

# MGHA Monthly Report- May 2015



## Message from Executive Director



Great job to everyone for the effort making SGS 2015 a great success. While we are already considering what to do to make SGS better next year with social media, adding vendors and more, we should relish the moment of a job well done.

A sincere thanks to all of our members who made their properties available, and to all of you who sent representatives to the Summit. Without your commitment to send your people, all of our efforts would be in vain.

With the crowds and great weather, you could feel the fun and energy from the evening receptions to the Expo floor. Our chefs did a terrific job and our educational programs were top notch. It was just an all round great show.

If you have any suggestions or ideas for SGS 2016, please share.

We want it to be even better next year -

Larry

## April Gaming Revenues Remain Strong

Last month, we reported Gulf Coast quarterly revenues increased \$14.2 million when compared to the first quarter of 2014. These impressive numbers continued with a monthly increase of nearly \$10 million pushing the Gulf Coast market increase to \$24 million or 6.7% on a year over year basis. While the River Counties were off about \$12.4 million in the first quarter, operators made up nearly \$3 million in April. If these trends continue, we could see pre-recession annual gaming revenues along the Gulf Coast and the long awaited stabilization of gaming revenues in the River Counties.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
<b>Apr 2015</b>	<b>94,284,960</b>	<b>82,771,015</b>	<b>177,055,975</b>
Apr 2014	84,544,909	79,805,756	164,350,665
Apr 2013	85,271,222	90,438,125	175,709,347
Apr 2012	93,377,702	93,706,743	187,084,446
Apr 2011	87,442,376	101,874,488	189,316,864
2015 vs. 2014	11.5%	3.7%	7.7%
	Gulf Coast	River Counties	Overall
<b>YTD 2015</b>	<b>384,159,795</b>	<b>337,128,240</b>	<b>721,288,035</b>
YTD 2014	360,196,356	354,180,231	714,376,587
YTD 2013	359,277,707	379,239,745	738,517,451
YTD 2012	381,162,634	417,480,830	798,643,464
YTD 2011	375,762,069	424,221,633	799,983,701
2015 vs. 2014	6.7%	-4.8%	1.0%

## SGS Keynote Keith Smith—Millennials

During the 2015 Southern Gaming Summit, Keith Smith, CEO of Boyd Gaming Corporation, served as the keynote speaker. Smith talked about Millennials as the generation following today's Baby-Boomers. Millennials are those ranging in age from 21 to 36 years. Much is being studied and written about this next generation in terms of what they like, dislike and what they enjoy doing with their disposable income. Much of today's slot product and casino design is geared toward what appeals to the Baby-Boomers and for good reason. Smith reported they still control about 70% of the nation's disposable income; but, it won't always be the case, he noted. Being strategic and thinking long term, Smith suggested that operators can start investing in Millennials today at a relatively low dollar figure and earn a reasonable return. As an example, he

pointed to changes made at some Boyd Gaming properties. Millennials enjoy their interaction in large group settings and want to utilize technology. Smith shared photographs of Boyd gaming restaurants and clubs where these concepts have been incorporated. Not only have the changes been well received by the customer, but Boyd has seen a return on its investments. From the standpoint of gaming, Millennials spend time on their devices and enjoy game systems. And they want to have a hand in the outcome of who wins and loses; thus, skill based games are very appealing. While manufacturers are looking into new slot designs, Smith shared that Boyd held a \$10,000 free throw contest at one of its locations bringing in Millennials from around the country. While they may call it new, Smith related that it gets down to giving customers what they want.

## SGS Roundtable-Gaming is one of Five Drivers of Tourism



In our 2015 Annual Report, we cited statistics illustrating that approximately 70% of all out of state visitors to Mississippi visit a casino. Last month, in our newsletter, we discussed the “threat of convenience gaming” and, in Tunica’s case, how the convenience of Southland Park in West Memphis, Arkansas has dramatically reduced visitation to the Tunica casinos, leading to lost jobs and reduced tax revenues. Gaming and tourism have the common goal of increasing visitors and extending the stay of visitors; but, with Alabama, Florida and Georgia looking to expand gaming inside their borders, no longer is it just about gaming. This topic was discussed during the Gaming Tourism Roundtable session held during last month’s Southern Gaming Summit. Together MS and LA represent the 2nd largest gaming market in the U.S. only second to NV in gaming positions and gaming revenues. In 2014, MS and LA enjoyed 50 million visitors who spent \$17.3 billion. In the ever changing landscape of new competition, it is clear that gaming is only one of the drivers bringing visitors to a given area. Non-gaming amenities are vital to keep visitors coming back and to encourage longer stays. Statistics and research illustrate how special events bring millions of visitors to an area. In terms of marketing, casinos spent millions in advertising and promotions; however, it is important to recognize that destination marketing and casino marketing are different. Last, but certainly not least, access is essential. An area can offer an array of activities and events and one can market them, but visitors need an affordable and convenient way to travel. Each one of these drivers is key, and the message coming out of SGS 2015 is that we must be strategic and work cooperatively to address each aspect of visitation. The cooperation includes casino operators, tourism boards, government officials working at home, but also, reaching across state lines. To view the deck of this presentation, go to our website and click on the Studies & Analysis tab.

## Our Farewell Event Honoring John Hairston



We are sure that all in attendance would agree that the event held on May 20, 2015 at Carter Green Steakhouse honoring John’s 10 years of service was better than one could have hoped for or expected. With almost 75 people in attendance, the room was full of family, friends and industry leaders to thank John and wish him well. The evening began with our Chair, Susan Varnes, welcoming John and his family and sharing the industry’s gratitude and appreciation for his years of service and leadership. A wonderful meal was served and, in between courses, we heard from Jerry St. Pe’, publically sharing his sentiments about what John has meant to him both professionally and personally. Many remembered that John’s service to the gaming industry began just after Hurricane Katrina came ashore in August 2005 and how he helped lead us beyond those very trying times. Chairman Richard Bennett read a joint resolution from the Mississippi House and Senate, giving tribute and thanks to John for his years of service and his many contributions to the State of Mississippi. Cathy Mackenzie toasted the Chairman with heartfelt words about John’s contributions that have created a path that will continue to have a positive lasting impact on our industry for years to come. Finally, our Executive Director, Larry Gregory, presented John with his gift—a handcrafted rocking chair made by Greg Harkins, a Mississippian who has made these chairs for numerous dignitaries., including several U.S. presidents. Our honored guest closed out the evening with words of gratitude and a message that our best years are yet to come. He then posed in his chair for a few photo ops. All in all a great evening enjoyed by all. If you have words you would like to share with John, please email your message to Mike (mikebruffey@msgaming.org) and he will add it to John’s memory book.



## Gaming News

We would encourage you to visit the Press Room of our website ([www.msgaming.org](http://www.msgaming.org)), where you can view and read about the gaming news. The following is a list of the articles posted since last month's newsletter:

- *Florida Court: Counties can Decide Whether to have Slots*
- *Poarch Creeks File Lawsuit Over Taxes Imposed on Gaming Facility*
- *AGA Head says DoD Credit Cards Should Not Be Banned at Biloxi Casinos*
- *Silver Slipper Casino Opening its Hotel in Hancock County*
- *Coast Casinos Post Big Win in April*
- *2 Gulfport Men Nominated to MGC*
- *Sports Betting Could Boost Casino Traffic*
- *Gaming Officials Concerned About Falling Tunica Casino Revenues*
- *Island View Unveils New Hotel Tower in Gulfport*
- *Alabama Senate Committee Approves Lottery Casino Bill*

If you have news in your area or articles of interest to our industry members, please email us and we will see that it gets posted in the Press Room.

## SAVE THE DATES

Chairman Nolen Canon



Farewell Dinner

Gold Strike Casino

September 16, 2015

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Farewell MGC Meeting

September 17, 2015

## Upcoming Events in June

June 5th—2 p.m. Monthly Member Call

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June 18—9 a.m. MGC Meets in Jackson

## Regional Statistics

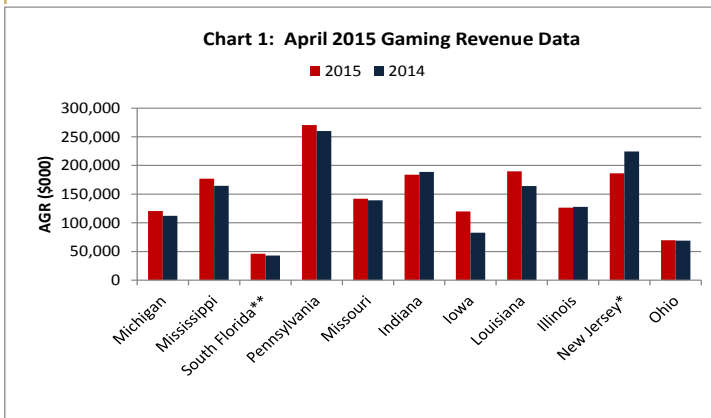


Table 4: AGR Summaries (\$000)

	Apr '15	Apr '14	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
Iowa	119,798	82,818	44.7%	361,563	248,598	45.4%
Louisiana	189,887	163,971	15.8%	584,136	526,314	11.0%
<b>Mississippi</b>	<b>177,056</b>	<b>164,351</b>	<b>7.7%</b>	<b>556,306</b>	<b>554,878</b>	<b>0.3%</b>
South Florida**	46,077	42,821	7.6%	145,710	138,877	4.9%
Michigan	120,549	112,273	7.4%	358,875	347,819	3.2%
Pennsylvania	270,579	259,946	4.1%	795,182	782,421	1.6%
Missouri	142,019	139,164	2.1%	432,200	426,143	1.4%
Ohio	69,515	69,014	0.7%	209,909	215,362	-2.5%
Illinois	126,518	127,631	-0.9%	366,102	381,719	-4.1%
Indiana	183,855	188,644	-2.5%	557,040	574,743	-3.1%
New Jersey*	186,267	224,437	-17.0%	545,021	645,035	-15.5%

\* Excludes \$12.7 million in online gaming revenue

\*\*South Florida only includes slots at racetracks

# Mississippi Gaming Statistics

## April 2015 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	4,150,738	2,622,456	545,019	613,133	1,214,786	Win	9,146,132
	WPUD	\$935	\$3,238	\$1,009	\$1,076	\$826	WPUD	\$1,168
	Units	148	27	18	19	49	Units	261
	Unit Mix	56.7%	10.3%	6.9%	7.3%	18.8%		
	Drop	21,472,489	13,618,386	2,090,251	1,811,448	5,539,999	Drop	44,532,573
	% of Drop	48.2%	30.6%	4.7%	4.1%	12.4%	As % Prior year	92.2%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	1,512,784	594,918	178,519	116,342	213,719	Win	2,616,282
	WPUD	\$776	\$1,525	\$850	\$485	\$1,018	WPUD	\$872
	Units	65	13	7	8	7	Units	100
	Unit Mix	65.0%	13.0%	7.0%	8.0%	7.0%		
	Drop	8,761,451	2,347,774	685,752	586,870	747,346	Drop	13,129,193
	% of Drop	66.7%	17.9%	5.2%	4.5%	5.7%	As % Prior year	114.6%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	5,512,948	2,934,781	1,182,783	1,473,000	4,489,074	Win	15,592,586
	WPUD	\$747	\$2,717	\$1,272	\$1,754	\$1,644	WPUD	\$1,203
	Units	246	36	31	28	91	Units	432
	Unit Mix	56.9%	8.3%	7.2%	6.5%	21.1%		
	Drop	41,085,080	14,860,664	5,026,555	4,458,637	23,186,159	Drop	88,617,095
	% of Drop	46.4%	16.8%	5.7%	5.0%	26.2%	As % Prior year	110.6%

## April 2015 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	30,012,234	947,858	3,845,529	6,488,696	4,056,016	Win	45,350,332
	WPUD	\$173	\$129	\$136	\$188	\$195	WPUD	\$171
	Units	5,785	244	945	1,152	694	Units	8,820
	Unit Mix	65.6%	2.8%	10.7%	13.1%	7.9%		
	Coin In	323,603,818	13,602,269	52,105,233	102,021,103	66,527,860	Coin In	557,860,283
	% of Coin in	58.0%	2.4%	9.3%	18.3%	11.9%	As % Prior year	85.1%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	18,138,263	412,950	1,276,379	2,763,889	825,360	Win	23,416,840
	WPUD	\$144	\$74	\$86	\$126	\$167	WPUD	\$135
	Units	4,206	185	492	729	165	Units	5,777
	Unit Mix	72.8%	3.2%	8.5%	12.6%	2.9%		
	Coin In	199,992,588	10,898,922	18,566,445	48,350,960	17,413,250	Coin In	295,222,165
	% of Coin in	67.7%	3.7%	6.3%	16.4%	5.9%	As % Prior year	103.2%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	52,291,713	2,705,247	8,071,522	10,324,897	4,899,621	Win	78,293,000
	WPUD	\$187	\$154	\$186	\$226	\$294	WPUD	\$194
	Units	9,332	587	1,449	1,525	556	Units	13,449
	Unit Mix	69.4%	4.4%	10.8%	11.3%	4.1%		
	Coin In	578,791,695	50,892,906	138,518,594	153,245,241	85,591,826	Coin In	1,007,040,262
	% of Coin in	57.5%	5.1%	13.8%	15.2%	8.5%	As % Prior year	104.7%

### Casino Member Directory

- Ameristar Casino Hotel, Vicksburg
- Bally's Casino, Tunica
- Beau Rivage Resort Casino, Biloxi
- Boomtown Casino, Biloxi
- DiamondJacks Casino & Hotel, Vicksburg
- Fitz Casino & Hotel, Tunica
- Golden Nugget Biloxi
- Gold Strike Casino Resort, Tunica
- Hard Rock Casino, Biloxi
- Harlow's Casino Resort, Greenville
- Harrah's Gulf Coast, Biloxi
- Hollywood Casino Gulf Coast
- Hollywood Casino, Tunica
- Horseshoe Casino, Tunica
- IP Casino Resort Spa, Biloxi
- Island View Casino Resort, Gulfport
- Isle of Capri, Lula
- Isle of Capri, Natchez
- Lady Luck Casino, Vicksburg
- Magnolia Bluffs Casino, Natchez
- Palace Casino Resort, Biloxi
- Resorts Tunica Hotel & Casino
- Riverwalk Casino Hotel, Vicksburg
- Roadhouse Casino, Tunica
- Sam's Town Hotel & Gambling Hall, Tunica
- Silver Slipper Casino, Bay St Louis
- Treasure Bay Resort, Biloxi
- Trop Casino, Greenville

For list of MGHA Associate members, visit [www.msgaming.org](http://www.msgaming.org).

### **Associate Member of Month**



A great big thank you to **Kim Fritz!** Once again, Kim did a great job and helped make SGS a big success.

The Mississippi Gaming & Hospitality Association (MGHA)\* is a non-profit organization made up of casino operators and vendors whose mission it is to protect and enhance the reputation and success of the gaming industry within the State of Mississippi. We seek to accomplish our mission by:

- ◆ Cooperating with government officials in advancing the gaming industry's common goals and objectives;
- ◆ Promoting comprehensive and fair regulation of the gaming industry to insure integrity at all levels of operation;
- ◆ Advocating fair and reasonable taxation of the industry, which will permit operators to maximize employment opportunities and re-invest, expand and improve existing facilities;
- ◆ Promoting and participating in public education throughout Mississippi regarding the benefits of casino gaming, including job creation, economic development and how the industry can help the State in maximizing its tax revenues; and
- ◆ Supporting and enhancing responsible gaming programs and offering education and assistance to individuals with gambling problems

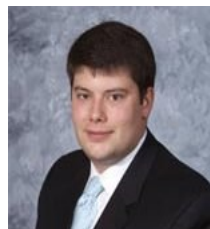
For questions about membership contact Executive Director Larry Gregory via email at [lgregory@msgaming.org](mailto:lgregory@msgaming.org) or by phone at 601-965-6992.

*\*The MGHA was originally chartered in 1993 as the Mississippi Casino Operators Association (MCOA). In March 2013, the Board of Directors voted to change the name of the association to better reflect its mission.*



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## Employees Can Be Critical to Lawsuit Defense



Because of their perceived "deep pockets," casinos are often targets, not just for cheaters and robbers, but also for people looking to make money off of a frivolous or even fraudulent lawsuit. Many times these lawsuits take the form of slip-and-fall cases from casino patrons or hotel guests alleging they fell on some part of the casino property because the casino did or did not do something to keep them from slipping. It could be as simple as a

grape left unnoticed too long on the floor of the buffet or an out of place parking bumper in the parking garage. To defend against these types of lawsuits, well-trained employees are vital to identify situations that could lead to or even be staged to set up liability for the casino. This could simply be noticing someone being overly observant of casino employees and surveillance measures. Once these types of situations are identified, it is crucial to have employees who can respond effectively, even if the response is to notify a supervisor immediately, rather than attempting to handle the situation themselves.