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COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: PUBLIC INPUT HEARING FOR WASHINGTON TROTTING
ASSOCIATION, INC., d/b/a THE MEADOWS RACETRACK &
CASINO

* * * * *

PUBLIC INPUT HEARING

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BEFORE: GREGORY C. FAJT, Chair
Linda Lloyd, Presiding Officer
LOCATION: Courthouse Square Office Building
Public Meeting Room 104
100 West Beau Street
Washington, PA 15301
HEARING: Tuesday, March 30, 2010
10:00 a.m.

Reporter: Resa A. Hall

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1 WITNESSES: Bill Paulos, Sean A. Sullivan, Senator J.
2 Barry Stout, Representative Timothy J.
3 Solobay, J. Gregory Sulc, Joe D. Forrester,
4 Cheryl J. Randall, Jeff M. Kotula, Kim
5 Hankins, Shirley Fierro, Peg Wilson, Nelly
6 Chester, Michael Dillon, Michelle L.
7 Robinson-Ritter

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PRESIDING OFFICER:

Good morning, everyone. My name is Linda Lloyd and I'm the Presiding Officer assigned by the Board today to conduct this Public Input Hearing regarding the petition filed by Washington Trotting Association to conduct table games at its casino. Before we begin, if you could please turn off, or to vibrate, your cell phones, Blackberries, that sort of thing so we don't interrupt today's speakers. Somewhere along the line I caught a cold, so I'm hoping my voice holds out through the hearing today. Fortunately, I'm not the one that has to do most of the talking.

I call to order this Public Input Hearing regarding the petition of Washington Trotting Association for approval and the Issuance of a Certificate to Conduct Table Games, which was deemed complete and filed on March 4th, 2010 at Docket Number 1321-2010. The date is Tuesday, March 30th, 2010, the time is 10:00 a.m. and the location is the Courthouse Square Office Building, Public Meeting Room 104, 100 West Beau Street, Washington, PA 15301.

The Input Hearing is convened by the

1 Pennsylvania Gaming Control Board pursuant to the
2 authority found in Sections 1205(b) and 1314A(b) of
3 the Gaming Act. This Public Hearing was advertised on
4 the Board's website, announced at a previous Board
5 meeting and was advertised in local newspapers. The
6 Board members present today for the hearing are
7 Chairman Greg Fajt, to my left.

8 The Board and its staff would like to
9 thank the Staff here in Washington at the County
10 Courthouse for making this space available for the
11 Board today. Their cooperation has been essential in
12 the organization and holding of this hearing.

13 The purpose of the hearing is to allow
14 Washington Trotting to present to the public its plan
15 to operate table games at its casino and to allow
16 individual members of the public, community groups,
17 elected officials and local government representatives
18 to express their thoughts and share any concerns about
19 the proposed project with the Board. The hearing will
20 continue until the last scheduled speaker registered
21 has had the opportunity to speak.

22 The order of speakers is as follows.
23 Washington Trotting will make their presentation
24 first. We will then hear from any Legislators, local
25 government representatives, community representatives

1 and individual members of the public. Washington
2 Trotting will have approximately 20 minutes to make
3 their presentation. Each government official will
4 have approximately ten minutes to speak, each
5 community representative, group representative, may
6 have approximately five minutes and individual members
7 of the public about three minutes.

8 Each speaker should begin their remarks
9 by stating his or her name, the municipality where he
10 or she resides, and if they're speaking on behalf of
11 an entity, the name of that entity. If you are
12 speaking today and you have written notes of testimony
13 which you will read from during the hearing, when
14 you're finished if you could give a copy of the
15 written testimony to our court stenographer, which is
16 sitting here in front of me, that would be helpful to
17 her.

18 This is an official administrative
19 hearing, so please treat this as if you were attending
20 a court proceeding. All witnesses speak loudly and
21 clearly into the microphone so that the court reporter
22 and all others here can hear what you have to say.
23 So, let's begin by having each of you that has
24 registered to speak today or will provide testimony on
25 behalf of Washington Trotting please stand and raise

1 your right hand to be sworn by the court reporter.

2 -----

3 WITNESSES SWORN EN MASSE

4 -----

5 PRESIDING OFFICER:

6 Before we begin testimony, I have several
7 hearing exhibits to enter into the record. Hearing
8 Exhibit Number One is the Notice of the Public Hearing
9 sent to Washington Trotting Association. Hearing
10 Exhibit Number Two are the written comments received
11 by the Board by the deadline established addressing
12 the petition.

13 (Exhibits Number One and Two
14 marked for identification.)

15 PRESIDING OFFICER:

16 Comments received are as follows. In
17 support of the project, from Joann Diesel,
18 D-I-E-S-E-L. Opposed to the project, Donna Micklow,
19 M-I-C-K-L-O-W; opposed to the project, Eugene Parise,
20 P-A-R-I-S-E; opposed to the project, David Day;
21 opposed, Gary Scherer, S-C-H-E-R-E-R; opposed to the
22 project, John McCreight, capital M-C capital
23 C-R-E-I-G-H-T. And in support of the project, Keith
24 Povich, P-O-V-I-C-H.

25 These will be entered into the record and

1 forwarded to the Board with requests of the hearing
2 exhibits and transcript.

3 We will begin the presentation of the
4 Operator, Washington Trotting.

5 -----

6 BILL PAULOS, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED
7 AS FOLLOWS:

8 -----

9 MR. PAULOS:

10 Good morning, Bill Paulos, principal of
11 the Washington Trotting and principal of Cambria
12 Casino and Resorts, living in Las Vegas. Good
13 morning, Mr. Chairman, State Senator Stout, State
14 Representative Solobay, Mr. Dillon, who is the Acting
15 Executive Secretary of the Horse and Harness
16 Commission, and everybody else in attendance.

17 Since September 27th, 2006 we have been
18 in partnership with the Commonwealth of Pennsylvania.
19 We take all our partnerships very seriously and work
20 very hard to make them successful for both parties.
21 To secure this partnership, we had to make very, very
22 serious representations and promises. If you
23 remember, there was a question with this Board whether
24 we would be a financially-viable business. As we have
25 seen since the opening of the temporary in June '07,

1 and the perm in April of '09, we have had a very, very
2 successful run.

3 From that temporary opening to January of
4 '09, we have garnered revenues of over \$666,000,000.
5 We have paid fees and taxes of over 310,000,000 or
6 16.4 million per month. To our other partners, the
7 Horsemen of our historical Meadows Racetrack, we have
8 given over 8,000,000 in that --- 80,000,000 in that
9 same time frame. That's more than 4.2 million per
10 month, not bad since that in 2006 the entire year's
11 worth of purses were \$10,000,000.

12 Hopefully our partners are happy with our
13 performance today. Of course we hope to improve on
14 those results. There were many challenges over the
15 past 12 months that we believe will be overcome in the
16 ensuing months.

17 We also promised to be good corporate
18 citizens. To that end, out of the Meadows' share of
19 these revenues, we have given over \$775,000 toward
20 philanthropic endeavors to over 25 organizations over
21 the past two and a half years from the North Strabane
22 Volunteer Fire Department to Washington County Food
23 Bank to the Pennsylvania Special Olympics. Through a
24 program we established called Neighborhood Partners,
25 our patrons have spent more than \$2.5 million in these

1 Washington County businesses through points they
2 earned and redeemed for gift cards. This number does
3 not take into account what they might have spent over
4 and above the gift shop --- gift card on that
5 particular shopping trip. Yes, we take our
6 partnerships and promises seriously and will continue
7 to do so.

8 The issue at hand, however, is our
9 capability to establish a Table Games Department at
10 the Meadows that is successful in all aspects;
11 training, game protection, revenue creation and a
12 great entertainment experience for our patrons.

13 On the next slide you will see our
14 management's expertise. My partner Bill Wortman, who
15 is in New Hampshire right now working on a Gaming Law,
16 asked me not to read this aloud because he gets tired
17 of hearing how long we've been doing this. I
18 personally have opened over a dozen major casinos
19 around the world; Crown in Australia being the largest
20 with 300 table games. However, the most similar might
21 be Greektown in Detroit, where we trained 2,500
22 employees who had never been inside a casino before.
23 We also trained the professors at Wayne County
24 Community College so they could provide casino career
25 classes after we were open; something Sean will speak

1 to later in this presentation.

2 Before I turn it over to Sean, however, I
3 will be remiss if I did not take time to thank our
4 partners, the Commonwealth and the Board, for their
5 help, cooperation and good faith in this endeavor.
6 Also our partners, the Horsemen at the Meadows, who
7 try to put the best possible product on the track each
8 and every day. Thanks to the town Board of North
9 Strabane and Frank Siffrinn, Township Manager, and to
10 all the folks down at the township offices who we've
11 worked with on a daily basis. All Washington County
12 Board of Commissioners and the Greater Washington
13 County Chamber of Commerce, without their support we
14 would have not accomplished our lofty goals.

15 I would also like to take this
16 opportunity to thank our State Senator, Barry Stout,
17 and State Representative, Tim Solobay. Their
18 dedication to the Meadows over the last four years is
19 absolutely unquestionable. Last, but certainly not
20 least, I would like to thank the great people of
21 Western Pennsylvania who support the Meadows every
22 day, without who we wouldn't be here.

23 Now, I take great pleasure in introducing
24 Sean Sullivan, the Vice President/General Manager of
25 the Meadows Racetrack & Casino, to take you through

1 the Meadows Table Game Presentation. Thank you.

2 -----

3 SEAN A. SULLIVAN, HAVING BEEN PREVIOUSLY SWORN,
4 TESTIFIED AS FOLLOWS:

5 -----

6 MR. SULLIVAN:

7 Thank you, Mr. Paulos. A couple of quick
8 things. Today is an exciting day for us at the
9 Meadows. We're excited about the opportunity of table
10 games coming. An interesting topic that we have with
11 our table games management crew and those in executive
12 positions is, the Meadows is proud to say that we've
13 made promises and we've kept our promises. There's no
14 question the Meadows has delivered on the things Bill
15 mentioned. \$390,000,000 in taxes and purse
16 contributions, that's astounding, that's fantastic,
17 \$775,000 in charitable contributions, 2.5 million in
18 neighborhood partners. I mean, these are exciting big
19 numbers that benefit all of our partners.

20 175 years of experience, a lot of it
21 sitting at the front table, a lot of it within the
22 organization. It's a fantastic wealth of knowledge.

23 The good news with table games, and then
24 I'll talk to you about some of those specifics, is now
25 we're a full entertainment experience. A couple of

1 more things coming down the road, some surprises, but
2 right now from bowling, to restaurants, to slot
3 machines, to table games, to the racetrack experience.
4 Everything is woven perfectly together. We're going
5 to be a complete full-entertainment facility. It
6 allows us to keep some of those experiences going out
7 of the state, to West Virginia, other places, even Las
8 Vegas and Atlantic City to stay local. And that's an
9 exciting concept.

10 The best news is we've got more jobs
11 coming aboard. Right now we're looking at 549 jobs, a
12 little preliminary, but we're in that range of 549
13 additional jobs at the Meadows. And these are family-
14 sustaining jobs. We'll talk about that in just a
15 moment. Very exciting, and I think it puts us up
16 there, if not at the top Washington County employer,
17 real darn close. So, we're excited about that.

18 And as Bill mentioned, we do consider
19 this partnership a partnership with the Commonwealth,
20 a partnership with the Gaming Control Board, a
21 partnership with the Horsemen and a new partnership
22 with our Community College of Beaver County. We'll
23 hear a little bit about that, and then equally our
24 guests. Our guests are part of this. They have to be
25 on the same team. We want to provide winning

1 experiences for every one of our shareholders, our
2 stakeholders, and I think we're doing that. And we
3 will absolutely continue to do that going forward.

4 If I can --- and I'm a little better on
5 my feet, so I hope I don't ---. I can talk well.
6 I'll talk right towards you. But just quickly, this
7 is just a quick, if you will, a timeline of the things
8 we've accomplished. And we're very excited about
9 this. We're already in the middle of training. We
10 just finished our job fairs. We had job fairs down at
11 the Holiday Inn, but we continue --- continue those
12 job fairs in the property for a number of weeks.
13 Absolutely astounding results. I'll tell you
14 momentarily how many candidates we had, over 2,000.

15 We submitted our petition not too long
16 ago. Here we are today with our Public Hearing
17 portion of the process of the journey. We started
18 Craps' training just this Monday. We started our
19 managerial training a week before that, so we're well
20 on our way. We've got tables at the Meadows, we've
21 got a great training center we'll talk about, but
22 we're very excited Craps has already begun. We're
23 about to embark upon Blackjack, Roulette and Baccarat,
24 employee licensing. I mean, there's so many things
25 that have to come together, and the team at the

1 Meadows is doing a fantastic job working with the
2 Control Board and others to get this done.

3 You can just look at this very quickly,
4 but setting up the devices will come in June on the
5 main casino. All of this assumes a July go live date,
6 if you will. That still fluctuates. We're not a
7 hundred percent sure, but we're shooting for being
8 prepared the 1st of July, so that's our goal.

9 Just a quick summary of the table game
10 offering that we're going to provide. We've got 62
11 total games, 42 of those --- not including poker right
12 now --- 42 of those will be up on the main casino
13 floor. I'll show you a quick drawing of that right
14 off center stage, very exciting location. Downstairs
15 to enhance racing, to put those pari-mutuel type
16 betters together, those that bet on races, those that
17 bet on poker are often the same individuals, so we
18 think we'll be drawing tons of people, if you will, to
19 our hub of racing activity downstairs next to our
20 bowling alley, our deli, the racetrack itself and our
21 poker room.

22 In our poker room, we'll have 20 tables
23 that are live action tables and six tournament tables.
24 So, we've got a fabulous --- and I encourage everybody
25 to come by --- a fabulous poker room, one of the best

1 I've seen in this industry ever. This gives you a ---
2 kind of a 30,000 foot look at the table games'
3 location on the main floor. This would be our valet
4 entrance, our main porte-cochere entrance where many
5 of you have come and experienced the Meadows.

6 When you come in, you'll be coming in not
7 too deep into the property and bingo, you're right in
8 the middle of our table games' setting. The greenish
9 olive color represents smoking, the blue, nonsmoking.
10 Just so you know, we try to be accommodating to each
11 and every guest that comes in. We have a large
12 nonsmoking area. These will be --- these will be
13 nonsmoking tables. And then, of course, we have
14 smoking for our guests as well.

15 Our poker room, as I mentioned --- and
16 this white space is all backhouse, our employee dining
17 room, our offices, all those things that make this
18 facility run. But down here in the public area, if
19 you come down the primary escalator, you'll see our
20 bowling alley, you'll see the poker room here. You
21 can see 27 tables, I think that is. We have a
22 beautiful bar in our poker room. We have a little
23 buffet area for food. I mean, this is a first class,
24 first rate poker room. We've got a race book area,
25 we've got a great deli, Delvins Deli. And then right

1 out here takes you to the grandstands to our
2 racetrack. So, we think we've enhanced the entire
3 racetrack experience and brought the property together
4 in a complete entertainment package, so we're proud of
5 this effort.

6 A couple of things about establishing and
7 sustaining jobs. We mentioned that a little bit
8 earlier. Right now we're looking at 515 table game
9 specific jobs. All those positions could be found on
10 this side of this chart here. In addition, 34
11 supporting jobs. Those are things like the cage
12 cashier, security officers. The whole area has to
13 step up. Not on here, but what is expected is slots
14 may also have to increase. We know that table games
15 just isn't about table games, it's about enhancing
16 revenues for the race book, it's about enhancing
17 revenues for the bowling alley, for our restaurants,
18 all the things we do.

19 And, in fact, we won't touch on it, I
20 won't get too deep into it, but we've got some
21 fabulous outdoor concerts scheduled this summer with
22 Willie Nelson, and Bobby Vinton, a local celebrity.
23 And our first one, Peter Frampton. So, we're very
24 excited about that. Again, pulling the entire
25 property together to be one giant entertainment

1 experience.

2 This talks about the average wage. This
3 is just a quick pixel of what we know with that 175
4 years of experience, we know that we can expect a
5 gratuity associated, the tips that people earn like
6 great guest services, great skill in delivering the
7 games, dealing the games. We know that they're going
8 to be in this range of \$15 per hour. We hired a lot
9 of people from Mountaineer and Wheeling and they tell
10 us that their dealers are making \$17 an hour. So,
11 we've actually been somewhat conservative here on this
12 \$15 an hour. You add that to the all important \$7.25
13 Federal minimum wage, this is important.

14 Something you will see on the property,
15 you will see in tip-related positions, people might
16 come in at \$5 an hour, \$4 an hour and they may say,
17 well, this compensates for that. Mr. Paulos and his
18 team would never have that, they start at a fair wage.
19 They start at the right wage. When you add that, this
20 makes this a \$22 position, if you will, about \$44,000.
21 If they're good and they practice their guest services
22 and they're entrepreneurial and they really are in
23 their game, this can go up; they can make a little bit
24 more. But this is a conservative estimate of what we
25 think annually a person is going to make.

1 In addition to that, they get a free meal
2 in our EDR every day. Now, some properties, some
3 areas, are charging for their meals and Mr. Paulos
4 wouldn't have that. It's a free meal, enjoy it,
5 you're on our facility, you're working on our behalf
6 we want you to feel good about your experience.

7 401(k) program, payment of a license.
8 This is interesting. \$350 it will cost for every one
9 of our employees to be licensed for table games. Some
10 properties are going to charge that to the employee
11 who's going through the training. Mr. Paulos and Mr.
12 Wortman wouldn't have that. We're going to pay that
13 on behalf of the employees in training. Comprehensive
14 benefits and paid vacation. So, family-sustaining
15 job. All the elements covered, all those things taken
16 care of so a person can come to work, be carefree, if
17 you will, have their mind on the game of guest
18 services, have their mind on protecting the game, you
19 know, all the things that are important in table
20 games.

21 Here's a little bit of a touch on our
22 training effort, our diversity. Just quickly, we did
23 have ten job fairs. We have we call it auditions.
24 Momentarily you're going to see a little video clip
25 that shows what ---. People came in and told jokes.

1 We had employees come in and play a guitar. We
2 had ---. It was just enjoyable to see. And people
3 would come up to me and say, man, I didn't hit the
4 note right. And then we say, wait a minute, we
5 appreciate you doing it, we're not looking at how well
6 you play the guitar, to be honest with you, we're
7 looking to see your smile, we're looking to see your
8 eyes. Can you make eye contact? We're looking for
9 people that can be great guest-service employees.
10 We're not looking for how great your joke is.
11 Actually, some of them, I won't go into it. There was
12 one that I will just not forget in the group, and I
13 laugh when I say it, but --- and I will tell you about
14 it.

15 But a little bit interesting. But the
16 guy told the story so well, we wanted to hire him.
17 Okay. 2,187 applicants, we have a lot of people to
18 choose. We have a lot of people that want to work at
19 the Meadows not because of these job fairs, not
20 because of the auditions, but what the Meadows stands
21 for. So, we're proud of this and we're happy that we
22 had such a good turnout.

23 Training at the Meadows, this is one of
24 the most important things. Early on we had no doubt
25 in our mind, working with the Community College at

1 Beaver County provided us tremendous opportunity. It
2 brought that administrative support that we got. It
3 brought that education and that training opportunity
4 to us. You know, we're table games' operators, we're
5 operators of casinos, we're not necessarily teachers.
6 So, bringing the Community College and really
7 developing what we're extremely proud of, these great
8 manuals on Craps, on Roulette, on Blackjack, these are
9 what our students will learn from. When they hit the
10 floor with live games, they'll be ready. And Beaver
11 County Community College or County College of Beaver
12 County is tremendously valuable in that effort.

13 Just quickly I'll let you look at this,
14 but we're ready to go. We already started and it's
15 exciting stuff. A couple of clips.

16 MS. BELL:

17 Move over American Idol, Western
18 Pennsylvania Casinos are looking for some talented new
19 dealers. Today at the Meadows in Washington County,
20 applicants had to audition for the part. The
21 untraditional job fair gave those in line just a few
22 seconds to show off their talent.

23 MR. SULLIVAN:

24 The next one is a little bit of a news
25 story that we think summarizes the whole experience.

1 MS. BELL:

2 Washington County announced tonight, in
3 table games coming to Pennsylvania's casinos, hundreds
4 of new jobs are opening. The Meadows in Washington
5 County has completed its final job fair and more than
6 500 people are in line for a grand new career.
7 Channel Four Action News reporter, Ari Hait, how do
8 you think it looks, how those people will be trained?

9 MR. HAIT:

10 Full disclosure here. This is not my
11 first time near a table game. What I can tell you,
12 it's a lot easier playing these games than dealing
13 them. Let's start with Blackjack instructor, Mike
14 Pool.

15 MR. POOL:

16 The first thing I'm going to do,
17 naturally, is teach them to shuffle. It looks easy,
18 but unfortunately it's not.

19 MR. HAIT:

20 Pool says it's important to shuffle the
21 cards just at the corner. That keeps the cards in and
22 keeps them from being bent. It takes weeks to learn
23 how to shuffle cards properly. I am far from
24 proficient. Next up, exchanging money for chips and
25 doing it as fast as possible.

1 MR. POOL:

2 Now, if I had a hundred, I could do it
3 that quick.

4 MR. HAIT:

5 That is not as easy as it looks. He does
6 show me how to load the cards into what's called the
7 shoe, prepping for the first deal, and then it's time
8 to play. This, believe it or not, is the easy part.
9 The secret is just to make sure the cameras above can
10 see everything.

11 Next up on our training list, poker.
12 Peter Lau is the trainer here and he also goes over
13 shuffling and exchanging money for chips. But for
14 him, dealing properly is vital; sitting straight and
15 relaxed.

16 MR. LAU:

17 I'm not bending, I'm not stretching and I
18 don't feel tired after eight hours.

19 MR. HAIT:

20 Next up, Craps. By far this is the most
21 complicated game in the house, that's why the training
22 takes a month and a half.

23 MS. RANCHER:

24 Because the pass (phonetic), to my
25 knowledge, back here, are different than your

1 placement payouts, are different and everything up
2 there is different.

3 MR. HAIT:

4 Dealers will learn the odds for every bet
5 on the table and how to pay them quickly. They'll
6 learn bets on the table are placed based on where the
7 player is standing. But above all, the one lesson all
8 dealers here will learn, customer service.

9 MR. POOL:

10 It takes the dealer, you know, to be the
11 ambassador of the game, to explain the game. We don't
12 want anybody to feel intimidated, but --- you know,
13 they can't play the game.

14 MR. HAIT:

15 Because Craps is so much harder to learn,
16 they actually start teaching this game on Monday. The
17 rest of the games in the casino, they will start the
18 training for them a couple weeks after, in April. At
19 the Meadows, Ari Hait, Channel Four Action News.

20 MR. SULLIVAN:

21 And that was actually a great clip
22 because, you know, if you listen closely, it addresses
23 guest services. And it addressed --- Peter talked
24 about, we want our dealers to be comfortable. We
25 don't want --- you know, being on their feet a long

1 time during the day gets difficult. So, they talked
2 about the eye in the sky or the camera. So, it's
3 really a complete picture of things that have to come
4 together to provide a great table games' offering, and
5 we think we're on our way.

6 Some quick things about --- here on
7 diversity. And it's important for everyone to
8 understand our corporation, our company is committed
9 to diversity. We're absolutely going to continue the
10 path that we've been on, and that is providing a
11 diverse work environment.

12 A couple of things to chat about --- the
13 Meadows workforce, just quickly, is 51 percent female,
14 Washington County 52 percent, so we're right in that
15 range. It talks about management, it talks about here
16 minority, 5.6, Washington County 4.8. So, we're
17 comfortable with this. We absolutely will continue
18 this commitment.

19 We will see a little bit of a male shift
20 here. Dealers in some of these games are going to be
21 male, but we'll hopefully be, at the end of the day,
22 in this race. So, we're happy with this and we're
23 going to continue this diverse program at the Meadows.

24

25 The table games economic impact, this

1 talks just specifically about tables. We're expecting
2 \$37,000,000 in our first full year of table games'
3 operation. What that means is 5.2 million in tax
4 dollars that goes to the Commonwealth. We'll also put
5 up upfront monies, if you will, licensing fees, of
6 16.5 million. So, these are big dollars that come as
7 a result of this new product offering, in addition to
8 stimulating horse revenues, slot revenues and things
9 that continue to give to the Commonwealth and our
10 partners as well. Local authorities \$740,000, two
11 percent. \$30,000 to North Strabane, 549 jobs as we've
12 talked about, and a lot of money being spent on the
13 capital expenditure related to this, from uniforms to
14 all these things that we have to buy locally to make
15 sure --- many cases locally, some out of state. But
16 important things in dollars is being spent there.

17 Compulsive gaming, another commitment by
18 our organization committed to compulsive gaming,
19 problem gaming. And this plan, if you will, is also
20 making sure that we keep an eye out for minors. We're
21 doing a good job at this, we're never going to lose
22 our ball --- lose our eye on the ball. We're going to
23 be focused on this, continue to try to do the very
24 best job. Corporate is committed to it, the
25 property's committed to it and it's worthwhile. It's

1 extremely important.

2 Quickly before I end, and before we say
3 concluding remarks, I just wanted to introduce a few
4 of those 175 years of experience. And some of them
5 just joined me, so forgive me for this. And if you
6 could stand up and just kind of say hi. Lance Young
7 is our Table Games Director, who just came in from
8 Vegas. He's been with the organization for, shoot,
9 seven --- how many years?

10 MR. YOUNG:

11 Ten years.

12 MR. SULLIVAN:

13 Ten years. So, knows this stuff upside
14 down. He could have gave this much quicker than me
15 and much better than me. Stacey Rancher over here, a
16 Shift Manager. You saw her, she's famous, autographs
17 after, I guess. Russ Traveke (phonetic) just came in
18 from California, been in the industry a long time.
19 Russ Koline (phonetic). And then Peter Lau, the
20 celebrity of the day there in poker. But a great
21 team. And there's other parts of our business team
22 here. I won't go through it but we --- we're feeling
23 good at the Meadows. It's a great exciting time. And
24 thank you for listening.

25 PRESIDING OFFICER:

1 I'll now turn it over to Chairman Fajt
2 for questions for WTA.

3 CHAIRMAN:

4 Thank you, Linda. Sean, just to follow
5 up on a couple of points that you made. On the 549
6 additional jobs, how many of those will --- are
7 current employees or are they all new employees?

8 MR. SULLIVAN:

9 We have about 160 --- I'm sorry, 66, I
10 believe, that actually put in transfers. They're from
11 security, different departments. So, 66 right now are
12 going through the training. We're going to do
13 everything possible to make sure they're successful.
14 We love to take care of our employees, love to make
15 sure that they get these opportunities, so 66.

16 CHAIRMAN:

17 Okay.

18 MR. PAULOS:

19 But the jobs are still new jobs because
20 we'll have to replace those 66.

21 CHAIRMAN:

22 Got it. That was my next question.

23 MR. PAULOS:

24 Yeah.

25 CHAIRMAN:

1 Thank you. Let me turn over to the
2 horseracing side. And for those members in the public
3 and also you. You've heard me say this before. I
4 don't mean to be a one trick pony. That pun was
5 intended. But horseracing is what brought slots and
6 table games and the casinos to Pennsylvania. If
7 anybody goes back to look at the original Act, it's
8 the Racehorse Development Act and Gaming in
9 Pennsylvania. Horseracing is very important and as
10 we, you know, move into first slots and now table
11 games and make these full casinos in Pennsylvania,
12 it's very easy to lose sight of the racing side. I
13 know it's not as sexy, we all get that, but it's very
14 important. And there are members of this Board who
15 are adamant about this, and I am one of them.

16 And so with that, could you tell us a
17 little bit about what you've done for racing, whether,
18 you know, attendance is up. As you know, there will
19 be an annual report as required by the Legislature now
20 to be filed by each of the Category 1 Racinos in
21 Pennsylvania talking specifically about horseracing.
22 But can you tell us a little bit, Sean or Bill, about
23 what you've done to the backside, and what the impact
24 has been on horseracing? Because, again, I can't
25 overemphasize enough how important racing is to

1 Pennsylvania. It has many, many sideline benefits,
2 preservation of green space, you know, getting more
3 benefits to the racing employees and so forth. So, if
4 you could talk a little bit about the racing side.

5 MR. PAULOS:

6 My pleasure. And let me talk about that
7 relationship from an enhancement of marketing
8 perspective. Mike Jeannot up here may want to talk a
9 little bit about the backside improvements and maybe
10 attendance. But just quickly, we're committed to
11 racing, there's no doubt about it. I was just telling
12 Bill just standing here momentarily that we sent out a
13 mailer to 130,000 of our guests. And racing has a
14 dominance in that mailer. I mean, there's no question
15 about it, they're in there, they're strong. And we
16 know it's an attracting tool, if you will. It's one
17 of our components to get people to come on the
18 property.

19 I run into people all the time that have
20 been working at the track 35 years, you know, and
21 they're working for us still. You know, people that
22 come to the Meadows to enjoy that ---. But I think
23 that if you look at the very beginning, the Meadows
24 Racetrack & Casino, you know, we're the only one in
25 the state that put racetrack right up front and

1 center. We're proud of that; we don't hide it. If
2 you look at the entrance, the first thing you see is
3 the horse, you know. It's front and center. If you
4 look at the way they designed and built the property,
5 the grandstands ---. I mean, we were joking --- you
6 walk out, you're on the track almost. I mean, you're
7 almost --- be careful not to get hit by a horse, we're
8 that close to the casino and the racetrack. So, we're
9 proud of that.

10 But from mailings to five time point
11 promotions that we market around when you wager on a
12 racetrack, you can earn five times points, we treat it
13 just like we do our slot machines and our other
14 venues. Delvins Deli down there ---. I mean, the
15 owners have invested in that area, and there's not a
16 shadow of a doubt, if you come by and you look at our
17 property from the bowling alley to the Devlins and now
18 the poker room, the racetrack is not a stepsister here
19 and it's not a stepchild. It's right up front and
20 center with us. And we're going to do everything we
21 can to continue to market that relationship and use
22 it.

23 I've talked to many of our management
24 team. I can't tell you how important it is for these
25 folks that have been raised in Western Pennsylvania

1 who have been brought up from being a little child to
2 a teenager at the racetrack, what that means to us.
3 That creates good will, that creates a positive
4 relationship, and we want to keep that going. So,
5 we're proud about it and that's just a little bit of
6 the marketing. As for backside, we've done a good job
7 there.

8 CHAIRMAN:

9 As far as ---. One second. As far as
10 the ownership is concerned.

11 MR. PAULOS:

12 We now not only own but we operate the
13 racetrack. That wasn't the case three years ago. So,
14 we have a very vested interest in making sure it's a
15 go. Also, we consider it very important because we
16 have the president of our racing program sitting at
17 the dais with us. So, it is very important to us.
18 Mike.

19 MR. JEANNOT:

20 Thank you, Bill. And Mr. Chairman, to
21 your point, last year ---. We're just about to hit
22 one year of being located in the new facility. And
23 our live racing handle in that year has gone up 36
24 percent over the prior year. So, certainly these ---
25 this is the beginning of success. The other thing

1 that's happened is our signal sales have gone up
2 almost ten percent in the last --- compared to last
3 year. And these fly in the face of, you know,
4 declines in the industry that they're sometimes double
5 digits. So, we're pretty --- we're happy about that.

6 The racing at the Meadows --- the quality
7 of racing has gone up astronomically. The Horsemen
8 have done a great job of enticing extra --- better
9 owners and trainers and drivers to the facilities.
10 So, that's a big, big deal. That's gone up. Sean did
11 a good job of describing how we're marketing the
12 business. One of the things that we have now is we
13 have the talent of the casino people. We've got
14 graphic designers and people who do nothing but work
15 on the mailings. So, we've got a lot more talent to
16 focus on, on promoting the horseracing.

17 Clearly Senate Bill 711 refocuses the
18 casino business --- or the racetracks and casinos on
19 racing. And I fully understand that and we're
20 committed to, you know, stick with that and grow the
21 business. On the backside, improvements, the most
22 visible sign of improvements so far is the \$3,000,000
23 paddock that opened up a couple of years ago. That
24 paddock was relocated from the grandstand side, when
25 the grandstand was demolished to make room for the new

1 facility, that was relocated at the Horseman's request
2 back to the ---.

3 I was saying, the most visible sign of
4 our backstretch improvements --- or backside
5 improvements so far in this \$3,000,000 paddock, we
6 opened up a ten-race --- ten-race building located on
7 the backside, which was the Horseman's preference. We
8 are coming close to completing our plan with the
9 Horsemen to build six new barns that will house 360
10 horses, to tear down 11 barns that were built in the
11 '60s and '70s, and to upgrade the remaining --- every
12 remaining stall on the property, which will bring us
13 to --- somewhere between 825 to 850 stalls on the
14 backside, all renovated, all first class. I think
15 that puts us certainly at the top end of numbers of
16 stalls on a racetrack, so that's a good thing.

17 And also the Horsemen are helping us.
18 Our \$6.125 million is going into the project, of
19 course, the Act 711 money, but the Horsemen are going
20 to contribute some extra money through stall rent to
21 make the --- to make sure we have --- or to enhance
22 the project so we can cover all of the property.

23 CHAIRMAN:

24 Mike, when do you anticipate that those
25 six new stalls will be finished?

1 MR. JEANNOT:

2 The six new barns?

3 CHAIRMAN:

4 The six new barns.

5 MR. JEANNOT:

6 We plan to start the construction in
7 June, and we plan to --- right now to have the
8 construction completed by the end of 2011.

9 CHAIRMAN:

10 Okay.

11 MR. SULLIVAN:

12 Chairman, if I could add just quickly.
13 The idea of these outdoor concerts is also that ---
14 you know, to work those out, you know, the details to
15 have the Horsemen train on the jogging track while
16 we're setting up the concert, we have to have a good
17 relationship. So, operationally it's going to be
18 important to us, too. But bringing 2,500 people to a
19 concert is going --- and putting it on the racetrack
20 is going to be another marketing effort where people
21 will say, wow, I mean, I didn't know this track
22 existed possibly. Wow, this is an exciting
23 environment. So, bringing those concerts --- three of
24 them, bringing, you know --- and maybe a fourth near
25 10,000 people and putting them on the track is a great

1 experience as well. I just wanted to add that.

2 Sorry, Mike.

3 CHAIRMAN:

4 A couple other questions. Sean, back to
5 you on the table games impact, you mentioned earlier,
6 And we heard anecdotally that the industry anticipates
7 this. But can you give us a flavor --- and Bill, you
8 can weigh in here, too, with your experience. How is
9 it or why is it that table games could or will
10 increase the number of slots players?

11 MR. PAULOS:

12 You know, over the years as we've layered
13 in tables to slot venues, what happens is, for
14 instance, some of our slot players would go to West
15 Virginia, okay, and bring with their husbands or
16 spouses or boyfriends or girlfriends, okay, who play
17 table games. And they go down there and they're
18 playing slots. We're going to get those people back.
19 They're going to make an extra trip. People that
20 wouldn't normally come, okay, to the Meadows, strictly
21 because they're table game players, they don't ---
22 they're not going to come. They're going to come,
23 they're going to play table games and they also will
24 wind up playing some slots at the same --- at the same
25 time. So, we'll get more customers, we'll get new

1 customers and we'll attract other customers.

2 Also, we can, and we're able to now, take
3 the Meadows as a destination. Okay? In the two and a
4 half years that we've opened the Meadows, I believe
5 something like a thousand hotel rooms have been built,
6 okay, in the area. We can now bring --- we can now
7 bring customers from Las Vegas, okay, to Western
8 Pennsylvania, okay, as a bonus trip, and enjoy the ---
9 and enjoy the great Meadows that we have. We'll be
10 bringing people out as rewards, our better customers,
11 for instance, for the Willie Nelson concert and we'll
12 bring 50 people out and they'll play. We'll be able
13 to do much more of that. We'll be able to go up to
14 Chicago, where some of our --- where some of our hosts
15 are from, okay, and bring groups from Chicago. So,
16 we'll be able to market much better the overall
17 property, that way bringing more players that will
18 play not only table games, spouses, girlfriends,
19 boyfriends will play slots, ergo, everything lifts up.

20 CHAIRMAN:

21 Next line of questioning is on diversity.
22 Again, this is an issue that, as you know, is very
23 important to the Board. It was important to the
24 Legislature and there's some specific comments in the
25 Legislation regarding diversity. I saw in your

1 presentation, Sean --- I saw the diversity numbers on
2 --- as to minority and also as to women. Can you talk
3 a little bit about your table games' hires and how
4 that fits into those numbers? I did hear you say that
5 there was a larger than normal number of male hires in
6 the table games' area but there will also, obviously,
7 be some behind-the-scenes employment in the table
8 games area. How are your numbers going to change once
9 you load in the table games hires?

10 MR. SULLIVAN:

11 You know, I don't think they changed
12 dramatically. I mean, we're committed to our
13 diversification program. Stacey and Peter and ---.
14 You know, I mean, we will hire those folks readily
15 available. Now, it's preliminary --- and it's hard to
16 tell, we just started our training school. At the end
17 of the day we'll end up with 515 table game positions.
18 As I mentioned, there might be a slight skewing.
19 We're looking on our candidates right now and we may -
20 -- we see a little bit more of a male audience,
21 especially in Craps, for example. But we're doing
22 everything we can --- and it's a conscience effort.
23 You can't just deal the cards and pick them up and see
24 what you have. You have to take a look here. And if
25 it comes to a situation where, you know, there's

1 someone with a diverse background, if you will, and
2 they're just as good as the person next to them, we're
3 going to have to be considerate of that. We're going
4 to do the right thing for diversification. We believe
5 that we'll be very close to our current property
6 statistics.

7 And the one I didn't touch on, I think it
8 was up there, was residency. We're already at 76
9 percent of our candidates living in the PA area, so we
10 know that there's a three-year timeline for the
11 residents to --- I think it's 85 percent to be in the
12 area. We're on our way to that as well. But I think
13 it's a consciousness. I think it's that crew right
14 there taking a look at every candidate and
15 understanding there's a lot of variables that play
16 here when you make a hiring decision. And we will
17 absolutely consciously try to hire those folks that
18 will help maintain our diversification commitment.

19 CHAIRMAN:

20 One last question. Could you provide to
21 the Gaming Board in the near future the amount of
22 money that you are spending? And I saw a slide ---
23 but, again, I think it's important for the public to
24 understand that, you know, the casinos in Pennsylvania
25 are spending money in the community not only for

1 charitable donations and things of that nature,
2 sponsorships, but also for, you know, baked goods and
3 dry cleaning and plumbing services, and snow removal
4 and on and on and on. I thought I saw a number in
5 there, but if you could give us what you've spent
6 annually on average both in the contiguous Washington
7 County area and then also for Pennsylvania, if you
8 could give that to us over the last three years. But
9 we're looking for an annual number on average in this
10 geographic area and then Pennsylvania ---

11 MR. SULLIVAN:

12 Sure.

13 CHAIRMAN:

14 --- statewide.

15 MR. PAULOS:

16 When we built the permanent casino, over
17 90 percent of the money spent, which was \$180,000,000,
18 was in the local area.

19 CHAIRMAN:

20 Uh-huh (yes).

21 MR. PAULOS:

22 So, they're big numbers.

23 CHAIRMAN:

24 Thank you.

25 MR. SULLIVAN:

1 Thank you.

2 PRESIDING OFFICER:

3 And if you could file those responses
4 with the Office of Hearings and Appeals (OHA), we'll
5 include it in your record and make sure all Board
6 members receive a copy of that.

7 MR. SULLIVAN:

8 Okay.

9 PRESIDING OFFICER:

10 Do you have any ---? Does WTA have any
11 follow-up testimony or evidence in relationship to the
12 Chairman's questions?

13 MR. PAULOS:

14 No, I think we're good.

15 PRESIDING OFFICER:

16 Okay. Then we will move on to the public
17 comment portion of this hearing. As I call your name,
18 if you would please come forward to the podium with
19 the microphone to make your remarks. I remind you, if
20 you could state your name, municipality. Spell your
21 name as well for the court reporter. If you're
22 speaking on behalf of an entity, that name --- give
23 that as well. Our first speaker today is Senator J.
24 Barry Stout.

25 -----

1 SENATOR J. BARRY STOUT, HAVING BEEN PREVIOUSLY SWORN,
2 TESTIFIED AS FOLLOWS:

3 -----

4 SENATOR STOUT:

5 Thank you. I'm State Senator J. Barry
6 Stout, S-T-O-U-T. I don't have a nametag on this
7 morning, but after 40 years, I think they know who I
8 am. First, I want to welcome the Pennsylvania Gaming
9 Control Board and the Meadows to Washington County to
10 this Public Hearing to discuss your application to be
11 licensed to provide table games.

12 As my former colleague, Chairman Fajt,
13 mentioned about the history of the Meadows, he's
14 previously served in the General Assembly, and I
15 worked with him, because he was in neighboring
16 Allegheny County, on things important to Southwestern
17 Pennsylvania. But as he talks about the history, when
18 I first got started with the Meadows was in 1963. A
19 few years after I got out of high school, there was a
20 referendum question about the licensing of harness
21 racing tracks in the Commonwealth. Neighboring
22 counties of Allegheny, Westmoreland and Fayette turned
23 it down. It was really coming to the last chance, and
24 Delvin Miller, who had been the advocate of bringing
25 harness racing to the Commonwealth, that got a

1 referendum question on the Washington County ballot in
2 1963.

3 A friend of mine from the local
4 government in the Bentworth School District of Eastern
5 Mon Valley portion of Washington County came to me and
6 asked me to help get this referendum approved. That's
7 the first political campaign I ever got involved, so I
8 got together about six or eight of my high school
9 colleagues and we marked ballots to vote for the
10 referendum in the basement of an office building.
11 They were paper ballots at that time, not high-tech
12 voting machines we have today, to mark these paper
13 ballots and we worked the polls. And my friend at
14 that time is no longer with me, Charlie Faye
15 (phonetic). And Charlie Faye gave me \$50 to work the
16 polls and I split it up with my ten high school mates
17 and we'd go upstairs to the seventh floor of this
18 building to the Election Bureau. The Election Bureau
19 up there, they have the records. So, you go back to
20 1963 and you'll see that the referendum passed by
21 about a thousand votes and the majority of those votes
22 came out of the Bentworth School District area, to
23 bring harness racing to Pennsylvania, to Washington
24 County.

25 And it's really had an impact over this

1 last nearly 50 years that the Meadows has had a
2 positive impact here in Washington County. And now
3 some people said that harness racing was bad and so
4 forth, and gaming, but harness racing has helped
5 Washington County. While we may be close to an urban
6 county like Allegheny and Pittsburgh, we're still a
7 lot of rural activity here in Washington County. And
8 the agriculture community has benefited from having
9 the harness racing track operate here and supplying
10 goods and services to the harness racing industry.

11 I have lived my entire life here in
12 Washington County. I did provide copies of my
13 testimony to the Gaming Control Board and to the
14 public. They're on the table here. So, I think I
15 know Washington County residents pretty well, and I
16 think I know a lot about Southwestern Pennsylvania
17 because the 46th District, which I represent parts of
18 --- most of Washington County, all of Greene County,
19 portions of Westmoreland, Beaver and Allegheny County.
20 So, I've been representing Southwestern Pennsylvania
21 for four decades.

22 The constituents that I serve here, they
23 have needs. They need jobs, family jobs with a
24 future. But most of all, they need hope. We all need
25 new jobs and revenue to grow local businesses and to

1 serve the industry. We also need help to reduce tax
2 burdens. People need to be assured that state
3 investments and their tax dollars are being put to
4 good use. You know, we had a very difficult budget
5 year this current budget year that ran on from July of
6 last summer and finally didn't get it resolved until
7 we got the Table Game Legislation resolved in January
8 of this year. That's just about two months --- two
9 and a half months ago since that's been resolved.
10 But it's a thing that caused a lot of discussions and
11 so forth that finally got implemented. And bringing
12 table games to the Commonwealth is very important in
13 helping to resolve our 320-some million dollar
14 shortfall in the budget. So, the revenue from the
15 licensing fees and from projected tax revenue from
16 table games has a big part in resolving our '09, '10
17 and '11 budget years.

18 Everybody needs to feel comfortable that
19 State Government is protecting them and regulating the
20 activities without stomping on their ability to
21 provide for their families. The Meadows' expansion
22 will help meet the needs of those I represent. The
23 expansion will create good jobs, hundreds of them,
24 here and create a future for working men and women in
25 Washington County.

1 And we just saw a very excellent
2 presentation by the Meadows' management group, and I
3 welcome you here from out of state, from the West
4 Coast, from California and Las Vegas here to
5 Southwestern Pennsylvania. You're lucky about --- you
6 missed about two-foot of snow here about a month ---.
7 You're lucky you're here now in the latter part of
8 March instead of the middle of February.

9 And Mr. Sullivan identified as many as
10 550 jobs will be created with the licensure of table
11 games here at the Meadows Racetrack. And 80 percent
12 of those jobs are residents here in Washington County.
13 And I have had the privilege of working with Mr.
14 Sullivan as they started to reach out how to identify
15 potential applicants for the --- these jobs and the
16 training programs and so forth. And members of my
17 staff, Charles Crouse, Sharon Russell and Joyce
18 Popovich, we met numerous times and worked together in
19 developing, with the county officials, a plan and
20 their Job Training Committees to benefit Washington
21 County and people here in Southwestern Pennsylvania.
22 Local industries provide goods and services to the
23 Meadows, and that's very important because what they
24 do, they create job opportunities.

25 And I'm not going to read my whole

1 remarks here, but they're on the record and they are
2 submitted in my documentation. But that's a very
3 important thing to create here. There's not only the
4 550 jobs here in Washington County at the Meadows, but
5 here in Western Pennsylvania we're projecting over
6 3,100 jobs here in Western Pennsylvania, and statewide
7 a projection of nearly 16,000 jobs because the ratio
8 from slot machines to go to table games would be about
9 18 to 1. So, in order to put on table games you have
10 to have a larger employment force to provide table
11 games to the public, so those jobs --- it's going to
12 increase our revenue to Pennsylvania in tax revenues
13 and in --- as money --- those taxes that go to help
14 offset property tax relief, school tax relief, to
15 citizens in Pennsylvania. And the projected increase
16 in revenue from table games will help provide that
17 revenue, which is needed.

18 And then on the slot machines, as Mr.
19 Sullivan indicated, there would be about a three and a
20 half percent increase in revenue from the slot
21 machines because table games bring in a larger crowd
22 of people wanting to have an opportunity for both slot
23 machines and for table games, so ---.

24 The statistics don't really --- they gave
25 you some data about different things, advantages of

1 different things that doesn't really tell the story
2 exactly what it means to people, because I have a lot
3 of constituents that are looking for jobs. As you
4 know, certain portions of Western Pennsylvania have
5 been impacted economically over the last 25 or 30
6 years because of a decline in employment in the
7 manufacturing area in manufacturing jobs and steel
8 industry jobs here, but we have rebounded some because
9 of tourism, and by entertainment. So, that has
10 created job opportunities here that are very
11 important. And I have good faith that the Meadows,
12 their presentation, that they will live with that ---.

13 I first met that gentleman, Mr. Paulos,
14 about three and a half years ago, when he came to
15 Harrisburg, when he put their application in for the
16 first slot machine thing, I liked Bill because Bill
17 was very straightforward. He didn't give me any BS.
18 He told you what they were going to be doing and what
19 he said they'd do, they did. And that's what I
20 appreciate about the commitment you have kept to the
21 Commonwealth of Pennsylvania. You created job
22 opportunities and investing here, in my district, in
23 the 46th District, so I appreciate that.

24 And I worked with Mike Jeannot. Prior to
25 you coming on the scene, I worked with Mike when he

1 put the racetrack here. So, we've had a good
2 relationship in trying to promote harness racing here
3 in Washington County, as I said earlier, because of
4 the revenue they provided for the agriculture
5 industry, for the farmers who supply the services to
6 the harness racing industry.

7 And I've gotten to know Sean Sullivan
8 since we now have instituted the table games. And as
9 I said earlier, he worked with my office to help
10 identify a way to identify potential applicants and to
11 develop a training program that was fair and
12 affordable to people here. And I'm glad that the
13 Meadows is going forth in providing the --- this
14 training to their employees and helping with the
15 licensing fees and benefit package. I think it's a
16 good family-sustaining job income and a good potential
17 for jobs in the out years.

18 And besides jobs at the Meadows
19 associated with table games, they provided a lot of
20 jobs to other businesses for people who do work there
21 in construction of the new facility and investing in
22 goods and services, it creates jobs. And Washington
23 County, because of the Meadows, the harness track, the
24 slot machine casino and now the table games,
25 Washington County has become a destination point here

1 in Southwestern Pennsylvania. And I really appreciate
2 that because --- the casino, Meadows' casino being
3 there on the racetrack, they didn't just put money and
4 bricks and mortar in the building itself, they helped
5 pay for the rebuilding of the racetrack road
6 interchange. And as Transportation Chairman, I was
7 very supportive of the improvements they made. There
8 are nearly \$20,000,000 that the Meadows and Tanger
9 Outlet shared to develop and upgrade the 79
10 interchange to provide a safe avenue access to the
11 Meadows. So, that's the commitment above and beyond
12 what you said in your presentation, nearly \$20,000,000
13 invested in the roads of the Commonwealth. So, that's
14 very important.

15 And another thing is local revenue.
16 Under the Gaming Act, Washington County gets a certain
17 amount of local share money. And I had the privilege
18 of serving this past year on the local share round
19 table Board, which is made up of various officials
20 from government and from the business community in
21 Washington County, and various Chambers of Commerce
22 and so forth, and industrial development groups.
23 We distributed nearly 12 and a half million dollars to
24 Washington County and issued a legislative delegation,
25 my colleague and friend, Tim Solobay, and myself, a

1 part of the Washington County Legislative Delegation.
2 There's six House members and three Senators that
3 represent a portion of Washington County, so
4 collectively the Washington County Legislative
5 Delegation made changes in the distribution of local
6 share money. And for the first time every
7 municipality ---. Washington County has 65
8 municipalities, and every one of them will receive
9 money out of the local share this year of \$25,000 per
10 municipality, plus \$10 per capita. That's going to
11 come to about \$3.5 million that will be here in
12 Washington County to be used by the townships, the
13 boroughs and the cities. Something of public
14 interest. I don't care if they need it to buy a new
15 dump truck, snowplow to take care of the snow. If
16 they need to put a new roof on the township building,
17 it's a revenue source, and this has come because of
18 the Meadows Casino. That money is very important to
19 the districts that we represent.

20 Then other money, about \$9,000,000 is
21 going to projects, applicants, for different things,
22 for an education and training program to help
23 municipalities get infrastructure or to help in
24 economic development for jobs and so forth for
25 Washington County. So, the Meadows Casino had a very

1 important economic impact on --- in Washington County
2 and will continue for years to do that. And this
3 municipal distribution helps every person, whether you
4 live in Avella, Northern Washington County or
5 Sellersville in the south, from A to Z. Washington
6 County benefits from West Brownsville to West
7 Alexander, from east to west, north to south, it
8 benefits Washington County. But these are very
9 important contributions that the Meadows has made.
10 And the licensing of table games will provide
11 additional revenue for the local share, Washington
12 County local share, and for the local municipal
13 distribution and for the host community of North
14 Strabane Township to receive additional funds for
15 public purposes.

16 I know statewide the other areas have had
17 an impact. I'm familiar with Luzerne County because
18 one of my colleagues, a neighboring Senator in
19 Harrisburg, represents Luzerne, and he's told me how
20 much of an impact the Mohegan Sun has had on that
21 area. So, I feel what they've done in Northeastern
22 Pennsylvania, the Meadows will do here in Southwestern
23 Pennsylvania to promote gaming. As I said earlier,
24 Washington County has become a destination point. One
25 of the reasons I said working with Bill Paulos and the

1 Meadows Team, and so forth, they have always
2 communicated with local elected officials, with the
3 county officials, our County Commissioners. They've
4 communicated with local township officials, municipal
5 officials and with state officials, such as
6 Representative Solobay and myself and other members of
7 the Washington County Legislative Delegation. So,
8 that's why you've been successful. You haven't tried
9 to do things behind closed doors, you've been out very
10 upfront with the public, so I highly recommend to the
11 Gaming Control Board that they act on the license
12 application of the Meadows, so ---. And I know the
13 training program is set up with the anticipation that
14 table games can start being rolled out at the Meadows
15 here this coming July. And I'm looking forward to the
16 job creation and to the economic impact and the tax
17 revenues that will be made.

18 So, I would ask the Gaming Control Board
19 now to process and review the Meadows' application as
20 expeditiously as possible and to move forward and
21 grant the Meadows a license to operate table games
22 here at the Meadows Casino because I think it enhances
23 the quality of life here in Southwestern Pennsylvania,
24 creates job opportunities for my constituents. It
25 produces revenue for tax relief for the Commonwealth.

1 It produces services to local communities and host
2 communities and to municipalities that are very
3 important today with this budget climate. As I said
4 about the snow, I wasn't joking. Many of my
5 municipalities have lost --- they've overshot their
6 budget with snow removal and they have limited
7 resources so they're looking at this municipal-share
8 money to help them get out of a very difficult winter
9 budget situation. And I know when the Legislature
10 first considered gaming --- bringing slot machines in
11 2004, there was support from many members here from
12 Southwestern Pennsylvania that made this possible.
13 And we look forward ---. And with the approval
14 earlier this year with the table games, it's the
15 anticipation that I know I will not be disappointed
16 that the Meadows will do a quality job. And I urge
17 the Gaming Control Board to grant the license to the
18 Meadows. I thank you, Mr. Chairman.

19 CHAIRMAN:

20 Thank you, Senator.

21 PRESIDING OFFICER:

22 Thank you, Senator Stout. And your
23 written comments will be entered into our record as
24 Hearing Exhibit Number Three.

25 (Hearing Exhibit Number Three

1 marked for identification.)

2 MR. STOUT:

3 Thank you.

4 PRESIDING OFFICER:

5 Our next speaker is Representative Tim
6 Solobay.

7 -----

8 REPRESENTATIVE TIMOTHY SOLOBAY, HAVING BEEN PREVIOUSLY
9 SWORN, TESTIFIED AS FOLLOWS:

10 -----

11 REPRESENTATIVE SOLOBAY:

12 Good morning. Representative Tim
13 Solobay, S-O-L-O-B-A-Y. I represent the 48th
14 Legislative District where the Meadows Racetrack &
15 Casino is located. Mr. Chairman, welcome to
16 Washington County. And I'm not quite sure after the
17 great presentation was given by the folks from the
18 Meadows, as well as my colleague and mentor, Senator
19 Stout presented, I'm not sure what's left to say as
20 far as the positive aspects of the experience we've
21 had here in Washington County with the advent of the
22 Gaming Law being passed and the folks from the Meadows
23 being part of our community now.

24 I thought that a nice thing might be is
25 to bring a --- bring two pictures in here to show

1 everyone, one from about 25 years ago in that
2 corridor, a racetrack, road and a picture of that
3 corridor now, and the way things have changed over the
4 past 25 years. And I think everyone in the room would
5 say as --- to a great benefit.

6 One other comment I think I need to add
7 is, and it's kind of been referenced before, is
8 promises made have been promises kept. And it
9 probably goes from the first day back when I first met
10 Mike Jeannot 12 years or so back and we started
11 talking this whole thing about gaming way back then to
12 the days and nights that I know Mike spent in
13 Harrisburg during the initial Gaming Bill that was
14 presented, the impacts and the importance that they
15 thought would --- this Gaming Law would make not only
16 in our community here in Washington County, I know
17 that's the preface of today's meeting, but what it
18 would do for the Commonwealth. And the impacts and
19 the commitments that they made all along. Again, go
20 back to that phrase, promises made, promises kept.

21 You referenced in your questions about
22 the importance about what this has all meant to
23 agriculture. I've served for the past 12 years as a
24 member of the Agriculture Committee in the House and
25 I've seen firsthand the impacts and the concerns made

1 from four or five years ago before we were able to get
2 the bill passed is basically how our track here in
3 Washington County, the tracks all over the state were
4 basically hanging on by a thread being able to keep
5 a ---. I mean, it had a very serious thought that
6 racing would be completely leaving Pennsylvania
7 because of the opportunities to compete just weren't
8 in place because the revenues weren't there. This
9 bill, the impact that it has done, statewide as well
10 as locally, has done that promise that it made in the
11 original legislation. You saw figures and you saw
12 facts of the impacts, the amount of purses, the amount
13 of revenue generated for the owners, for the
14 individual folks that work at the track. That has all
15 been a very positive impact. Adventing and adding the
16 table games is just going to increase that opportunity
17 and bring possibly a whole newer crowd to the --- back
18 to the track with the table games in place.

19 I know from a conversation with other
20 agricultural venues across the country, we have owners
21 and trainers and breeders, the whole works, migrating
22 back to Pennsylvania, or even re-establishing
23 themselves in Pennsylvania, from big states like
24 Kentucky and Florida, where racing was --- is very,
25 very prevalent. I don't know if we've got anything as

1 far as California on the racing aspect, but those
2 states, all major agricultural states dealing with
3 horseracing, they're all coming to Pennsylvania.

4 The opportunity for farmland and stall
5 space, and barn space, as well as those indirect
6 impacts of hay producers, people that work in the
7 fertilizers and the feed mills, the different things
8 associated --- the associated vocations that tie into
9 the --- into the agricultural aspect of horseracing,
10 they are claiming opportunities now that they have
11 never had before. So, just fortify your concern and
12 as well as my concern, because I think, again, we knew
13 there were a lot of different reasons why we wanted to
14 make gaming available in Pennsylvania, but on that
15 agricultural component it has been doing what it has
16 said it would do and the Meadows has ---. Again, to
17 echo what Bill said, they were the only facility in
18 Pennsylvania that put racing first and the gaming
19 second whenever they had their name, when they had
20 their promotions, whenever they'd talk about their
21 facility, it's the Meadows Racetrack & Casino. So,
22 that, again, goes back to my comment, promises made,
23 promises kept.

24 The indirect impact that Senator Stout
25 mentioned, some of those things, with our businesses

1 and facilities in Washington County, the wave that
2 goes from the center hub of the casino out to the
3 outlining communities, the outlining businesses goes
4 far reaching. I know I had a lot of folks when we
5 first were working on the Legislation said to me, I'm
6 scared that that place is going to put me out of
7 business. I think we can safely say, going back to
8 those same facilities, they say that place has made my
9 business more than what's it's been, you know, in the
10 past. So, again, the impact, the neighborly effects,
11 the program that they establish with local businesses
12 allowing for the usage of gaming coupons and things to
13 be played out in other facilities within the county
14 has just shown their willingness and their wantingness
15 to make this be a big happy family-type collection and
16 not wanting to isolate themselves and forgetting about
17 the rest of the area.

18 The job opportunities have been talked
19 about, you know, they're going to probably be number
20 one --- number two in the county as far as jobs being
21 produced. And not just basic summertime part-time
22 jobs, these are good jobs that people are going to be
23 able to raise families and stay in our area. They're
24 going to be able to buy homes. They're going to be
25 able to spend money in our stores. So, the economic

1 impact has shown itself very, very good. Again, the
2 adding of the table games, which is going to bring
3 more --- additional folks in is just going to, I
4 think, also add to that.

5 Then a whole other aspect that really
6 hasn't been touched on, but the impact with Beaver
7 County Community College. It brings another
8 educational facility within the county to be able to
9 give other options and other opportunities for our
10 residents of the county to have as far as educational
11 opportunities. We've got a lot of great institutions
12 here already within the county, but the commitment of
13 Beaver County Community College to come within
14 Washington County and establish themselves and to do
15 that as an in-county type facility since Washington
16 County doesn't have its own community college, we have
17 relationships with Allegheny Community College, now
18 Beaver Community College, obviously, WJ, Waynesburg,
19 California, those type places. But this gives another
20 choice, another opportunity. And, again, I think that
21 just shows, again, broadens the opportunities that
22 this whole gaming experience has done for our county.

23 As I wind down my comments, again, as the
24 Senator said, being able to work in conjunction with
25 the facility itself, with the County Commissioners,

1 the local government and the impacts on how this is
 2 done, I can't elaborate as much as Barry did on the
 3 fact of what we were able to do as far as helping all
 4 the other communities, again, with economic impact by
 5 the revenues generated for the local share has been
 6 very sustaining. A lot of communities that were
 7 having a low tax base, being able to do anything,
 8 this, again, has also helped them. Again, adding
 9 additional revenue because of the table games is going
 10 to help even enhance that even more.

11 So, I would echo the comments of Senator
 12 Stout and ask the Gaming Board to highly and strongly
 13 consider the Application for Table Games at the
 14 Meadows and help us to continue what's been --- what's
 15 going on already in the past four years to make an
 16 even better opportunity for the residents here in
 17 Washington County and a better opportunity for
 18 Southwestern PA. Thank you.

19 PRESIDING OFFICER:

20 Thank you. Our next speaker, J. Gregory
 21 Sulc. And I hope I didn't mispronounce your name.

22 -----
 23 J. GREGORY SULC, HAVING BEEN PREVIOUSLY SWORN,
 24 TESTIFIED AS FOLLOWS:
 25 -----

1 MR. SULC:

2 You did, but that's all right.

3 PRESIDING OFFICER:

4 I always get one.

5 MR. SULC:

6 I've been called a lot of things. Good
7 morning. I am Greg Sulc. It's S-U-L-C. I am
8 Chairman of the Board of North Strabane Supervisors,
9 the host township of Meadows Racetrack & Casino. It
10 is an honor and privilege to stand before you to
11 testify what a true neighbor Mr. Bill Paulos and his
12 entire management team has been to North Strabane
13 Township and its residents.

14 I can remember attending an Easter egg
15 hunt as a child with my grandparents at the Meadows in
16 the mid 1970s. My grandfather always told me that the
17 Meadows employed some great people. The standard has
18 not changed. In actuality, the standard has been
19 raised. When North Strabane Township had the
20 privilege to meet Mr. Paulos for the first time, I
21 knew he was old school. It was not because of his
22 age, but because when he shook your hand he looked
23 into your eye and you knew his word was gold. His
24 commitment to not only the township but to the
25 residents of the surrounding communities has been more

1 than we've ever expected.

2 North Strabane Township will soon put up
3 to bid a new public safety building directly across
4 from the Meadows on land donated by the Meadows' Mr.
5 Paulos. This public safety building will feature a
6 substation for both our police and fire departments.
7 The increase in business has also solidified the
8 relationship between the Meadows Racetrack & Casino
9 and North Strabane Township.

10 From the outset, North Strabane Township
11 has emphasized the importance of public safety with
12 the increase of traffic to special events held at
13 Meadows Racetrack & Casino. The communication between
14 the township and Meadows is very impressive. Both our
15 police and fire chiefs are given detailed description
16 of events planned for the upcoming month. The reports
17 outline a detailed timeline by events and possible
18 peak times. This detailed information is used to plan
19 accordingly and maintain the safety of our residents.

20 During a recent visit to the Meadows
21 Racetrack & Casino, I was told by several employees,
22 which were also township residents, how they are
23 thankful of the entire management staff at the Meadows
24 and what a great economic impact it has had on their
25 lives. I personally know these employees, and they

1 were either downsized or lost their jobs prior to the
2 Meadows opening. As one employee stated, I finally
3 can sleep at night knowing that my place of employment
4 will still be here tomorrow. The Meadows Racetrack &
5 Casino is a true blessing to the more than over 1,000
6 employees that it's hired since opening North Strabane
7 Township. As host township, North Strabane Township
8 receives approximately \$2.2 million per year. The
9 additional revenue source has enabled North Strabane
10 Township to increase their road-paving allocation by
11 nearly 125 percent, hire additional personnel and
12 purchase key equipment for each department.

13 A key piece of North Strabane Township
14 that had been missing for many years is a park. And
15 in addition to the previously mentioned items, North
16 Strabane Township is currently building an \$8,000,000
17 community park. This park had been made possible with
18 revenue received as host township. This park will be
19 viewed by all township residents and surrounding area
20 residents. On behalf of the entire North Strabane
21 Township Board of Supervisors, I would first like to
22 publicly thank Mr. Paulos, the entire management team
23 at the Meadows Racetrack & Casino, for maintaining
24 their dedication to the township and keeping their
25 promises. In addition, the North Strabane Township

1 Board of Supervisors support Mr. Paulos, his
2 management team and Meadows Racetrack & Casino for the
3 bid for table games. Thank you.

4 PRESIDING OFFICER:

5 Thank you. Next speaker is Joe
6 Forrester.

7 -----

8 JOE FORRESTER, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED
9 AS FOLLOWS:

10 -----

11 MR. FORRESTER:

12 Good morning. My name is Joe Forrester,
13 I'm President of the Community College of Beaver
14 County. And for the court reporter, my first name is
15 Joe. And as you can tell from the accent, I'm not
16 from this area. Ever since I got here, people have
17 been trying to get me to be Joseph. And with the
18 accent, it's Joe.

19 It's my pleasure to be here this morning
20 and talk about the Community College of Beaver County
21 and talk about our relationship with the Meadows.
22 We're located in Beaver County in Center Township. We
23 have our full campus there. We also have a facility
24 in Chippewa Township, the Beaver County Airport, where
25 we train professional pilots and we train air traffic

1 controllers. We're one of the very few community
2 colleges in the country actually licensed by the FAA
3 to provide training in air traffic control. That's
4 been our signature program up to this point and now
5 we're not interested in trying to develop an
6 additional signature program centered around the
7 gaming industry.

8 Based on the testimony I've heard here
9 this morning, apparently we've also been very quiet
10 about our presence in Washington County. We've been
11 here for a number of years. We've had a joint program
12 with California University in criminal justice. We've
13 actually offered the Associate in Applied Science
14 degree at Cal U for, I think, approximately 13, 14
15 years now. We're in partnership with the Western Area
16 Career Technology Center, running an Associate degree
17 program in culinary arts within the community. We've
18 done a significant amount of workforce training and
19 development in the community in the work of local
20 employers. And it was an extension of that work that
21 brought us to the Meadows originally.

22 As a community college, we offer
23 Associate degrees in arts and sciences for students
24 who are planning on transferring into a Baccalaureate
25 training institution. We offer Associate in Applied

1 Science degrees for individuals interested in pursuit
2 of a particular career field. I've already mentioned
3 air traffic control, criminal justice, culinary arts.
4 We have a number of different business degrees, a
5 number of health occupations' degrees. And we'll be
6 looking at creating an Associate in Applied Science in
7 casino management as part of our partnership with the
8 Meadows.

9 The college's Board of Trustees a number
10 of years ago adopted a vision statement for the
11 college that says simply, we will be an active partner
12 in the educational and economic growth of our region.
13 And clearly we consider Washington County to be part
14 of the region that we serve through the college. In
15 our conversations with Meadows' management, they've
16 demonstrated what you've heard here this morning. Mr.
17 Paulos said earlier they take their partnership
18 seriously and they want to be good corporate citizens.
19 When we first began the conversations, we were simply
20 talking about dealer training. Since that point in
21 time, the casinos have been allowed to do their own
22 training, so our partnership began to take a different
23 course. And in the partnership right now, the
24 training is being conducted through the Meadows, but
25 we are transcribing all of that information and we

1 will actually be issuing certificates for the people
2 who complete the training. And should they elect to
3 move into our certificate and Associate degree
4 programs, they will receive college credits at no
5 additional cost for the training that they have
6 received through the Meadows. So, we're very pleased
7 to be able to put that partnership in place.

8 But it was the conversation with the
9 Meadows that caused us to expand our thinking. And we
10 didn't come in necessarily thinking about a
11 certificate in casino management. We certainly didn't
12 come through the door thinking about an Associate
13 degree in casino management. But being good corporate
14 citizens and being concerned about their employees,
15 they said, we want our employees to have an
16 opportunity to progress in our industry and so would
17 you look at creating these other programs. And we've
18 certainly been willing to do so. And we will be
19 creating those programs as a result of this
20 partnership.

21 We're also looking at expanding our
22 culinary arts program that I mentioned we were already
23 providing. And we're having conversations now about
24 perhaps creating a separate program in casino
25 security. So, the initial conversation has taken a

1 number of different directions, and I think it is a
2 credit to the Meadows that they have asked us to look
3 at things that we didn't initially consider. During
4 the past two months we've helped them develop training
5 materials. Sean earlier showed you some of the
6 training manuals. Those have been submitted jointly
7 from the Meadows and from the Community College of
8 Beaver County. And we're receiving approvals on those
9 and so we are staged and ready to go in providing that
10 training.

11 The Meadows has been most helpful in
12 helping us understand their industry. We didn't know
13 the gaming industry. We still have a lot to learn.
14 But as our partner, they've stood shoulder to shoulder
15 with us. And as they're implementing training,
16 members of my staff are there witnessing the training,
17 helping get things organized and getting us prepared
18 to assume the operation of the training programs later
19 on.

20 I mentioned earlier that the individuals
21 going through the program now will be eligible to
22 receive certificates from the college. They will be
23 able to receive college credits. I think the video
24 clip talked about the length of training for the
25 Craps' dealers, 240 hours. We will equate that 240

1 hours to a credit-hour value and for individuals
2 wanting to come into our programs, then they will
3 automatically receive those credits and they can be
4 applied towards either the certificate or a degree.
5 So, it's a good partnership, it's a solid partnership,
6 and it's a partnership that I believe came out of the
7 Meadows stated interest in being good corporate
8 citizens and taking care of their employees and in
9 providing them opportunities to progress and move into
10 even better paying jobs in the industry.

11 So, in closing, I want to acknowledge the
12 strong corporate support that we've received from the
13 Meadows in developing the training program and the
14 partnership that we've put in place. I think it will
15 ensure that there will be growth opportunities for
16 employees in the industry and they'll have the
17 opportunity to move up within the industry as their
18 interests and abilities might necessitate. So, on
19 that, I again thank you for the opportunity to address
20 you this morning. And if there are questions, I'll be
21 happy to try to respond.

22 PRESIDING OFFICER:

23 Thank you. Our next speaker, Cheryl
24 Randall.

25 -----

1 CHERYL J. RANDALL, HAVING BEEN PREVIOUSLY SWORN,
2 TESTIFIED AS FOLLOWS:

3 -----

4 MS. RANDALL:

5 Good morning. My name is Cheryl Randall,
6 R-A-N-D-A-L-L. I live in Somerset Township,
7 Washington County, and I'm the Executive Director of
8 the Washington Area Senior Citizen Center. I'm here
9 today to support table games at the Meadows Racetrack
10 & Casino. After having worked with senior citizens
11 for over 20 years, I've seen how they've been affected
12 by rising costs. In the past year, seniors did not
13 get a raise in Social Security, and their health
14 insurance premiums went up, along with additional
15 co-pays for lab work.

16 The Meadows Racetrack & Casino did help
17 the seniors last year with a reduction in property
18 taxes. As the Meadows continues to grow, more help
19 will be available for seniors. Our senior citizens
20 center is funded by a Block Grant from the state, and
21 that grant has not been increased in over five years
22 and, of course, that budget does not allow for capital
23 improvements. Last year the Meadows selected us as
24 one of their charities and their donation of \$15,000
25 enabled us to purchase new chairs and blinds for our

1 dining area and replaced items that had been there
2 since 1977. We hope to continue to have a good
3 relationship with the Meadows Casino & Racetrack and,
4 again, support having table games at their location.

5 CHAIRMAN:

6 Cheryl, can I ask you a question, ---

7 MS. RANDALL:

8 Uh-huh (yes).

9 CHAIRMAN:

10 --- please? Have you seen any increase
11 or any problems with seniors gambling too much?

12 MS. RANDALL:

13 No, I have not.

14 CHAIRMAN:

15 Thank you.

16 PRESIDING OFFICER:

17 Our next speaker, Jeff Kotula.

18 -----

19 JEFF M. KOTULA, HAVING BEEN PREVIOUSLY SWORN,

20 TESTIFIED AS FOLLOWS:

21 -----

22 MR. KOTULA:

23 Good morning, Mr. Chairman, members of
24 the committee, of course, Senator Stout. My name is
25 Jeff Kotula, K-O-T-U-L-A. I'm the President of the

1 Washington County Chamber of Commerce. On behalf of
2 the Washington County Chamber of Commerce, I
3 appreciate the opportunity to submit my observations
4 to the Pennsylvania Gaming Control Board on the
5 positive effects video gaming has had on Washington
6 County, as well as our strong support for the
7 introduction of table games. As President of the
8 nearly 1,000-member Washington County Chamber, our
9 business community and membership has witnessed the
10 positive impacts of video gaming in our county. As
11 you're aware, the Pennsylvania Legislature has passed
12 legislation allowing for the expansion of table games.
13 In our opinion and, of course, experience, this action
14 could only add to the business and economic
15 development of our county.

16 Washington County's economy has undergone
17 a significant transformation in the past 25 years.
18 Our county economy was once based on traditional heavy
19 industries and mining, however, our county is now
20 evolved into one based on advanced manufacturing, the
21 development of our natural resources, such as natural
22 gas and coal, and, of course, high technology. This
23 transformation has brought new jobs, increased our
24 quality of life and has attracted new companies to our
25 county. And, in fact, Washington County now has the

1 second highest number of Fortune 500 companies
2 headquartered in Southwestern Pennsylvania with, of
3 course, Pittsburgh being the highest concentration.
4 Fortune 500 companies such as CONSOL Energy and Mylan
5 Labs have chosen to locate in Washington County not
6 only because of our low taxes, high quality workforce
7 and competitive business environment, they have chosen
8 to locate or expand because investments that we are
9 making ourselves with the Meadows Racetrack & Casino
10 being one of our economic drivers.

11 In addition to the hundreds of job,
12 monetary investment and tax revenue the Meadows has
13 contributed to our economy already, we have also
14 utilized the facility to increase our own economic
15 development efforts. In a ten-mile radius of the
16 casino, we have witnessed nearly \$1,000,000,000,
17 \$1,000,000,000 dollars in new public/private
18 investments, projects such as Tanger Outlets,
19 Southpointe II Industrial Park, Strabane Square and
20 Trinity Point retail centers as well as over five new
21 hotels, all within a ten-mile radius, are being driven
22 by the presidents and complementary effects of gaming
23 at the Meadows. With the expansion of gaming to
24 include table games, we expect the positive impacts to
25 increase even more.

1 In addition, the Pennsylvania Legislature
2 in passing gaming, has also directed some of the gross
3 terminal revenues to directly benefit Washington
4 County. To the Washington County Local Share Program,
5 the county receives two percent of the gross terminal
6 revenues from the Meadows to be utilized for economic
7 and community development projects. This program has
8 allowed the Washington County Commissioners working
9 with --- and I have to stress this --- working with
10 our local legislative delegation and economic
11 development officials to invest an additional
12 \$100,000,000 in leveraging funds in addition to the
13 \$30,000,000 that has come directly through this
14 program to new infrastructure, municipal and, of
15 course, economic development projects for our county.

16 In addition, all of Washington County's
17 local municipalities are also receiving a direct
18 monetary benefit from this program, which enables our
19 struggling cities, townships and boroughs the
20 opportunity to also invest in themselves. This
21 program, which is funded entirely by gaming revenues,
22 means jobs, it means a high quality of life, and it
23 means new opportunities for our residents.

24 As you may suspect, the initial passage
25 of gaming brought concerns of decreased customer basis

1 from our local small businesses. However, this did
2 not materialize. What did materialize was significant
3 increases in our county customer base, especially from
4 visitors and tourists from bordering states such as
5 Ohio and West Virginia, as well as the tremendous
6 corporate partnerships and exceptional community
7 commitments that we received from the Meadows itself.

8 The Meadows Racetrack & Casino and video
9 gaming in general have been positive influences on
10 Washington County and its economy. We are now
11 supporting the addition of table games at the Meadows
12 as it will further benefit our economic-development
13 efforts, our economy and our job creation efforts. We
14 fully support gaming and encourage the Board to do so
15 as well. Thank you very much for your time, Mr.
16 Chairman.

17 CHAIRMAN:

18 Thank you.

19 PRESIDING OFFICER:

20 Thank you. Our next speaker, Kim
21 Hankins.

22 -----

23 KIM HANKINS, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED
24 AS FOLLOWS:

25 -----

1 MR. HANKINS:

2 Good morning. My name is Kim Hankins.
3 I'm an Executive Director of the Meadows Standardbred
4 Owners Association. It's spelled H-A-N-K-I-N-S. I'd
5 like to thank you for the opportunity to speak here
6 today. But first off, I'd like to thank Senator Stout
7 for his many years of service to the citizens of
8 Western Pennsylvania and specifically the Horsemen
9 that race at the Meadows. Thank you very much for
10 your service.

11 SENATOR STOUT:

12 Thank you.

13 MR. HANKINS:

14 And I'd also like to thank Tim Solobay
15 for his guidance. I'm new to this area, so learning
16 the legislative process in this area has been a little
17 difficult, and I appreciate Tim's help. The MSOA
18 greatly appreciates the efforts of the Gaming Control
19 Board and its staff, especially Melinda Tucker, to
20 maintain the Horsemen seat at the table and address
21 our concerns. The Table Games Legislation has
22 positives and negatives for Horsemen. Some of the
23 positives, a review by the Gaming Control Board and
24 Racing Commissions of promotional and marketing
25 efforts of horseracing by Category 1 Licensees.

1 I greatly appreciate Chairman Fajt and
2 Executive Director O'Toole's attendance at a recent
3 meeting with Pennsylvania Horsemen and breeders'
4 groups to discuss the specifics of this new
5 requirement. Hopefully the study by the innovative
6 group that contends the slot playing will increase
7 with the implementation of table games will be
8 accurate. Also, the Health and Retirement Programs
9 were held harmless from any decline in revenues due to
10 table games. The limitation of any more than two
11 percent reduction of slot machines should be viewed as
12 a positive also.

13 I would be remiss if I didn't mention the
14 natives. Obviously, the 17 percent reduction in the
15 Pennsylvania Horseracing Development Fund is, in our
16 opinion, contrary to the legislative intent of Act 71.
17 The amazing growth of the industry has been severely
18 hampered, but we will continue and we will move
19 forward. We are greatly concerned that if table games
20 do not increase slot play, there's no failsafe for the
21 Racehorse Development Fund.

22 In regards to local issues here at the
23 Meadows, the MSOA continues to meet and attract
24 management to conclude the Backstretch Improvement
25 Fund Plan and the Horsemen's Live Racing Agreement. I

1 firmly believe the mutually beneficial plan and
2 agreement should be achieved by April 15th. One issue
3 of concern for the MSOA is any reduction of slot
4 machines. We do, though, understand business trends
5 and maintaining a competitive operation with local
6 competition. We will leave the decisions in the
7 capable hands and authority of the Pennsylvania Gaming
8 Control Board. One suggestion for future Act 71
9 legislation would be a requirement for all casinos, no
10 matter what category, to include racebook in their
11 live licensing requirements.

12 I thank you again for this opportunity to
13 speak today and I'll be happy to answer any questions
14 that you have.

15 CHAIRMAN:

16 Thank you.

17 PRESIDING OFFICER:

18 Thank you. Our next speaker, Shirley
19 Fierro.

20 -----
21 SHIRLEY FIERRO, HAVING BEEN PREVIOUSLY SWORN,
22 TESTIFIED AS FOLLOWS:

23 -----
24 MS. FIERRO:

25 Good morning. My name is Shirley Fierro,

1 F-I-E-R-R-O. I am making a statement from the
2 Washington City Mission. The Washington City Mission
3 exists to share Christ, to shelter, to heal and to
4 restore the homeless to independent living without
5 discrimination. We do not care who comes to us for
6 assistance, we only care how they leave. We have the
7 ability to house 56 men and 40 women and children in
8 our facility.

9 We serve over 130,000 meals a year to our
10 residents and to anyone who comes to us in need of a
11 hot meal. Our samaritan services provides food
12 baskets, clothing and furniture to the region's poor
13 and working poor who do not reside with us. We also
14 provide bus tickets and use of the telephone for those
15 exiting the Washington County Jail. We provide over
16 4,000 free medical interventions through the James
17 Arbuckle Medical Clinic, which is located on our
18 campus. We are thankful to all the individuals,
19 churches, companies, foundations and public and
20 private grantors who provide the funding that enables
21 the Washington City Mission to assist the homeless
22 men, women and women with children we serve.

23 A contribution from the Meadowlands
24 Casino assisted us with the support of these programs.
25 Thank you very much.

1 PRESIDING OFFICER:

2 Thank you. Peg Wilson.

3 -----
4 PEG WILSON, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED AS
5 FOLLOWS:

6 -----
7 MS. WILSON:

8 Well, I don't really know where to start
9 first. So I don't forget, I'm thanking you for
10 inviting us all and I want to honor our famous Senator
11 here who nobody has said, we're losing him this year,
12 and that's a very big thing in my heart. Barry, I
13 appreciate your friendship. Okay.

14 I want to thank everybody. I really want
15 to thank Mr. Paulos because I went to him for this
16 food bank ---. Wait, I guess I'll start all over.

17 I'm Peg Wilson, W-I-L-S-O-N, and I'm
18 State Committee 1 from Harrisburg and I'm also the
19 Vice-President of The Greater Washington Food Bank,
20 who I'm here today to speak on behalf of. And without
21 the Meadows helping us so much --- they did a food
22 drive for us with canned foods and paid the customers
23 that come in. And we benefited from all this stuff.
24 So, another thing that they did --- and they donated
25 us money to buy Christmas turkeys, 15,000, which we

1 deeply appreciate, Mr. Paulos. And they're constantly
2 --- anything --- they've just been very good to us.

3 And I want to thank my old friend, Mike,
4 whose helped me, and he is a wonderful adeus
5 (phonetic) here that compares to the Kentucky Derby.
6 I do want to thank you, Mike.

7 Now, the Meadows has done so much, I
8 brought a few notes here because I knew I was going to
9 forget. You were asking about the senior citizens.
10 Well, I'm one of the ones that play there. I love to
11 play and they've been --- like I said, they're just
12 like my second family. In fact, I celebrated my
13 birthday there. They go ahead now --- they've got the
14 hotels coming in, they've got the Tanger Outlet, good
15 construction, and I think somebody from North Strabane
16 got the roads here and the tax ---. The most
17 important thing to me is the people of Washington
18 County have something to dream for now. We had no
19 jobs and people were very destitute and so many people
20 kept calling and explaining their thanks to the
21 Meadows because they've hired them for good jobs.
22 They pay benefits and a lot of places are getting
23 hired at, they didn't have the benefits.

24 So, I think on that I'm very proud of the
25 racetrack here. I've been going there for years. But

1 I'm going to make a statement. I've been traveling
2 ---. Mr. Paulos was saying he's going to bring the
3 ones from Vegas here. I think it's time because I
4 have made many a trip to Vegas. But I think it's time
5 for a lot of us to come to Pennsylvania to see what a
6 beautiful state we have.

7 So, on that, the Meadows has been very
8 good to our community. They've given back so much I
9 will never be able to name everything that they have
10 done. I want to thank Sean Sullivan and his staff,
11 Bill and all of their lovely staff to work with, they
12 help everybody.

13 So, on that I'm going to turn the rest of
14 my time over to Nelly Chester, who can explain more
15 about the food bank. As I've said, I appreciate all
16 of the help you've all given to us and I sure hope
17 you, the Gaming Commission, helps them back. I thank
18 you all.

19 -----
20 NELLY CHESTER, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED
21 AS FOLLOWS:

22 -----

23 MS. CHESTER:

24 My name is Nelly Chester, C-H-E-S-T-E-R.
25 I'm from Somerset Township. We seem to have quite a

1 few of us here. The most popular is our Senator,
2 Barry Stout. I would just like to say thank you. You
3 have been a terrific friend to the food bank. I've
4 been with the food bank for 25 years as a coordinator,
5 running a pantry out of the Ellsworth/Somerset Area,
6 and eight years as a --- as past President.

7 And until you came along, we did not have
8 --- we didn't have the food that we needed in order to
9 fix emergency boxes. Emergency boxes go out to people
10 that are in a situation where maybe they've gone to
11 get their Welfare or food stamps and they have to wait
12 a couple of days. And they've waited long --- too
13 long in order to go get some help. So whenever they
14 are told that they're going to have to wait another
15 week or two in order to get their Access Card, they
16 don't have anywhere to turn. So, what we had been
17 doing prior to so much help from the Meadows, the
18 casino, was the churches, all of the schools doing
19 food drives for us. This has helped us immensely.

20 We also help anybody going from City
21 Mission to a home, from Washington Christian Outreach
22 needing help. We provided food that we had collected
23 at the casino. We provided them truckloads of food in
24 order to help them out. If they're going from the
25 women's shelter and they need an emergency box, we'd

1 use that to provide for that.

2 We just can't --- I personally can't say
3 enough. I've been there when --- at the food bank
4 when --- I went in 10, 12 years ago. We didn't have
5 what we have now. Not only you, but the community has
6 stood behind us. I'd just like to give you --- and I
7 have to take my glasses off to read. An example of
8 how much food that you have provided to the food bank
9 from '07, '08 and '09, \$554,000 --- or I'll take the
10 money --- 554,000 pounds of food in those food drives
11 was collected. Just unbelievable. We've had
12 reporters taking pictures of the food, that it's just
13 --- you just can't believe it.

14 And Barry mentioned we got our last check
15 April of last year for April, May and June from the
16 state for the food that we get. We didn't get any
17 more money in until the end of December. The food
18 that we gave out from July, August, September,
19 October, November and into December, the last two
20 months, a lot of it was boxes. We took all that food
21 in --- Washington Community Service, the prisoners
22 came in and helped us box all that up. That was what
23 the people got in Washington County in order to get
24 them through food-wise until the budget was --- not
25 only was it after the budget was passed, we waited for

1 about a month and a half in order to get money in,
2 maybe even longer. So, in that period of time, we had
3 to get food out to the people. And this really did
4 help us.

5 We feel that you are a friend because
6 you've proven to be a friend. And just appreciate
7 very much what you do for us. Thank you.

8 PRESIDING OFFICER:

9 Thank you. Ray Hamm. Okay. He's on
10 today's list, we'll look for him tomorrow. George
11 Crawford.

12 MR. CRAWFORD:

13 Mr. Chairman, I'm going to defer to Mr.
14 Dillon to speak.

15 CHAIRMAN:

16 Okay.

17 -----
18 MICHAEL DILLON, HAVING BEEN PREVIOUSLY SWORN,
19 TESTIFIED AS FOLLOWS:

20 -----
21 MR. DILLON:

22 Good morning, Mr. Chairman. My name is
23 Michael Dillon, D-I-L-L-O-N. I live in Hampton
24 Township, Cumberland County, near Harrisburg,
25 Pennsylvania. I'm presently serving as the Acting

1 Executive Secretary of the Horseracing Commission and
2 the Harness Racing Commission of the Commonwealth of
3 Pennsylvania. Today with me is Mr. George Crawford.
4 George is the Director of Harness Racing for the
5 Commonwealth of Pennsylvania. Thank you for being
6 here today, George.

7 Preliminarily I would like to make a
8 couple of acknowledgements before I deliver the
9 prepared remarks. I'd like to say, it's great to see
10 Senator Barry Stout. When he was younger, I was a
11 resident of Washington County. Barry was the Senator
12 then. He was a great Senator then and he's a Senior
13 Statesman for the Commonwealth of Pennsylvania today.
14 So, thank you for being here today, sir.

15 Back then David Sweet was my
16 Representative and today it was nice to hear the
17 remarks of Representative Solobay. We greatly support
18 you. We greatly thank you for your strong support in
19 agriculture. A lot of people don't realize that both
20 the Harness Racing Commission and the Horseracing
21 Commission are located within the Department of
22 Agriculture. The Secretary of Agriculture, Russell
23 Reading, is on the Board of Chairman Fajt. He is an
24 ex officio member of the Pennsylvania State Gaming
25 Control Board.

1 We have two current Commissioners serving
2 on the State Harness Racing Commission. They are
3 Chairman Roy Wilt, formally Senator Wilt, who served
4 with Barry many years ago. And we have Commissioner
5 Rick Welch. Our third Commissioner, Art Manuel,
6 recently retired due to illness. So, on behalf of our
7 two current Commissioners, I have two minutes' worth
8 of remarks.

9 Good morning. We the Commissioners of
10 the State Harness Racing Commission, along with
11 Secretary of Agriculture, Russell Reading, are very
12 pleased with the recent Table Games Legislation. We
13 are particularly pleased with what is referred to as
14 Section 1211. Section 1211 provides for annual
15 reports by the Category 1 License holders such as the
16 Meadows Racetrack & Casino located in North Strabane
17 Township. Section 1211 gives the Category 1
18 Facilities the opportunity to indicate what measures
19 will be taken to enhance live harness racing and
20 standardbred breeding in Pennsylvania. We expect the
21 Category 1s to put their best foot forward to
22 demonstrate in concrete ways their commitment to live
23 harness racing and standardbred breeding in
24 Pennsylvania.

25 We expect the Category 1 License holders

1 to provide to us what steps they plan to employ to
2 increase the handle and attendance at the respective
3 racetrack in the ensuing year. The breeding and
4 racing of horses in Pennsylvania are the keystones as
5 to why Act 71, the Pennsylvania Race Horse Development
6 and Gaming Act was passed by the General Assembly and
7 signed into law by Governor Ed Rendell.

8 With the enactment of Section 1211, there
9 will be more of a focus as to what the Category 1s are
10 doing to promote and enhance live racing and breeding
11 in Pennsylvania. There should be a closer connection
12 between live racing, slots and table games. One
13 should be recognized as part and parcel with the
14 other. Expectation will be for the Category 1 License
15 holders to get creative and innovative. Specifically,
16 we fully expect the Category 1 License holders to
17 promote live harness racing in a robust and a
18 sustained manner. Specifically, we fully expect the
19 Category 1 License holders to maintain a safe and
20 professional backside for the wellbeing of the horses
21 and the stable staff. Specifically, we fully expect
22 the Category 1 License holders to support the offering
23 of a significant number of races restricting entry to
24 Pennsylvania bred horses. We are impressed by the
25 serious progress regarding this goal by the respective

1 track management, the Horsemen's group and the
2 breeders.

3 Cooperation between the Pennsylvania
4 Gaming Control Board and the State Harness Racing
5 Commission will be the hallmark going forward. The
6 Category 1 License holders have a duty by law to
7 enhance live racing and breeding in the Commonwealth
8 of Pennsylvania. There should be closer links between
9 the Category 1 License holders and featured live
10 racing in something as fundamental as signage. When
11 you enter the Meadows Casino, you should immediately
12 be aware that live harness racing is being conducted
13 at the facility.

14 As a result of Section 1211, the
15 respective Commissioners throughout Thoroughbred and
16 Harness will have an active role at both the Category
17 1 Facilities and the respective racetracks to see the
18 progress being made regarding the enhancement of live
19 racing at all six Pennsylvania tracks, the three
20 harness tracks, the Meadows, Pocono Downs and Harris
21 Chester, and the three thoroughbred tracks,
22 Philadelphia Park, Penn National and Presque Isle
23 Downs.

24 Through the cooperative efforts of the
25 respective stakeholders in the industry, track

1 management, the Horsemen's organizations and the
2 Breeders' organizations, we have accomplished much
3 over the years and we shall look forward to a bright
4 future for live racing and horse breeding in
5 Pennsylvania, and the promotion enhancement of
6 agriculture in our Commonwealth.

7 We thank you for your attention and your
8 consideration of these remarks. We would ask that you
9 kindly file these remarks for the record.

10 Respectfully submitted Roy W. Wilt, Chairman,
11 Pennsylvania State Harness Racing Commission; Richard
12 J. Welch, Commissioner, Pennsylvania State Harness
13 Racing Commission.

14 And I would like to note on behalf of all
15 of the Commissioners of the respective Racing
16 Commissions our thanks for the very strong support for
17 live racing by Chairman Fajt and other members of the
18 Pennsylvania Gaming Control Board. Thank you, Mr.
19 Chairman.

20 CHAIRMAN:

21 Thank you, Mike.

22 PRESIDING OFFICER:

23 Thank you. Michelle Robinson-Ritter.

24 -----

25 MICHELLE L. ROBINSON-RITTER, HAVING BEEN PREVIOUSLY

1 SWORN, TESTIFIED AS FOLLOWS:

2 -----

3 MS. ROBINSON-RITTER:

4 Good morning. I'd like to take this
5 opportunity to ask for your patience given my voice or
6 lack thereof. Hopefully, I can continue on. I do
7 have it in writing for you. My name is Michelle
8 Robinson-Ritter, R-O-B-I-N-S-O-N, R-I-T-T-E-R. I live
9 in Washington County, specifically South Franklin
10 Township, but I'm here as Executive Director of the
11 Washington Women's Shelter, Incorporated. We're a
12 community organization that provides safe shelter and
13 support services to area victims of domestic violence
14 and their children.

15 I requested the opportunity to speak to
16 you today in support of the Meadows Racetrack &
17 Casino's Petition for Approval to Operate Table Games.
18 There are a number of reasons why I support the
19 Meadows Racetrack & Casino in these efforts. One
20 noticeable and very positive piece of what the Meadows
21 continues to do is to constantly promote itself as the
22 Meadows Racetrack & Casino. They recognize their
23 history and remain true to their roots.

24 Our state and localities have benefited
25 greatly from the tax impact, and positive economic

1 impact in and around the Meadows is proof of their
2 promise to improve the area. Aside from the
3 beautification project that is the new Meadows, I look
4 around at all the hotels and the outlet stores, at the
5 road improvements and at the new construction, and I
6 see jobs. And most of these jobs are for local
7 people. This is a good thing for our area.

8 The Meadows' team is extremely supportive
9 of our community. My organization is living proof of
10 that commitment to improving the lives of their
11 neighbors. Just this past November, Washington
12 Women's Shelter, Incorporated, along with some other
13 local charities, was the recipient of \$15,000 as part
14 of something the Meadows called Charity Mondays. As a
15 non-profit corporation struggling through continuing
16 grant decreases, Washington Women's Shelter,
17 Incorporated was extremely pleased to be the recipient
18 of the Meadows' generosity and commitment to community
19 services.

20 We're not a huge agency with an enormous
21 and particularly influential donor base, so their gift
22 to us was not a clever PR tool. The Meadows didn't
23 have to make these gifts, no one would have been the
24 wiser had they not. The Meadows Racetrack & Casino
25 displayed their community spirit because they knew it

1 was the right thing to do. Clearly, the Meadows
2 Racetrack & Casino has been and continues to be a
3 champion for bettering our community, and I
4 wholeheartedly support them in their efforts.

5 PRESIDING OFFICER:

6 Thank you. That is the list of speakers
7 I've been provided today. If there is anyone here who
8 believes that they were registered to speak and I
9 haven't called their name, can you raise your hand?
10 Okay. Seeing no one who believes they should speak
11 today here, the record created here today, including
12 the transcript of the proceedings and all of the
13 exhibits, including the written comments received by
14 the deadline, will be forwarded to the entire Board
15 for its consideration. The Gaming Act requires the
16 Board act on Washington Trotting's Petition within 60
17 days of its deemed complete date so the Board will be
18 taking up and considering this petition at a Public
19 Board Meeting in the very near future.

20 I want to thank you all for coming today,
21 for your cooperation. This Public Hearing is now
22 concluded and adjourned. Thank you.

23 * * * * *

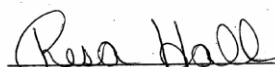
24 HEARING CONCLUDED AT 11:52 A.M.

25 * * * * *

CERTIFICATE

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I hereby certify that the foregoing proceedings, Public Input Hearing, was reported by me on 03/30/2010 and that I Resa A. Hall read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.



Court Reporter