

# MGHA Monthly Report



**Message from  
Executive Director**



I can't imagine that it's been 10 years since Hurricane Katrina hit our Gulf Coast. Honestly, it still seems like yesterday when that tragic day happened. As the storm approached, we all watched and knew that trouble was heading our way, but the aftermath was worse than we could have ever expected. Our legislature and other state leaders stood tall and helped operators resume business as quickly as possible. Against the odds, we joined together and supported one another, and together we have come back bigger and better. Looking back over the years, our industry has been faced with many challenges, but none as large and fierce as Katrina. To all the gaming companies and employees, Godspeed. *Larry*

## The Latest in Mississippi Gaming Revenues

For the first time in 2015, the Gulf Coast did not see an increase in monthly revenues compared to 2014; however, revenues still far exceed June 2013 and Gulf Coast gaming revenues are 6.7% higher than this time last year (an increase of almost \$37 million). As you may recall, we previously reported that 2014 was the first year revenues along the Gulf Coast increased year-over-year since 2007, so 2015 is still a banner year. Revenues along River Counties decreased slightly in June; but, on a statewide basis, gaming revenues continue to exceed prior year by 1.5%.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
<b>June 2015</b>	<b>95,512,378</b>	<b>77,295,068</b>	<b>172,807,446</b>
June 2014	98,544,819	78,726,712	177,271,532
June 2013	84,676,084	89,054,463	173,730,547
June 2012	89,922,598	96,968,253	186,890,851
June 2011	93,970,509	92,167,346	186,137,854
2015 vs. 2014	-3.1%	-1.8%	-2.5%

	Gulf Coast	River Counties	Overall
<b>YTD 2015</b>	<b>579,641,580</b>	<b>499,421,902</b>	<b>1,079,063,481</b>
YTD 2014	542,999,111	520,439,496	1,063,438,608
YTD 2013	538,643,906	565,778,659	1,104,422,565
YTD 2012	562,078,857	610,499,310	1,172,578,167
YTD 2011	565,725,534	557,235,628	1,122,961,162
2015 vs. 2014	6.7%	-4.0%	1.5%

## Welcome Marcus Glover and Melonie Johnson



M G H A would like to welcome Marcus Glover and Melonie Johnson, who have been

appointed by MGM as General Manager of Beau Rivage Casino Resort and General Manager of Gold Strike Casino Resort respectively. Marcus comes to the Beau Rivage after serving as Senior Vice President and General Manager for Caesars in Northeast Ohio where he led the design, development and strategic operations and customer service for the \$400 million urban casino in Ohio. He also served as Assistant General Manager and Vice President of Operations for Harrah's in St. Louis, where he oversaw hospitality operations.



Melonie joins MGM at its Gold Strike property in Tunica. After nearly 14 years with Harrah's/Caesars, including four years overseeing the day-to-day

management of Horseshoe, Roadhouse and Harrah's, Johnson joined Penn Gaming as Vice President of Finance for Hollywood Aurora. Shortly thereafter, she was promoted to Assistant General Manager of Hollywood Casino Charles Town after serving as Interim General Manager at the Aurora property for seven months. She has a deep understanding of the Tunica market and returns to Tunica with an eye toward tomorrow. MGHA says congratulations and welcome to you both.

## Consider Our Message About Tunica

By: *Mike Bruffey*



We often find ourselves talking about data, statistics, new competition and challenges our industry is facing; but, as we talk with our legislators and other leaders, we must be mindful of our message. Fear and negativity can be self-fulfilling if not tempered with messaging that is also positive. Consider Tunica as an example. Compared to when Mississippi ranked 3<sup>rd</sup> nationwide in gaming revenue, the current revenue stands in stark contrast. We all know that what's going on in Tunica is the result of regional competition, which is very real and certainly is not unique to the Tunica gaming market. However, one might have the wrong idea and consider Tunica a lost cause lest we forget to talk about the many positives which still exist in Tunica today. Let's take a look at some of the numbers from the Tunica gaming market as it exists today.

- Tunica is on pace to achieve \$1 billion in revenues (gaming and non-gaming combined)
- Tunica's gaming industry provides over 6,400 jobs
- Tunica generates approximately 33% of the gaming taxes in Mississippi
- Tunica County's share of gaming taxes supports about 90% of the county's annual budget.

All of these facts are important, and there is more. In the 20+ years of legal commercial gaming in Mississippi, we have developed a workforce that is second to none. Mississippi's unique brand of southern hospitality sets the customer experience apart. When you think of the jobs supported by our industry, you can't help but consider how things existed in Tunica before gaming arrived. Since 1992, Tunica residents have found our industry as a means of providing for their families and an avenue to get involved and give back to their communities. Like all of the operators in our state, the Tunica operators are invaluable corporate citizens. There is no doubt the impact of the Tunica gaming industry is felt far beyond its borders. The reality is that we must learn from our past and Tunica faces tough challenges ahead, but as we look ahead, let our message about Tunica be solution-oriented, creative and positive as we consider ways to bring new opportunities to help this vital gaming market thrive once again.

## Mississippi Metrics

Table 2: Quarterly Survey Information - Casino Employment Levels *Source: Mississippi Gaming Commission*

<b>Biloxi-Gulfport</b>	2Q 2015	2Q 2014	Change	<b>Natchez</b>	2Q 2015	2Q 2014	Change	<b>Tunica/Lula</b>	2Q 2015	2Q 2014	Change
Beau Rivage	3,069	2,774	11%	Isle of Capri	238	237	0%	Bally's	345	405	-15%
Boomtown	406	492	-17%	Magnolia Bluffs	237	234	1%	Fitzgerald's	587	642	-9%
Harrah's Gulf Coast	743	808	-8%	<b>Total for Natchez</b>	<b>475</b>	<b>471</b>	<b>1%</b>	Gold Strike	1,354	1,336	1%
Hard Rock Casino	1,054	1,087	-3%					Hollywood	504	519	-3%
IP Casino Resort Spa	1,510	1,550	-3%					Horseshoe	1,347	1,539	-12%
Island View	1,599	1,206	33%	<b>Vicksburg</b>	<b>2Q 2015</b>	<b>2Q 2014</b>	<b>Change</b>	Isle of Capri	442	455	-3%
Golden Nugget	1,110	1,368	-19%	Ameristar	766	772	-1%	Resorts	401	498	-19%
Palace Casino	749	737	2%	Diamondjacks	336	351	-4%	Sam's Town	547	605	-10%
Treasure Bay	638	627	2%	Lady Luck	294	314	-6%	Tunica Roadhouse	474	459	3%
<b>Total for BLX-GPT</b>	<b>10,878</b>	<b>10,649</b>	<b>2%</b>	Riverwalk	378	419	-10%	<b>Total for Tunica Area</b>	<b>6,001</b>	<b>6,458</b>	<b>-7%</b>
				<b>Total for Vicksburg</b>	<b>1,774</b>	<b>1,856</b>	<b>-4%</b>				
<b>Hancock County</b>	<b>2Q 2015</b>	<b>2Q 2014</b>	<b>Change</b>	<b>Greenville</b>	<b>2Q 2015</b>	<b>2Q 2014</b>	<b>Change</b>				
Hollywood Casino	640	663	-3%	Harlow's	439	481	-9%				
Silver Slipper	508	478	6%	Trop Casino	222	165	35%				
<b>Total for Hancock Cty</b>	<b>1,148</b>	<b>1,141</b>	<b>1%</b>	<b>Total for Greenville</b>	<b>661</b>	<b>646</b>	<b>2%</b>	<b>Total for State</b>	<b>20,937</b>	<b>21,221</b>	<b>-1%</b>

Table 3: Quarterly Survey Information - Select Revenue and Expenses *Source: Mississippi Gaming Commission*

	<b>Reported Gross Revenues (\$ Million)</b>			<b>Reported Payroll Expenses (\$ Million)</b>			<b>Reported Advertising/Promo Expenses (\$ Million)</b>				
	2Q 2015	2Q 2014	Change	2Q 2015	2Q 2014	Change	2Q 2015	2Q 2014	Change		
Gulf Coast	\$416.7	\$398.3	5%	Gulf Coast	\$95.9	\$97.6	-2%	Gulf Coast	\$12.9	\$11.8	9%
Central River	\$98.0	\$96.5	2%	Central River	\$22.1	\$22.0	0%	Central River	\$4.1	\$3.1	32%
North River	\$219.1	\$227.4	-4%	North River	\$50.1	\$60.2	-17%	North River	\$9.0	\$9.8	-8%
State	\$733.8	\$722.2	2%	State	\$168.1	\$179.8	-7%	State	\$26.0	\$24.7	5%

## MGHA Website Updates

July Updates to the [Press Room](#) on our website:

- How BP's \$18.7 million Oil Spill Settlement Could Help Gulf of Mexico
- Island View's CFO Addresses Financial Impact of Smoking Bans
- Panel of Gaming Executives formed to Prioritize Nevada Tourism Projects
- US Online Gambling Opponents Plot In-trastate Moratorium
- Golden Nugget's Recipe for Success
- Las Vegas Journal—HR Consultant Says Gaming Jobs are Returning
- Sustained Job Growth Forecast for Mississippi through 2017

## Upcoming Events

**MGC August Meeting**  
(August 20 at 9 a.m.)  
Magnolia Bluffs—Natchez

**MGHA Quarterly Meeting**  
(Sept 16—2 pm to 4 pm)  
Horseshoe—Tunica

**Nolen Canon Farewell Event**  
(Sept 16—6 pm to 9 pm)  
Gold Strike—Tunica

**MGC September Meeting**  
(September 17 at 9 a.m.)  
Horseshoe—Tunica

**Governor's Conf on Tourism**  
(September 27—29)  
Vicksburg, MS

## SGS 2016—Planning Committee

If you are interested in joining the SGS Planning Committee, please email Larry at [lgregory@msgaming.org](mailto:lgregory@msgaming.org) or Mike at [mikebruffey@msgaming.org](mailto:mikebruffey@msgaming.org). Thank you **Julia Carcamo** and **Millie Hyatt** for raising your hand. Our planning meetings will kick off after our quarterly meeting in September.

## Regional Statistics

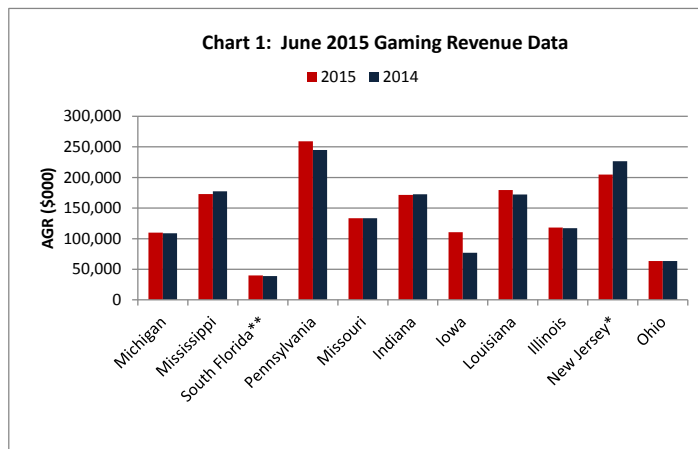


Table 4: AGR Summaries (\$000)

	June '15	June '14	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
Iowa	110,618	76,834	44.0%	359,272	243,546	47.5%
Pennsylvania	259,068	244,829	5.8%	807,615	779,781	3.6%
Louisiana	179,597	172,292	4.2%	572,929	515,393	11.2%
South Florida**	40,001	38,795	3.1%	132,584	123,566	7.3%
Illinois	118,117	117,041	0.9%	375,008	374,336	0.2%
Michigan	109,930	109,008	0.8%	350,294	335,790	4.3%
Missouri	133,589	133,519	0.1%	428,011	421,279	1.6%
Ohio	63,494	63,623	-0.2%	204,058	203,814	0.1%
Indiana	171,404	172,600	-0.7%	550,968	553,664	-0.5%
Mississippi	172,807	177,272	-2.5%	534,831	513,413	4.2%
New Jersey*	204,866	226,475	-9.5%	599,739	683,312	-12.2%

\* Excludes \$11.7 million in online gaming revenue

\*\*South Florida only includes slots at racetracks

# Mississippi Gaming Statistics

## June 2015 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	6,734,653	1,740,368	433,716	605,807	1,072,227	Win	10,586,771
	WPUD	\$1,592	\$2,149	\$803	\$1,063	\$745	WPUD	\$1,395
	Units	141	27	18	19	48	Units	253
	Unit Mix	55.7%	10.7%	7.1%	7.5%	19.0%		
	Drop	23,841,603	13,065,824	2,185,231	1,769,838	5,127,459	Drop	45,989,954
	% of Drop	51.8%	28.4%	4.8%	3.8%	11.1%	As % Prior year	109.3%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	1,366,768	467,108	152,390	147,922	419,118	Win	2,553,306
	WPUD	\$701	\$1,198	\$726	\$548	\$1,996	WPUD	\$843
	Units	65	13	7	9	7	Units	101
	Unit Mix	64.4%	12.9%	6.9%	8.9%	6.9%		
	Drop	8,484,887	2,120,438	685,133	540,035	655,162	Drop	12,485,655
	% of Drop	68.0%	17.0%	5.5%	4.3%	5.2%	As % Prior year	109.9%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	4,967,166	2,433,095	1,022,868	1,373,232	3,860,259	Win	13,656,620
	WPUD	\$670	\$2,253	\$1,100	\$1,635	\$1,430	WPUD	\$1,054
	Units	247	36	31	28	90	Units	432
	Unit Mix	57.2%	8.3%	7.2%	6.5%	20.8%		
	Drop	39,480,209	15,968,150	5,278,833	4,246,388	21,225,815	Drop	86,199,395
	% of Drop	45.8%	18.5%	6.1%	4.9%	24.6%	As % Prior year	102.6%

## June 2015 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	27,251,693	889,895	3,603,724	6,446,069	3,474,196	Win	41,665,577
	WPUD	\$157	\$126	\$127	\$187	\$171	WPUD	\$158
	Units	5,801	236	949	1,152	678	Units	8,816
	Unit Mix	65.8%	2.7%	10.8%	13.1%	7.7%		
	Coin In	305,831,811	12,992,914	52,150,574	100,987,606	70,885,729	Coin In	542,848,633
	% of Coin in	56.3%	2.4%	9.6%	18.6%	13.1%	As % Prior year	93.9%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	16,177,390	376,509	1,227,909	2,637,323	768,088	Win	21,187,220
	WPUD	\$128	\$67	\$83	\$121	\$152	WPUD	\$122
	Units	4,199	188	492	728	168	Units	5,775
	Unit Mix	72.7%	3.3%	8.5%	12.6%	2.9%		
	Coin In	182,346,281	9,207,651	17,586,648	43,948,660	14,118,308	Coin In	267,207,547
	% of Coin in	68.2%	3.4%	6.6%	16.4%	5.3%	As % Prior year	96.0%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	54,386,746	2,808,595	7,772,736	10,812,561	5,811,359	Win	81,591,995
	WPUD	\$193	\$161	\$177	\$238	\$350	WPUD	\$201
	Units	9,398	582	1,465	1,517	553	Units	13,515
	Unit Mix	69.5%	4.3%	10.8%	11.2%	4.1%		
	Coin In	595,198,125	49,593,178	139,687,469	160,467,035	90,027,559	Coin In	1,034,973,366
	% of Coin in	57.5%	4.8%	13.5%	15.5%	8.7%	As % Prior year	103.7%

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

### Associate Member of Month



**The Mississippi Tourism Association is our newest member. MTA and MGHA are working together to increase visits to Mississippi.**

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

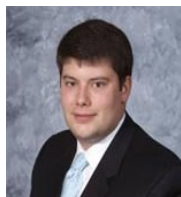
For questions about membership contact Executive Director Larry Gregory via email at [lgregory@msgaming.org](mailto:lgregory@msgaming.org) or by phone at 601-965-6992.

*\*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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## Trusting "The Cloud" with Your Company's Data



Last month, I discussed managing the risk of an in-house data breach. But many companies use outside vendors, such as DropBox or Google Drive, to store their data in "the cloud." The benefits of working with an experienced data storage vendor are immeasurable, with the added bonus of cost savings. Still, it is critical to evaluate terms of service before signing on the dotted line. Beyond a typical contract review, there are specific concerns to address in consultation with legal counsel and IT professionals. Concerns include:

- Will the vendor have ownership or a license for the data you store?
- Will your data be in a country with lax privacy laws or an unstable political environment?
- What protections are in place?
- How often is the vendor audited

for compliance with industry standards?

- Who has access to your data and how are they vetted?
- What type of encryption is used to keep your data private? Are you the only one that can unencrypt (unlock) your data, or can the vendor? This is especially relevant in the context of law enforcement inquiries and litigation.
- How does the vendor respond to law enforcement demands or court orders? Will they contact you so you can take legal action?

These are just some of the issues, but a properly drafted agreement with a reputable vendor can save many headaches down the road.

*Patrick Zimmerman is an MGHA Associate Member and attorney-at-law. He is the former Director of Investigations for the Mississippi Gaming Commission. He welcomes your comments or suggestions at 601-376-9741 or [pat@zimmermanlawfirm.ms](mailto:pat@zimmermanlawfirm.ms)*