

## AGENDA

KANSAS RACING AND GAMING COMMISSION  
9:00 a.m., Monday, October 13, 2008

JANET SCHALANSKY CONFERENCE ROOM  
SRS Area Office  
500 SW Van Buren, Rooms 146-147  
Topeka, Kansas

### A. CALL TO ORDER

### B. APPROVAL OF THE AGENDA

### C. APPROVAL OF MINUTES

1. [Minutes of September 8, 2008](#)
2. [Minutes of September 23, 2008](#)

### D. COMMISSION ITEMS

#### 1. KHA Reimbursement from Kansas Bred Program

- Commission Action:*                      *Commission review and discussion*  
*Staff Presentation:*                      Neysa Thomas, Chief Fiscal Officer  
*Staff Recommendation:*                  Staff recommends approval
- a. [Staff Memo](#)
  - b. [KHA Letter](#)
  - c. [Kansas Bred Registry Income and Cash Flow](#)

#### 2. Certification of Election Results for Recognized Horsemen's Groups for The Woodlands and Eureka Downs

- Commission Action:*                      *Commission review and discussion*  
*Staff Presentation:*                      Donna Coulter, Licensing Manager  
*Staff Recommendation:*                  Staff recommends certification of the election results
- a. [Staff Memo](#)
  - b. [Election Results, The Woodlands](#)
  - c. [Election Results, Eureka Downs](#)

### E. PUBLIC COMMENTS

F. STAFF REPORTS

1. Executive Director
2. Chief Gaming Officer
3. Assistant Attorneys General
4. Calendar review
  - a. [Commission Meeting Calendar](#)

G. EXECUTIVE SESSIONS

1. Attorney-client communication

H. OTHER MOTIONS

I. ADJOURNMENT

**KANSAS RACING AND GAMING COMMISSION**

**MINUTES – September 8, 2008**

CALL TO ORDER:  
(A.)

Chair Sader called the September 8, 2008, meeting to order at 10:02 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Sader, Braun, Falstad, McKechnie, and Schwan were present at the meeting. Others present included Executive Director Stephen Martino; Chief Gaming Officer Robert Krehbiel; Director of Racing Frances Snell; Assistant Attorneys General Patrick Martin and Teri Canfield-Eye; Director of Audit/Electronic Security Charles LaBoy; Director of Security Don Brownlee; Director of Communications/Responsible Gaming Mike Deines; Director of Licensing Kit Bostrom; Director of Administration Don Cawby; Animal Health Officer D. Bryce Peckham, DVM; Commission Recording Secretary Linda Pendarvis, and other staff.

MOTION, AMEND  
AGENDA:  
(B.)

Commissioner Braun (Falstad) moved to amend the agenda for purposes of discussing the status of the organization licenses for The Racing Association of Kansas East, The Racing Association of Kansas Southeast, Wichita Greyhound Charities, Inc., as well as the facility licenses for Kansas Racing LLC, Wichita Greyhound Park-Camptown, and Wichita Greyhound Park, Inc. Discussion to be added as item G.2. Motion passed unanimously.

MOTION, APPROVE  
AUGUST 20, 2008,  
MEETING MINUTES:  
(C.)

Commissioner McKechnie (Schwan) moved to approve the minutes of the August 20, 2008, commission meeting as submitted. Motion passed unanimously.

MOTION, APPROVE  
AMENDED AGENDA:  
(B.)

Commissioner Falstad (Schwan) moved to approve the amended agenda. Motion passed unanimously.

MOTION, APPROVE  
CONSENT AGENDA:  
(D.)

Commissioner Falstad (Schwan) moved to approve the consent agenda as follows:

1. Kansas Racing LLC - review and file contracts
  - a. Habit 5 Business Services, LLC, *Shawnee, KS*, accounting systems implementation and consultant
  - b. Heritage Tractor, *Clinton, MO*, purchase finishing mower
  - c. Mass Mutual, *Springfield, MA*, company 401K
  - d. Quality Mail Marketing, Inc., *Lenexa, KS*, mail marketing
2. Reports
  - a. Semi-annual Bingo Report *Alcoholic Beverage Control*,

September 8, 2008

Page 2

*Department of Revenue*

Motion passed unanimously.

MOTION, EXECUTIVE  
SESSION:  
(E.1.)

Commissioner Falstad (Schwan) moved that the commission go into executive session for 45 minutes from 10:10 am to 10:55 am for the purpose of attorney-client communication. Those included in the executive session were the commission, Mr. Martino, Mr. Krehbiel, Mr. Martin and Ms. Canfield-Eye. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as a part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 10:58 am with all members present as previously noted.

STATUS REPORT, TRAK  
EAST:  
(F.1.)

The commission heard the TRAK East status report, given by Mr. Will Gardiner, Administrative Manager, with additional comments by Dr. J. J. Swanson, President of TRAK East, and Mr. Carl Gallagher, counsel to TRAK East.

FACILITY REPORT,  
KRLLC:  
(F.2.)

The commission heard the Kansas Racing LLC (KRLLC) facility report from Mr. Jayme LaRocca, General Manager, with additional comments by Mr. Larry Seckington, Secretary of Kansas Racing LLC.

STATUS REPORT,  
TRAK SE:  
(F.3.)

The TRAK SE status report was given by Ms. Linda Grilz, chairman of the TRAK SE board.

FACILITY REPORT,  
CAMPTOWN  
GREYHOUND PARK:  
(F.4.)

The commission heard the Camptown Greyhound Park facility report given by Mr. Kevin Allis, general manager for pari-mutuel operations.

STATUS REPORT,  
EUREKA DOWNS:  
(F.5.)

There was no status report from Eureka Downs.

STATUS REPORT,  
ANTHONY DOWNS:  
(F.6.)

There was no status report from Anthony Downs.

DISCUSSION, REVIEW OF  
FY 2009/FY 2010 KRG  
BUDGET:  
(G.1.)

The commission heard Mr. Cawby discuss the FY 2009/FY 2010 budget for KRG.

September 8, 2008

Page 3

MOTION, APPROVE FY  
2009/FY 2010 KRGC  
BUDGET:  
(G.1.)

Commissioner McKechnie (Falstad) moved to approve the proposed KRGC 2009/2010 budget as presented. Motion passed unanimously.

DISCUSSION, REVIEW OF  
FY 2009/FY 2010 BUDGET  
FOR STATE GAMING:  
(G.1.)

The commission heard John McElroy discuss the FY 2009/FY 2010 budget for the State Gaming Agency.

MOTION, APPROVE FY  
2009/FY 2010 STATE  
GAMING BUDGET:  
(G.1.)

Commissioner Braun (McKechnie) moved to approve the proposed 2009/2010 budget for the State Gaming Agency as presented. Motion passed unanimously.

MOTION TO RECESS:

Commissioner Braun (Schwan) moved to take a 10-minute recess at 11:50 am, to reconvene at noon. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at noon with all members present as previously noted.

DISCUSSION,  
ORGANIZATIONAL/  
FACILITY LICENSES:  
(G.2.)

The commission heard a discussion of the status of the organization licenses for The Racing Association of Kansas East, The Racing Association of Kansas Southeast, Wichita Greyhound Charities, Inc., as well as the facility licenses for Kansas Racing LLC, Wichita Greyhound Park-Camptown, and Wichita Greyhound Park, Inc.. Commissioners Falstad and Braun outlined the issues on behalf of the commission. Responses were provided by Mr. Carl Gallagher, TRAK East; Ms. Linda Grilz, TRAK SE; Mr. George Wingert, The Ruffin Cos; and Mr. Larry Seckington, Kansas Racing LLC.

MOTION,  
ORGANIZATIONAL/  
FACILITY LICENSES:  
(G.2.)

Commissioner Braun (Falstad) moved to direct the staff to immediately initiate a letter to all license holders (organization, facility owner and facility managers) to put them on notice that their licenses are subject to revocation pursuant to Kansas statutes for failing to operate a racetrack facility under their statutory and license requirements as adopted previously by the commission. Motion passed unanimously.

CALL FOR PUBLIC  
COMMENTS:  
(H.)

Chair Sader called for public comments.

- J.C. Long, Wellington, KS
- Doug Lawrence, Kansas Greyhound Association

STAFF REPORT,  
MARTINO:  
(I.1.)

The commission heard a staff report from Mr. Martino.

STAFF REPORT,  
KREHBIEL:  
(I.2.)

Mr. Krehbiel responded to questions from the commission concerning the Lottery Gaming Facility Review Board.

September 8, 2008

Page 4

STAFF REPORT,  
ASSISTANT ATTORNEYS  
GENERAL:  
(I.3.)

The commission heard a staff report from Mr. Martin.

STAFF REPORT,  
PECKHAM:  
(I.4.)

The commission heard a staff report from Dr. Peckham.

STAFF REPORT, CAWBY:  
(I.5.)

Mr. Martino presented the following suggestions concerning upcoming meeting dates:

- Cancel the meeting scheduled for October 3.
- Schedule future meetings as follows:
  - October 13-14
  - November 7
  - December 4-5

MOTION, APPROVE  
MEETING DATES:  
(I.5.)

Commissioner Falstad (Schwan) moved to accept the future meeting dates schedule as proposed. Motion passed unanimously.

EXECUTIVE SESSION:  
(J.1.)

Commissioner Braun (McKechnie) moved that the commission go into executive session for 15 minutes from 1:05 pm to 1:20 pm for the purpose of attorney-client communication. Those included in the executive session were the commission, Mr. Martino, Mr. Krehbiel, Mr. Martin and Ms. Canfield-Eye. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as a part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 1:22 pm with all members present as previously noted.

EXECUTIVE SESSION:  
(J.2.)

Commissioner Falstad (Schwan) moved that the commission go into executive session for 5 minutes from 1:25 pm to 1:30 pm for the purpose of hearing one background report. Those included in the executive session were the commission, Mr. Martino, Mr. Martin, Ms. Canfield-Eye and security staff. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as a part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 1:30 pm with all members present as previously noted.

MOTION, APPROVE  
BACKGROUND REPORT:  
(J.2.)

Commissioner Falstad (Schwan) moved to approve the background investigation report of:

- Vicky Knapic

Motion passed unanimously.

MOTION, APPROVE  
POSITION:  
(J.2.)

Commissioner Falstad (Schwan) moved to approve the position of:

- Vicky Knapic – Anthony Fair Association board member

Motion passed unanimously.

MOTION, EXECUTIVE  
SESSION:  
(J.3.)

Commissioner Schwan (McKechnie) moved that the commission go into executive session for 5 minutes from 1:34 pm until 1:39 pm for the purpose of considering a KRGC personnel matter. Those included in the executive session were the commission, Mr. Martino, Mr. Martin and Ms. Canfield-Eye. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as a part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 1:41 pm with all members present as previously noted.

OTHER MOTIONS:  
(L.)

There were no other motions to come before the commission.

ADJOURN:

Commissioner Braun (McKechnie) moved to adjourn at 1:42 pm. Motion passed unanimously.

SUBMITTED BY:

---

William Falstad  
Secretary

APPROVED BY:

---

Carol H. Sader  
Chair

**KANSAS RACING AND GAMING COMMISSION**

**MINUTES – September 23, 2008  
CONFERENCE CALL**

CALL TO ORDER:  
(A.)

Chair Sader called the September 23, 2008, conference call meeting to order at 2:02 pm. Commissioners Sader, Braun, Falstad, McKechnie, and Schwan were present by teleconference. Others present included Executive Director Stephen Martino; Chief Gaming Officer Robert Krehbiel; Assistant Attorneys General Patrick Martin and Teri Canfield-Eye; Director of Security Don Brownlee; Director of Communications/Responsible Gaming Mike Deines; Director of Administration Don Cawby; Commission Recording Secretary Linda Pendarvis and other staff.

MOTION, APPROVE  
AGENDA:  
(B.)

Commissioner Falstad (Schwan) moved to approve the agenda as submitted. Motion passed unanimously.

DISCUSSION, NON-  
APPROVAL OF LOTTERY  
GAMING FACILITY  
REVIEW BOARD'S  
RECOMMENDATION OF  
PENN NATIONAL GAMING:  
(C.1.)

The commission heard Mr. Martin discuss the reasons requiring non-approval of the Lottery Gaming Facility Review Board's August 22, 2008, recommendation of Kansas Penn Gaming LLC to be the lottery gaming facility manager for the southeast gaming zone.

MOTION, NON-APPROVAL  
OF PENN NATIONAL  
GAMING:  
(C.1.)

Commissioner Braun (Schwan) moved not to approve the August 22, 2008, recommendation of the Lottery Gaming Facility Review Board in light of Penn National Gaming's voluntary withdrawal from the southeast gaming zone, in order that the Kansas Lottery may restart the application process in the southeast zone. It was emphasized that this is not a decision on Penn National Gaming's background. Motion passed unanimously.

ADJOURN:

Commissioner Falstad (McKechnie) moved to adjourn at 2:12 pm. Motion passed unanimously.

SUBMITTED BY:

---

William Falstad  
Secretary

APPROVED BY:

---

Carol H. Sader  
Chair

*Kansas Racing and Gaming Commission*

**STAFF AGENDA MEMORANDUM**

**DATE OF MEETING:** October 13, 2008

**AGENDA ITEM:** **KHA Reimbursement from Kansas Bred Program**

**PRESENTER:** Neysa Thomas, Chief Fiscal Officer

**ISSUE SUMMARY:** The Kansas Horsemen's Association (KHA) is requesting reimbursement of \$2,769.84 for expenses incurred for the operation of the Kansas Bred Program in July 2008. The expenses presented for reimbursement are consistent with expenses incurred by the KHA in the past.

The Commission is authorized by K.S.A. 74-8830 to "contract with and designate an official registering agency to implement the registration of horses." The Commission's contract with the KHA provides that funds shall be withdrawn from the Kansas Bred Program account only for maintaining and administering the program in accordance with the agreement and only with the prior approval of the Commission or the Commission's executive director.

**COMMISSION ACTION REQUIRED/REQUESTED:** Commission discussion, consideration and possible action on the request for reimbursement.

**STAFF RECOMMENDATIONS:** Staff recommends approval of the expenses, subject to the availability of cash.

SEPTEMBER 12, 2008

MS NEYSA THOMAS  
KANSAS RACING COMMISSION  
700 SW HARRISON  
TOPEKA, KS 66603

DEAR MS. THOMAS,

THE KANSAS HORSEMEN'S ASSOCIATION WOULD LIKE TO REQUEST THAT THE KANSAS RACING AND GAMING COMMISSION APPROVE FOR PAYMENT, FROM THE KANSAS BRED REGISTRY, THE EXPENSES THAT HAVE BEEN INCURRED BY THE KHA FOR THE MONTH OF JULY 2008.

THE JULY EXPENSES ARE \$2769.84. PAYMENT WILL BE BASED ON THE AVAILABILITY OF FUNDS. ALL EXPENSES HAVE BEEN FILED WITH THE KRGC.

SINCERELY,

  
JOYCE BILLINGS  
KANSAS HORSEMEN'S ASSOCIATION

Kansas Bred Registry  
Income and Cash Flow  
2008

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Budget Aug-08	Budget Sep-08	Budget Oct-08	Budget Nov-08	Budget Dec-08	Total
<b>Income Summary</b>													
Total revenues	1,760.00	2,285.00	3,320.00	2,035.00	1,445.00	1,069.96	50.00	100.00	-	-	-	-	12,064.96
Total Expenses	(2,261.96)	(2,142.84)	(2,144.35)	(2,378.33)	(3,324.76)	(2,213.36)	(2,769.84)	(2,144.21)	(2,138.53)	(2,309.44)	(3,222.77)	(2,810.31)	(29,860.70)
Net Income (Loss)	(501.96)	142.16	1,175.65	(343.33)	(1,879.76)	(1,143.40)	(2,719.84)	(2,044.21)	(2,138.53)	(2,309.44)	(3,222.77)	(2,810.31)	(17,795.74)
<b>Cash Flow</b>													
KS Bred checking, beginning balance	7,495.55	17,325.55	13,199.85	13,709.54	11,007.04	12,410.58	8,947.96	8,997.96	5,773.10	3,559.74	789.90	789.90	789.90
Add: Receipts	9,830.00	1,410.00	3,320.00	2,035.00	1,455.00	1,069.96	50.00	100.00	-	-	-	-	-
Less: Distributions	-	(5,535.70)	(2,810.31)	(4,737.50)	(51.46)	(4,532.63)	-	(3,324.86)	(2,213.36)	(2,769.84)	-	-	-
KS Bred checking, ending balance	17,325.55	13,199.85	13,709.54	11,007.04	12,410.58	8,947.91	8,997.96	5,773.10	3,559.74	789.90	789.90	789.90	789.90

*Kansas Racing and Gaming Commission*

**STAFF AGENDA MEMORANDUM**

**DATE OF MEETING:** October 13, 2008

**AGENDA ITEM:** **Certification of Election Results for Recognized Horsemen's Groups for The Woodlands and Eureka Downs**

**PRESENTER:** Donna Coulter, Licensing Manager

**ISSUE SUMMARY:** The election of the Recognized Horsemen's Groups for The Woodlands and Eureka Downs was conducted by commission staff according to procedures defined in K.A.R. 112-18-20. The commission chair, executive director and general counsel counted the ballots for both elections on Wednesday, September 24, 2008 in the commission offices. The results of the elections are summarized in the attached memorandums.

**COMMISSION ACTION REQUIRED/REQUESTED:** Certify the results of the elections and the top five nominees to serve on the Recognized Horsemen's Groups for The Woodlands and Eureka Downs from October 1, 2008 to September 30, 2010.

**STAFF RECOMMENDATIONS:** Staff recommends certification of the election results.

DATE: October 13, 2008  
TO: Commissioners  
FROM: Donna Coulter, Licensing Manager  
RE: Results of the election for Recognized Horsemen's Group at The Woodlands

The Commission Chair, Executive Director and General Counsel convened a public meeting on September 24, 2008 at 9:00 a.m. to count ballots for the election of the horsemen's group for The Woodlands. The following is a summary of the election results:

615 Ballots were mailed to eligible voters on September 1, 2008.

150 Ballots were determined as valid and counted.

**Results:**

<b>*Jeffrey T. Rutland</b>	<b>90 Votes</b>
<b>*R. Shane Stout</b>	<b>83 Votes</b>
<b>*Robert E. Partridge</b>	<b>81 Votes</b>
<b>*Rolland Jordan</b>	<b>72 Votes</b>
<b>*Kelly Clark</b>	<b>67 Votes</b>
David Assmann	61 Votes
Paul Treadwell	54 Votes
Lee A. Smith	52 Votes
Garry Stwalley	39 Votes
Donnie Molder	37 Votes
David Sirucek	32 Votes

[\*top five nominees]

DATE: October 13, 2008  
TO: Commissioners  
FROM: Donna Coulter, Licensing Manager  
RE: Results of the election for Recognized Horsemen's Group at Eureka Downs

The Commission Chair, Executive Director and General Counsel convened a public meeting on September 24, 2008 at 9:00 a.m. to count ballots for the election of the horsemen's group for Eureka Downs. The following is a summary of the election results:

196 Ballots were mailed to eligible voters on September 1, 2008.

56 Ballots were determined as valid and counted.

**Results:**

<b>*Renee L. Jones</b>	<b>50 Votes</b>
<b>*Jaime Melson</b>	<b>47 Votes</b>
<b>*Jan Osborn</b>	<b>42 Votes</b>
<b>*Joe Thomas</b>	<b>41 Votes</b>
<b>*Steve Jones</b>	<b>38 Votes</b>
Regina Laymon	35 Votes

[\* top five nominees]

# October 2008 - September 2009

## Commission Planner

Oct 2008						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

### OCTOBER

13 Commission Meeting @ SRS Area Office

### NOVEMBER

7 Commission Meeting @ ESOB

### DECEMBER

4 Commission Meeting @ Downtown Ramada Inn

5 Commission Meeting @ Downtown Ramada Inn

Apr 2009						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Nov 2008						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May 2009						
S	M	T	W	T	F	S
						1 2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Dec 2008						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Jun 2009						
S	M	T	W	T	F	S
						1 2 3 4 5 6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Jan 2009						
S	M	T	W	T	F	S
						1 2 3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Jul 2009						
S	M	T	W	T	F	S
						1 2 3 4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Feb 2009						
S	M	T	W	T	F	S
						1 2 3 4 5 6 7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

Aug 2009						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Mar 2009						
S	M	T	W	T	F	S
						1 2 3 4 5 6 7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Sep 2009						
S	M	T	W	T	F	S
						1 2 3 4 5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			