INTERVIEW WITH MELONIE JOHNSON

INTERVIEW BY ROGER GROS

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Melonie Johnson joined the Borgata midway through the lockdown. She moved to Borgata from her previous position as president and COO of MGM National Harbor in Maryland, where she shut down that property in mid-March as well. The decision not to reopen immediately was a reflection of how important MGM considers the Borgata experience. Once it did reopen, some unique outdoor environments were created, along with an outdoor VIP lounge.

ROGER GROS: You are relatively new to Borgata. You started in January, right?

MELONIE JOHNSON: Actually May 29th of 2020.

ROGER GROS: You were not even there when the shutdown occurred?

MELONIE JOHNSON: No, I was not. I was at MGM National Harbor, and we were shutting down our property on the same day, March 16th.

ROGER GROS: So you know in general what happened and how you went about it. MGM, of course, had some great corporate guidance there from some of the other properties, as well, so how did that help you, having a corporation able to guide you on the way you were going to close down?

MELONIE JOHNSON: It made all the difference in the world because we had a playbook. Fortunately, we work for a company that has the resources to meet with regional leaders and leaders on the Las Vegas

Strip to create a playbook to ensure that we close efficiently and effectively, and to make sure that our employees, even though being displaced, were treated in a respectable manner. We are also securing our assets.

ROGER GROS: What was your strategy to stay in touch with your customers during the lockdown?

MELONIE JOHNSON: With the customers, we have casino hosts, and we also have leaders that are on the food and gaming side, hotel side that have established relationships with our customers, and many phone calls were made and e-mails were sent to our customers.

The customers, where we had their birthday information or anniversary information, we would make a call, "Happy birthday. How are you doing? How is your family? Are your children okay? Are your grandkids okay? Are you okay?"

Or, "Happy anniversary. Hang in there. We are all going through this. We do not know when we are going to open, but we just want to check on you to ensure that you are safe and you are healthy. Is there anything we can do for you?" Basically, it was through e-mail and it was telephone conversations.

ROGER GROS: I am sure some of them were aware of this, but did you make them aware of the online casinos? MGM has got some great online casinos linked with BorgataCasino.com. Were they interested in that, or did you put in any effort to direct them over there?

MELONIE JOHNSON: We did direct customers to the online gaming, but for most customers, when they go to a casino, it is all about the socialization. It is talking to dealers. It is talking to the employees. It is talking to their friends because customers build friendships. They go to the different clubs. They socialize together.

The vast majority of the customers are not online gamers, even though our online gaming revenues did pick up. We did make that suggestion, but it is a personal preference as to whether or not you want to sit in the privacy of your home and have a

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gaming experience or you want the full social experience by going to the casino, gaming with your friends, talking to employees, having a dining experience, going to the theater, or staying in the hotel. It was all about a personal preference, and some customers did take advantage of online gaming.

ROGER GROS: I am sure the people that you were in contact with were those customers that really enjoy that in-person experience.

MELONIE JOHNSON: It is an entertainment experience, it truly is, going to the properties.

ROGER GROS: No question about that. So even more importantly, how did you engage with your employees during this period?

MELONIE JOHNSON: Telephone calls and e-mails. We have the luxury of having two platforms with MGM Resort International. One is Leo, and up-to-date information was added to Leo. We did little vignettes with our CEO speaking. We had property leaders speaking to our employees, and we gave current information. All our employees just had to log in, and they would get up-to-date information.

Then our employees who were furloughed were still on the active payroll, so they had access to another application, called MyMGM, which has all of the latest information about us closing, our health and safety protocols, recalls, furloughs, how do you get paid if you have tested positive for COVID-19, how to go and get tested. We had the luxury of having those applications available to all of our staff members.

ROGER GROS: That gave you a little personal touch with them, too, I am assuming.

MELONIE JOHNSON: Yes, it did. It really did.

ROGER GROS: Reopening was supposed to happen in two weeks, and then a month, and eventually stretched out to almost four months. So how did you prepare for reopening, and how did you kind of gauge when it was going to happen?

MELONIE JOHNSON: It was never our intent to be the first casino to open in the Atlantic City market. We are the Borgata, and Borgata has a certain brand, and we wanted to make sure that when we opened to our guests, we represented our brand to the best of our ability.

When we got the executive order that indoor dining was not allowed, we had to step back and reassess, because we were not prepared for this, and we were not going to just do anything and try to take care of our valued guests on the exterior of the properties without having a memorable experience.

So our food and beverage, with security, marketing, engineering, EVS, housekeeping, they all put their heads together to come up with not just good outdoor dining experiences, but great outdoor dining experiences to take care of our guests. When we were ready, we opened to the general public.

What I think we have to offer is a great representation of the Borgata brand, to be quite frank with you. I am looking at our Amphora Gardens, where we are taking care of our Platinum, Noir, and Gold guests. It is a great outdoor dining experience. It is almost like you have gone to a tropical island for a vacation, and the scenery is as if you were at a wedding.

Then we have got our Society Club, which is outdoor, to take care of our guests. We have got the Sun Bar at the Water Club Hotel. We have got Borgata Street Eats, which is a food truck, which has a tented area with seating. We have also got our outdoor beer garden, and then we have got our tailgate in the first level of the self-parking garage. So when we were ready, we opened up, and we opened up extremely well, and the feedback that we received from our guests was very positive.

ROGER GROS: I have heard some great things about the beer garden, as well, and the pool experience. Did you have to get creative to really develop these areas? And obviously, you took some extra time to do it. Were you confident that these were going to service your customers when they returned?

MELONIE JOHNSON: Yes, it was a collective group effort. I have the luxury of inheriting an extremely talented team. I cannot say enough positive things about my team members, and it is an honor and a privilege to work with these guys on a day-to-day basis. They are creative. No job was too big or too small. Everyone thought outside of the box. Everybody collaborated, and we came up with a final product that would represent Borgata, all with keeping health and safety in mind.

MGM Resorts International teamed up with scientists and medical experts to create our seven-point safety plan. What does that mean? When customers and employees enter the casino, everyone has to have a thermal temperature screening. In the event that someone's temperature is at 100.4 degrees or higher, we have a sitting area where the guest or the employee can sit and let their body temperature drop a little bit. Then we do their temperature again.

In the event it has not gone down below that 100.4, we give them reading material, and they are not allowed entry to the casino, but there are instructions on how to get tested and where you need to go for testing.

After you have done that, we have got hand sanitizers on the floor. We have got hand wipes. We are very proud. We have two custom-built handwashing stations, because not everyone wants to use the alcohol-based sanitizers. Everything is touchless, the soap dispenser, the water, the paper towels. You can wash your hands, get them clean, and game, walk around, order some food, take it outside to eat.

We have also got polycarbonate barriers on our table games. That protects our employees, protects our guests, and our number of positions on the blackjack tables are only three. We are allowing four at roulette, and up to six on our crap tables. All employees are required to wear masks. Customers are required to wear masks.

We have got extra cleaning protocols in the hotel rooms to make sure that the rooms are appropriately clean and have a time to rest prior to selling that room to another guest. We have made sure that we have got the correct air filters for our HVAC systems, and we are also making sure that we have 100% turn of outdoor air coming into the casino every hour. I think it is 12 turns per hour.

I'm very impressed with that. Customers feel safe when they walk on the property. We have gotten a lot of positive feedback as far as what we have done to ensure the safety of our guests and our employees, as well.

ROGER GROS: Your air filtration system is second to none there. I remember when the property was under construction, Bob Boughner took me up on the

roof to show me the air transfer mechanism. It is definitely impressive, and bringing the outdoor air in is important during this crisis.

You mentioned some of the things that you have done inside the casino. Now, the casino experience is different than ever before. How have your customers responded to that? Have they fallen into line pretty quickly here?

MELONIE JOHNSON: We are truly not having a problem with the clientele wearing face masks, because the state of New Jersey, this is not something that is new. It has been happening since the governor's executive order mandated that anyone indoors has to wear that mask. We have a few outliers, but nothing that causes us to lose sleep at night or have any angst over.

It is well received, but we have got our guests that are coming to the casino, and they have appreciated everything that we have done, and they are very happy. We are seeing our admissions pick up on a day-to-day basis, but we also have guests that are still uncomfortable with coming out with COVID-19 and having to experience outdoor dining, and they are waiting for us to be able to offer a dining experience inside of the casino.

That is understandable because you have got people with health issues, taking care of elderly family members or sick family members. But we do see our attendance picking up day over day.

ROGER GROS: Some of the other CEOs I have talked to have remarked that the people who are showing up are a younger demographic than normal. Is that what you have experienced, as well?

MELONIE JOHNSON: Not necessarily at Borgata. There is a young audience there, but the vast majority of our customers are our original clientele who could not wait for the property to open, and they are more middle-aged to upper in age, not necessarily that millennial mix.

ROGER GROS: I understand. Before, you mentioned the entertainment experience, and Borgata is really known for its entertainment, whether it be in the lounges or the bars and all the way up to the ballrooms. Have you thought about how entertainment is going to return to the Borgata?

MELONIE JOHNSON: It depends on what executive order is issued by the governor of the state of New Jersey, because we would comply 100%. Until we get that information, we do not know how it will return.

If it is smaller scale, we have venues where we can do smaller comedy shows or smaller ads. Our venues are large enough where we can do social distancing. So we would have to abide by our seven-point safety plan, and we would have to abide by the executive order that is issued by the state of New Jersey. Pending those things, we cannot make a determination on what we would do and how we would do it.

ROGER GROS: There is a bill in the state legislature to give some tax relief to the casinos. Is that going to be enough? If it does not pass, is that going to be a big problem for you?

MELONIE JOHNSON: We have not calculated numbers just based upon an individual property in the enterprise, but for the enterprise collectively, and that is reported in our 10-Q, how much money we are requesting as a whole. There is not a breakout by property.

ROGER GROS: Are you talking to some of the state legislators about getting this bill through?

MELONIE JOHNSON: Our general legal counsel and our lobbyists are having that level of conversation.

ROGER GROS: What has your impression of the Atlantic City market been during your short time there?

MELONIE JOHNSON: I moved in the middle of casinos being closed, and our restaurants being closed, everyone wearing a face mask, and COVID-19, and people were scared in general. My initial impression was safety first. My priorities were getting to the property, making sure that all the employees were safe, the property was secure, and we were following all of the protocols that were established by the state and by MGM Resorts International.

Social distancing was frightening. I was getting out into the community and understanding the different properties, understanding the competitive set, exploring different restaurants in this area with their outdoor dining experience to understand, in the event that we were to open, how we could execute. It was a learning experience. It truly was, but I was learning under very challenging circumstances.

ROGER GROS: The market is complicated even in the best of times, so I imagine it has taken you a little while to get your arms around it.

MELONIE JOHNSON: It has. It is a learning experience. But I do like the properties, and I have embraced all of this, and it is an honor to be at Borgata. It truly is. This is truly a resort destination. It is a wonderful property. Fabulous talent, people working at Borgata.