

MINNESOTA GAMBLING CONTROL BOARD

MEETING MINUTES

March 17, 2025

Chair Janet Lorenzo called the monthly meeting of the Minnesota Gambling Control Board to order on Monday, March 17, 2025, at 10:01 a.m., at the Gambling Control Board Office, 1711 West County Road B, Suite 300S, Roseville, MN 55113.

Members Present: Janet Lorenzo, Jim Nardone, Mike Sundin, Kate Luthner, Doug Forsman, Bill English, and Al deJesus.

Members Excused:

Members Absent:

Also Present: Laura Wade, Executive Director; Leah Hedman, Assistant Attorney General; Brett McKeever, Enforcement Manager.

1. Approval of Agenda

Mike Sundin moved to approve the agenda. Kate Luthner seconded the motion; the motion carried.

2. Approval of Minutes

Jim Nardone moved to approve the February 18, 2025, meeting minutes. Mike Sundin seconded the motion; the motion carried.

3. Chair's Comments

Chair Lorenzo wished everyone a Happy St. Patrick's Day and noted how packed the board room was.

4. Director's Report

- Industry Update
 - FY25 YTD (July '24 – Jan '25) gross was \$2.9 billion. This is up 2% over the same time period last year. For those seven months, electronic pull-tab receipts were up slightly more than paper pull-tab receipts.
 - February electronic pull-tab sales were down 21.5% over February 2024, but remember that February '24 was a leap year with an average of \$7.6M in daily sales. We won't have data on February 2025 paper pull-tab sales until the April board meeting.
 - A potentially good sign is that the rate that e-tabs has fallen since December was not as severe from January '25 to February '25. As always, we will continue to monitor.
- Education
 - The in-person gambling manager seminar is going well. We are receiving a lot of positive feedback. The classes have been filling up quickly and we have had to put people on a waiting list. However, registration for May has slowed down some and we should be able to accommodate everyone who wants to attend by June.
- Budget
 - We continue to operate under budget with no unexpected expenditures.
- Staffing
 - Currently in the process of making an offer for a licensing specialist position and have two job postings open for compliance specialists, all in Roseville.
- Legislation
 - Currently tracking bills that address tax relief for charities, but nothing right now that impacts how the GCB regulates the industry.

5. Committee Reports

- *Compliance Review Group (CRG)*: The Compliance Review Group, a committee of the Gambling Control Board, meets with licensees to conduct formal inquiries into alleged violations of lawful gambling statutes and rules. To date, 16 organizations have been brought before the CRG, 12 organizations have completed all sanctions and are finished with CRG. Three organizations are scheduled to meet with the CRG later today. All three of these organizations are new to the CRG. The sanctions imposed by

the board are published in the Gaming News. If the organization works with their licensing and compliance specialists, many issues which cause organizations to come before the Compliance Review Group can be avoided.

- *Education and Outreach Committee:* Education and Outreach Committee met last week to discuss the website updates. Website will have a focus on how charitable gambling serves different communities in Minnesota. The committee also discussed the new CEO training that will soon be available. Shoutout to GCB staff who creates knowledge materials for our elected officials, so they have current information on the agency. Discussed how internal education can also help prevent organizations from going in front of the Compliance Review Group.

6. Public Comment

David Bierman and Steve Lempelius, Eagan Lions #02228, wanted to address the board regarding the recent fund loss they experienced and for reconsideration regarding the denial.

Mike Banovetz, Ely Winton Rod & Gun Club #04828, stated concerns regarding the ethics of the organization.

Rachel Jenner, Executive Director, Allied Charities, addressed the board asking them to reevaluate guidelines for approving/denying fund losses.

7. Old Business

- License 02228, Eagan Lions Club, Eagan. Letter RE: denied fund loss. Letter received requesting reconsideration of a denied fund loss. Board voted to move old business item forward to April agenda.

8. TRANSFER OF GAMBLING FUNDS TO ORGANIZATION ACCOUNT

Exhibit A: Doug Forsman moved to approve the requests contained in Exhibit A. Mike Sundin seconded the motion; the motion carried.

Exhibit B: None.

9. PROPERTY AND CAPITAL ASSET EXPENDITURE REQUESTS (LG269)

Exhibit C: None.

Exhibit D: None.

Fire or Other Catastrophe (LG262)

Exhibit E: None.

Exhibit F: None.

Eminent Domain (LG263)

Exhibit G: None.

Exhibit H: None.

Exclusively Used for LPE (LG266)

Exhibit I: Kate Luthner moved to approve the requests contained in Exhibit I. Mike Sundin seconded the motion; the motion carried with 6 voting yes. Doug Forsman requested a discussion regarding the cost of a trail groomer that was purchased by Merrifield Marathons Inc., license #04720. Forsman mentioned he would like to see bids for larger purchases which would have to be done through rule or statute. Forsman abstained from voting.

Exhibit J: None.

10. CONTRIBUTION OF GAMBLING FUNDS TO ANOTHER LICENSED GAMBLING ORGANIZATION (LG270)

Exhibit K: Mike Sundin moved to approve the requests contained in Exhibit K. Jim Nardone seconded the motion; the motion carried.

Exhibit L: None.

11. FUND LOSS REQUESTS (PROFIT CARRYOVER ADJUSTMENT) (LG250)

Exhibit M: Mike Sundin moved to approve the requests contained in Exhibit M. Bill English seconded the motion; the motion carried.

Exhibit N: Doug Forsman moved to deny the requests contained in Exhibit N. Mike Sundin seconded the motion; the motion carried. Board discussed 60-day timeline regarding notifying GCB staff of fund loss.

12. ADA REPLACEMENT BUILDING (LG268)

Exhibit O: None.

Exhibit P: None.

13. LICENSE TERMINATION PLANS (LG204)

Exhibit Q: Doug Forsman moved to approve the requests contained in Exhibit Q. Kate Luthner seconded the motion; the motion carried.

Exhibit R: None.

14. MANUFACTURERS' GAMES

Exhibit S: Kate Luthner moved to approve the requests contained in Exhibit S. Doug Forsman seconded the motion; the motion carried.

Exhibit T: None.

15. APPLICATION FOR A LICENSE

Manufacturer License Renewal/Linked Bingo Game Provider License/Method of Sale or Transfer of Electronic Games to Distributors:

Exhibit U: Bill English moved to approve the requests contained in Exhibit U. Mike Sundin seconded the motion; the motion carried.

Exhibit V: None.

Distributor License Renewal/Method of Sale or Transfer of Electronic Games to Organizations:

Exhibit U2: None.

Exhibit V2: None.

16. RULE VARIANCE REQUEST

Exhibit W: None.

Exhibit X: None.

17. REQUEST FOR ALTERNATIVE METHOD SELECTING RAFFLE WINNERS

Exhibit Y: None.

Exhibit Z: None.

18. New Business

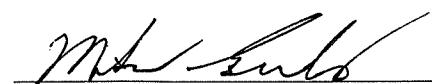
None.

19. Next Meeting Announcement

Chair Lorenzo announced that the next board meeting will be 10 am on Monday, April 21, 2025, at the Gambling Control Board office in Roseville.

20. Adjournment

The Chair adjourned the meeting at 10:57 a.m.



Mike Sundin, Secretary