

The Indiana Casino Gaming News

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Caesars receives service award

Caesars Indiana brought in another community service award this month – and this was a big one.

On March 1, the casino received the President's Award for Community Service at the 73rd Annual Meeting of the Harrison County Chamber of Commerce. About 400 people gathered to hear outgoing Chamber President Pam Bennett Martin outline her reasons for selecting Caesars Indiana as the recipient.

Since opening in 1998, Caesars Indiana has contributed \$75 million to the Harrison County Community Foundation as part of the local agreement.

"But Caesars doesn't stop there," Martin said. "They annually support over 20 non-profit organizations in Harrison County as sponsors, as volunteers and as board members. Harrison County gambled smartly when they passed the referendum in 1993."

"With this award, we thank Caesars Indiana for their continued community partnership." Ed Garruto, General Man-



ager, accepted the award on behalf of the 2100 Team Members at Caesars Indiana. He thanked the residents of the county for their support.

"Harrison County has been a great place to do business and we look forward to many more successful years," he concluded.



Above:
Harrison County Chamber outgoing President Pam Bennett Martin (left) congratulates Ed Garruto.

Left:
Garruto speaks at the ceremony.

Indiana Senate committee, House pass differing slot bills

A bill allowing expanded slot gaming in Indiana passed the state House of Representatives and a state Senate committee.

The bill, which passed the House, 54-39, underwent significant changes before passing the Senate's Tax & Fiscal Policy Committee, though. Whereas the House bill would allow up to 2,500 new slot machines at each of Indiana's horse tracks, the Senate bill would allow only 1,500 each. And while the House bill requires only a \$100 million up-front licensing fee from each track, the Senate bill would require each to pay a \$400 million licensing fee.

The Senate bill, however, features a lower tax rate on slot income - 25 percent on the first \$100 million, 30 percent on the second \$100 million, and 35 percent on

anything above that.

The House bill calls for a flat, 37.5 percent tax rate; both bills call for the tracks to lose their \$27 million in subsidies from the state's riverboats beginning in 2009.

So what effect would this have on Indiana's riverboats?

While the French Lick Casino & Resort would receive a tax break, all casinos would take a hit, Belterra General Manager Larry Buck said. Casinos operate in a world of managed competition - there are only so many dollars to go around. And the more gaming locations Indiana allows, the less attractive the state will become to individual locations.

So adding too many locations, Buck said, will hurt individual casinos to the

point where "we're going to cook this golden goose." Already, his casino has put its plans to add 300 hotel rooms on hold; such growth, at both Belterra, Argosy, and Caesars Indiana, is planned "as a barrier" to possible competition from Kentucky or Ohio. But further competition from Indiana would be very harmful to casino revenue - and to the taxes they pay to the state.

Buck estimated that Belterra would lose up to 16 percent of its revenue to these new slot machines. About 31 percent of that would be a tax loss to the state; losing that much revenue also would mean cutting loose 10 percent to 12 percent of staff.

And, Buck noted, Caesars, Argosy, and the Grand Victoria Casino & Resort would be in similar positions.

The Great Vegas Revenue Shift

The gaming industry is evolving - and Indiana is going with it.

The Nevada Gaming Control Board recently released its detailed financial report for the fiscal year that ended in July, and it contained a few interesting tidbits. The one I'd like to talk about, though, is the discussion of where Vegas casinos made their money.



Last year, on the Las Vegas strip, only about 40 percent of all income came from gaming. That's down from about 58 percent in FY 1990. And while that 40 percent still represents a healthy chunk of money, most strip occupants now are relying on the "one-stop shopping" approach.

That, of course, means that conventions and other forms of entertainment - restaurants, music, etc. - now are becoming the focus of casino expansions, and are pulling in more than half the revenue on the Vegas strip.

Sound familiar?

Of course it does. Look at Casino Aztar in Evansville, which just opened a brand new, \$40 million entertainment district, complete with a boutique hotel, an ultra-hip nightclub, a billiards club and an Irish pub. Or at the French Lick Resort & Casino, which has a new hotel, a state of the art golf course, and so much more.

Depending on which Indiana casino you go to, you'll find spas, golf courses, restaurants, hotels, music, and many, many other entertainment opportunities. And much of the time, when we talk about growth, this is now what we mean - expansion into new forms of entertainment.

These expansions are doing great things for our casinos - and for the communities that host them. They create jobs, they create tax revenue for the community and the state, and they spur economic development by bringing people to the area, thus encouraging other businesses to locate in the community.

Welcome to the future of casino gaming!

- Mike Smith, Executive Director



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In Brief...

Belterra gives to Switzerland County children

The Switzerland County YMCA recently received a nice gift, courtesy of the Belterra Casino Resort & Spa.

The casino donated \$5,000 to the YMCA for their 2007 Strong Kids Annual Support Campaign, which provides many community programs for children of all ages. That includes Spring Break Camp, Summer Camps, recreational flag football and full-court basketball leagues for grade school-aged children.

Adults and senior-citizens also

receive benefits from the YMCA, including Yoga and water aerobics programs for adults, and day trips for senior citizens. All will receive benefits from Belterra's generosity.

And so will many other programs throughout the community in the coming year.

This is the first of what will be "many" community-based initiatives planned at Belterra in 2007. Casino officials say they are excited to see the relationship between the casino and its community continue to grow!

Gaming taxes add more than \$600 million

Information released this month by the Indiana Fiscal Policy Institute indicates that the state collected a total of \$639.3 million in gaming taxes in 2005.

That number represents 5.4 percent of the state's total tax base during that time, making gaming taxes Indiana's third-largest revenue source. According to the Indiana Fiscal Policy Institute report, only

sales and income taxes brought more money to state coffers.

The number represents a significant shift in revenue generation since casino gaming was introduced more than a decade ago. The result is that gaming, sales and excise taxes have created significantly more revenue for Indiana, taking some of the burden away from property and income taxes.

Admission and Wagering Taxes

Admission Tax, February '07	\$ 6,318,834
Wagering Tax, February '07	\$ 70,524,504
Admission Tax, Fiscal YTD	\$ 54,794,536
Wagering Tax, Fiscal YTD	\$461,805,168
Total Admission and Wagering Tax	\$516,599,704

*Fiscal Year Defined as July 1 to June 30

Horseshoe Senior VP and General Manager Rick Mazer proudly displays the check with employees Linda David, Tom Kopanda, Shelby Curry, and Jim Klemesh.



Horseshoe named top sponsor

Horseshoe Casino Hammond was honored this month as one of the United Way's top 10 local sponsors.

The recognition came as part of the United Way's annual Victory Celebration, held to observe the successes of the group's 2006-2007 campaign. During that period, Horseshoe employees contributed \$80,000 to the United Way, placing the company easily among the top 10 givers in the area.

Horseshoe also loaned the United Way one of its executives during the recent campaign, as marketing analyst Tom Kopanda spent

13 weeks conducting presentations to business leaders, encouraging local companies to spearhead their own employee United Way campaigns.

That, along with Horseshoe's donations, also earned the casino the United Way's first annual Casino of the Year trophy at the Victory Celebration.



Wheel of Fortune Super Spin debuts

The world's largest slot machine took a bow in Chicagoland this month, as Horseshoe Casino debuted the Wheel of Fortune Special Edition Super Spin video slot machine.

The game, which is played in 5 cent denominations, has space for nine players, all around a large wheel. Each has the option of simply playing their slot machine by itself, or taking part in the "community" game. The latter option allows them to participate should one player do a wheel spin. Maximum payout for a spin is \$10,000.

"We pride ourselves in keeping our customers satisfied by constantly updating our slot floor with new product," said Rick Mazer,

senior vice president and general manager of Horseshoe. "The introduction of the new Wheel of Fortune Super Spin is another element in providing our guests with the latest slots and the most innovative casino floor."



The Wheel of Fortune Super Spin, shown in a publicity photo courtesy of Internal Gaming Technology.

A LOOK NEXT DOOR

Illinois pushes for expansion

As Kentuckians look to the future for potential expanded gaming, Illinois legislators kept hope alive for a more immediate expansion in their state.

Despite opponents in the legislature – as well as stated opposition from the governor and public opinion polls – a bill to add four new casinos in the Chicago area passed its House committee this month. The bill would allow for some slots and electronic games at racetracks, as well as increase current casino occupancy from 1,200 to 2,000.

In a hearing that the St. Louis Post-Dispatch described as "contentious," advocates of expanded gaming argued that the bill would spur economic development and keep more gaming dollars in Illinois by creating competition for Indiana casinos.

Opponents of the bill cited their overall opposition to gaming – an argument that the bill's sponsor, Rep. Lou Lang, stated was irrelevant, as gambling already is the "settled policy of Illinois."

The bill passed with what legislative analyst Jessica Basham called an "understanding that it's a work in progress." Lang now will work with state agencies, affected casinos, track owners, and other parties to come up with a bill that "everyone can agree on."

For that reason, the bill is not expected to go before the entire House until near the end of this year's session, if at all.

Poll shows more Ky. support

While Kentucky remains unlikely to see expanded gaming happen in 2007, the tide of public opinion appears to be turning in favor of the idea.

A poll of 801 adults, conducted by the Louisville *Courier-Journal*, recently found that 52 percent of Kentuckians now favor casino gambling at the state's racetracks, while only 38 percent of people said they were against the idea. Ten percent remained undecided.

And before long, they may get a chance to vote on the issue.

In late February, Kentucky State House of Representatives Speaker Larry Clark filed a bill that would allow voters to decide on up to nine casinos, which would be at the racetracks and other locations around the state. With the bill being filed 15 days into a 30-day session, Clark acknowledged that it likely wouldn't pass – or, as it turned out, even get a hearing.

But he told the *Courier-Journal* that his plan was to get the ball rolling for a good discussion during next year's 60-day legislative session. Filing the bill now also could make the gambling issue one worth watching in Kentucky's gubernatorial race this year.

Grand Victoria honors ‘exemplary’ employees

Six Grand Victoria employees got a big “Thank You” from their company recently, in the form of lavish awards for their “exemplary service.”

Every year, the casino names three employees as its “Shining Stars” for the year. A committee of volunteers and individuals from all departments in the casino name the winners, who are given their



2007 Award winners Cheri White, John Zurweller, and Deb Planitz.

awards at a lavish ceremony at the start of each calendar year.

This year, bartender Deb Planitz was named Grand Victoria’s Employee of the Year, while slot supervisor John Zurweller was named Supervisor of the Year, and accounting manager Cheri White was the manager of the year. Among other things, each of these employees will receive an additional week of paid vacation, two airline tickets to any city within the continental United States, five days accommodation in that city, and \$1,000 spending money.

And this year, that was only the beginning of Grand Victoria’s honors. Because the casino now has been in business for 10 years, officials this year named three Employees of the Decade, to honor those employees who have provided exemplary service since opening.

Those employees – slot attendant



Peter Martin, Peggy Clinger, and Larry Hensley pose at the awards dinner.

Peggy Clinger, slot tech supervisor Larry Hensley, and table games shift manager Peter Martin – were given, among other things, an invitation to redecorate any room in their homes.

The results varied, from new granite counter tops to a big-screen television.

Resorts has trips and cash to share

After awarding three exclusive trips to this year’s Super Bowl, Resorts East Chicago is back at it again, sending one lucky winner to this year’s Final Four!

George B., of Chicago, was selected from hundreds of entries as the winner of Resorts’ first Final Fourtune package, which includes a trip for two to this year’s Final Four in Atlanta, GA.



Resorts East Chicago recently wrapped up this year’s United Way Campaign, raising more than \$40,000 in employee contributions to support the Lake Area United Way.

Through the program, employees had the opportunity to contribute part of each paycheck to the campaign. Those who donated up to \$4.99 per pay period had a chance to win a \$50 gas card; \$9.99 per pay period earned a shot at larger prizes, and those who donated more than \$10 could win a digital camera or a 42-inch television respectively!

Resorts held its drawing during its recent campaign wrap up and awarded



the lucky winners with their great new prizes. Winners were, from left, Joseph Stranc, Tonya Hale, Eric Kraus, Eunice Tensley, and Gabe Montes.

Gaming terms

Blacklist – List and/or photographs of people who are not allowed in the casino.

Closed Cards – Cards dealt face-down.

Eldest Hand – The card player on the dealer’s left.

First Base – In blackjack, the first seat or position, immediately to the dealer’s left and the player who receives the first card dealt.

Negative Swing – A period in which a loss is shown, even with a mathematical advantage.

Rating - A casino term referring to a player’s potential value as a casino customer for the purpose of allocating complimentary.

