

Colorado Limited Gaming Control Commission

Minutes of the Emergency Meeting
July 23, 2024

PUBLIC SESSION

I. Call to Order

Chair Armstrong called the July 23, 2024, emergency meeting of the Colorado Limited Gaming Control Commission to order at 1:15 PM MDT virtually via Zoom. Commissioners Tipton and Hyland were present via Zoom, and a quorum existed.

Officials & Administrators in Attendance – all via Zoom

Kevin Armstrong, Chair

John Tipton, Commissioner Vice-Chair

Kevin Hyland, Commissioner

Michael Phibbs, Senior Director Specialized Business Group

Christopher Schroder, Director

Kristi Piazza, Budget Manager, Specialized Business Group

Kirsten Gregg, Chief of Investigations

Allen Hiserodt, Chief of Sports Betting

Kenya Collins, Director of Administration

Bradford Jones, Senior Assistant Attorney General

Torrey Samson, Senior Assistant Attorney General

Vickie Floyd, Controller

Paul Hogan, Chief Auditor

J. Wolff, Agent in Charge, Central City/Black Hawk

Breanne Nolan, Executive Assistant, Secretary to CLGCC

II. Consideration of Supplemental Budget Changes for Fiscal Year 2025

Michael Phibbs, Senior Director, Specialized Business Group, presented the supplemental budget changes to the Limited Gaming Budget for fiscal year 2025. The presentation included details requesting an additional appropriation to the Division of Gaming in the amount of \$495,500.00 to cover tenant improvements and moving costs associated with the relocation of the Central City Division Office. Kristi Piazza, Budget Manager, Specialized Business Group, and Christopher Schroder, Director, Division of Gaming were also present to make comments during the presentation.

Commissioner Hyland asked if there were any architectural service costs not listed in the budget outline. Senior Director Phibbs indicated that there were no architectural services costs.

Commissioner Hyland inquired about current issues with the Central City Office requiring the need for relocation. J. Wolff, Agent in Charge, responded that there is significant damage to the retaining walls around the Central City Office building due to erosion issues and the need for ADA compliance necessitated an extensive remodel to the back alley of the building. He

explained that the estimated total cost for just the back-alley fire escape and ADA compliant lift would be approximately \$800,000. He then detailed that there are also interior issues such as ongoing plumbing issues, HVAC updates needed, and general remodel due to the ailing, historic structure of the building.

Commissioner Hyland asked if there would be additional supplemental budget changes for parking at a new office, or if parking was included in another line item within the request. Senior Director Phibbs indicated that the Ameristar casino had agreed to allow the Division to use its parking structure for parking at the new office location, and this was to be included in the lease agreement. He did not anticipate an additional supplement for parking and that the contingency monies would not be spent on parking.

Commissioner Tipton requested the amount the Division was asking for contingency. Senior Director Phibbs stated that the contingency money would ideally not be spent, but would account for additional moving costs, IT infrastructure costs, and furniture damage or replacement that may happen during the move. Commissioner Tipton stated that projects he had worked on in the past typically went over budget and he wanted to ensure the Division had accounted for enough contingency money to use in the event of extra spending. Senior Director Phibbs explained that approximately \$83,000 would cover the physical move cost and the remaining \$130,000 would include the contingency costs.

Commissioner Tipton asked if anything in the proposed budget accounted for FF&E. Senior Director Phibbs stated that there was a plan, through the Department of Revenue's Facilities Division, to resize DOR offices and that there was a whole office suite available in the Cole building that had furniture and fixtures which would supply the new Black Hawk office space.

Commissioner Tipton asked Agent in Charge Wolff if the new building schematics and space availability would be suitable for the Black Hawk Investigations Unit. AIC Wolff believed that the space would be sufficient and explained that he was included in the planning and tenant improvement processes. He stated that very little of the new building needed tenant improvement and that the transition would be simple.

Commissioner Tipton asked if the budget was approved, how the Commission would identify which lines were for the move and which lines were contingent. He explained that he would prefer to vote on those lines separately, as opposed to voting on the total of \$172,000 for the total move cost. Senior Director Phibbs stated that approximately \$83,000 would be used for the move itself and the remainder would be spent on unanticipated/contingent costs. He explained that these costs were based on an estimate from the Facilities Division and that the Department had not seen an official bid for the move.

Commissioner Tipton asked if a third-party moving company would be hired. Senior Director Phibbs stated that the Facilities Division would arrange hiring of the third-party company through pricing agreements and bidding.

Commissioner Tipton clarified whether approximately \$122,550 of the budget would be for contingency costs and \$83,000 would be spent on moving expenses. Senior Director Phibbs confirmed those totals and explained that they were roughly based on the estimates received.

Commissioner Tipton asked Division of Gaming Director, Christopher Schroder, if it was possible to break those costs down in the official budget request received by the Commission. Director Schroder stated that the Division would be happy to provide those breakdowns, but that the timeline for approval may be altered.

Commissioner Tipton suggested that a motion be made to adopt the proposed budget of \$495,500 but that the Commission allocate \$60,000 for moving and the remaining balance of \$172,000 for contingency so that the Division could track costs of contingency versus moving. Senior Director Phibbs, through Breanne Nolan, Secretary to the CLGCC, provided a document listing official breakdown of costs to the Commission.

Senior Director Phibbs explained that the breakdown was actually as follows: contractor bid base, moving costs, card readers, cameras, window tint, window shades, signage all totaled at \$83,000, while the remainder of the request would be for contingency purposes. He explained that some of these contingencies may include door locks and card readers to make the building more secure, yet accessible to staff. He detailed that the Department aimed to be fiscally responsible with moving costs and that things like signage, window tint, and window shades were not critical to operation; and, therefore, could wait and be purchased with surplus operating expenses at the end of fiscal year 25.

Commissioner Tipton asked which costs accounted for the total line of \$172,550. Senior Director Phibbs stated that the budget was created by the Facilities Department but that the breakdown was sent via email. Chair Armstrong explained that, from his understanding, \$322,950 in construction costs and \$83,000 for moving costs would leave a balance of \$89,550 for contingency.

Commissioner Tipton asked if the Commission could vote on these totals and factor in additional contingency, to total the \$172,550, that the Department of Revenue and Division of Gaming seem to think it will spend so that the Commission will not have vote on additional budget requests in the future. Senior Director Phibbs stated that three separate motions, for three separate line items, could be made. He deferred to counsel and the budget manager to confirm whether these separate motions could be made.

Kristi Piazza, Budget Manager, Specialized Business Group, stated that from a budget perspective, it would be required to have the total lump sum approved or not approved but could breakdown the moving costs and contingency in further detail.

Senior Assistant Attorney General, Bradford Jones, explained that the Commission could make separate motions or could vote on the total lump sum with the following allocations: \$322,950 for tenant improvements, \$83,000 for moving costs, and \$89,550 for contingency.

Commissioner Tipton stated that he would like to make three separate motions, one for each budget line, but that he wanted to defer to his fellow Commissioners for their thoughts. Commissioner Hyland stated that, based on current experience and employer, contingency rates are approximately 35% of the total budget. He suggested that, as Commissioner Tipton had

alluded to earlier, real estate costs typically go over budget; therefore, contingency should be voted on separately.

Senior Assistant Attorney General Jones recommended that the Commission approve the total amount proposed, as there was documentation supporting the requested amounts and that if there was a need to increase the contingency fee, there would have to be a supplemental budget request made in the future. He stated that additional information and documentation would be provided in such an instance of an additional request, with a set dollar amount.

Commissioner Tipton stated that \$89,000 in contingency costs was close to Commissioner Hyland's suggestion of 30%.

Chair Armstrong thanked his fellow Commissioners as well as Department of Revenue and Division of Gaming staff for their comments.

The Commission voted unanimously to approve the \$495,500 increase to the Limited Gaming Operating Budget, appropriation TCCCE1003, for fiscal year 2025 with the understanding of the following allocations: \$322,950 for tenant improvement costs, \$89,550 for contingency fees and costs, and \$83,000 for moving costs and any additional improvements.

III. Adjournment

The Commission voted unanimously to adjourn the July 23, 2024, emergency meeting of the Colorado Limited Gaming Control Commission at 1:47 PM.

Breanne Nolan, Secretary to the Colorado Limited Gaming Control Commission