to GPAC. Stacey also mentioned that part of the annual review process is consistent review of the methodology to ensure it is the most accurate way of allocating costs.

#### 7. New Projects Discussion:

##### A. Assistance to English as a Second Language Applicants/Licensees

- i. Project Scope
- ii. Selection of Sub-Committee Members

Stacey explained that Item 7 is a new project to discuss ways to provide assistance to applicants wherein English is a foreign language. Lisa Wardall volunteered to bring back feedback from the Bureau staff on their encounters with these applicants and what obstacles both staff and applicants may experience. Stacey indicated that she would do the same on the Commission side and asked GPAC to come to the next meeting with some brainstorming ideas on possible issues that they can look at with regards to the project.

#### 8. Discussion of New Agenda Items for Next Meeting

Kirk Blackinton suggested a project concerning spousal licensing. Stacey mentioned that the Commission is scheduling a public meeting on that issue in August and she asked Kirk to wait until after the public meeting to decide if a GPAC project is still needed to address this subject.

#### 9. Next Meeting

Stacey indicated that she was not going to schedule a meeting date yet because of having to work out details for remote in-person locations. She said staff would be in contact with each of the GPAC members to determine the location where they plan to participate at the next GPAC meeting.

#### 10. Public Comment

None.

### **ADJOURNMENT**

The meeting adjourned at 3:22 p.m.