

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – JANUARY 15, 2010

CALL TO ORDER:  
(A.)

Chair Sader called the January 15, 2010, meeting to order at 10:10 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Sader, Braun, and Falstad were present at the meeting. Commissioner McKechnie participated by phone. Commissioner Schwan was absent. Others present included Executive Director Stephen Martino; Assistant Attorney General Patrick Martin; Deputy Director of Audit/Electronic Security Charles LaBoy; Deputy Director of Security Don Brownlee; Deputy Director of Administration Don Cawby; Director of Communications/ Responsible Gaming Mike Deines; Recording Secretary Linda Pendarvis and other staff.

MOTION, APPROVE  
AMENDED AGENDA:  
(B.)

Commissioner Falstad (Braun) moved to approve the amended agenda as presented. Motion passed unanimously.

MOTION, APPROVE  
DECEMBER 4, 2009,  
MEETING MINUTES:  
(C.)

Commissioner Braun (McKechnie) moved to approve the minutes of the December 4, 2009, commission meeting as corrected. (Adjournment time was corrected to read “2:58 pm.”) Motion passed unanimously.

MOTION, APPROVE  
CONSENT AGENDA:  
(D.)

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

1. Electronic Gaming Machines and Electronic Lottery Facility Games (spreadsheet of machines and games attached)

Motion passed unanimously.

KANSAS LOTTERY  
COMMISSION REPORT:  
(E.)

The commission heard Keith Kocher, director of gaming facilities for the Kansas Lottery, report on the current status of casinos:

- The deadline for filing applications in the Southeast gaming zone is 2 pm today. There have been no applications yet, but the Lottery believes they might receive one.
- South Central gaming zone: The Chisholm Creek contract was returned by the Review Board in December due to concerns about the construction of the hotel as well as the applicant’s concern about the prospect of having a tribal casino in Park City. Developers and the Lottery are in the process of amending the contract and getting it back to the Review Board.
- Southwest gaming zone: The Boot Hill Casino is operating, and the Lottery feels that the opening was very good. Net gaming revenue through January 9 is about \$2.96 million, unaudited.

LOTTERY GAMING FACILITY  
REPORTS/ITEMS:  
(F.1.)

The commission heard Clark Stewart, president of Butler National Service Corp. d/b/a Boot Hill Casino and Resort, report on the opening of the Boot Hill Casino.

- Payments to the KRGK and the Mariah Fund have been made.
- Mr. Stewart cautioned that information concerning the type of games, machines and their payouts should remain confidential so the information does not fall into the hands of competitors.

DISCUSSION, KHA REQUEST FOR PARTIAL REIMBURSEMENT OF EXPENSES:  
(G.1.)

The commission heard Neysa Thomas, chief fiscal officer, discuss the Kansas Horsemen's Association (KHA) request for partial reimbursement from the Kansas Bred Program for expenses for March 2009 in the amount of \$2,175.02, subject to availability of funds. KHA would be allowed to request reimbursement of the balance of the expenses as funds become available.

MOTION, APPROVE KHA REQUEST FOR REIMBURSEMENT OF EXPENSES:  
(G.1.)

Commissioner Braun (Falstad) moved to approve the KHA request for partial reimbursement from the Kansas Bred Program for the month of March 2009 in the amount of \$1,200. The balance may be requested by the KHA and approved by the KRGC executive director when funds become available. Motion passed unanimously.

DISCUSSION, APPROVAL OF BOOT HILL CASINO AND RESORT INTERNAL CONTROL WAIVERS/ AMENDMENTS:  
(G.2.)

The commission heard Mr. LaBoy present 13 waivers/amendments submitted by the Boot Hill Casino and Resort relating to its internal control plan. Due to the confidential nature of the information, he recommended that it be discussed in executive session.

MOTION, EXECUTIVE SESSION:  
(G.2.)

Commissioner Braun (Falstad) moved that the commission recess into executive session for a period of 20 minutes, from 10:50 to 11:10 am, for the purpose of receiving confidential data to protect the financial affairs, security, and other trade secrets of the certified manager. Included in the executive session were the commission, Mr. Martino, Mr. Martin, Mr. LaBoy, KRGC staff, and the applicant's personnel, as required. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 11:10 am with all members present as previously noted.

MOTION, CONTINUE EXECUTIVE SESSION:  
(G.2.)

Commissioner Falstad (Braun) moved that the commission adjourn into executive session for 15 minutes, from 11:10 until 11:25 am, for the purpose of receiving confidential data to protect the financial affairs, security, and other trade secrets of the certified manager. Included in the executive session were the commission, Mr. Martino, Mr. Martin, Mr. LaBoy, KRGC staff, and the applicant's personnel, as required. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 11:26 am with all members present as previously noted.

MOTION, APPROVAL OF BOOT HILL CASINO AND RESORT INTERNAL CONTROL WAIVERS/ AMENDMENTS:  
(G.2.)

Commissioner Braun (Falstad) moved to approve the requests to the Boot Hill Casino internal control plan as follows:

- Approve waivers BH43 through BH47, BH49 through BH53, and BH55 (*BH43, BH44, BH45, BH46, BH47, BH49, BH50, BH51, BH52, BH53*)
- Table BH48
- Deny BH54

Motion passed unanimously.

CALL FOR PUBLIC  
COMMENTS:  
(H.)

Chair Sader called for public comments. There were none.

STAFF REPORT, MARTINO:  
(I.1.)

The commission heard a staff report from Mr. Martino:

- There is a potential conflict with the date of the March meeting. After discussion, it was decided to leave the meeting on March 12, 2010.
- Mr. Martino presented legislative testimony before the Senate and House Federal and State Affairs committees. Praise for the agency's efforts against illegal gambling was received from both the Senate and the House.

STAFF REPORT, DEINES:  
(I.2.)

The commission heard a staff report from Mr. Deines:

- Remedial training on responsible gambling has been conducted at Boot Hill.
- The first voluntary exclusion paperwork has been received.
- During the month of December 2009, the problem gambling help line received about 350 calls. A majority of the calls were "inappropriate calls" that should not have been directed to the help line. The line did receive about 25 "appropriate calls" during December.

MOTION, EXECUTIVE  
SESSION:  
(J.1.)

Commissioner Braun (Falstad) moved that the commission take a five-minute break, from 11:45 to 11:50 am followed by a 15-minute executive session from 11:50 am to 12:05 pm for the purpose of attorney-client communication. Those included in the executive session were the commission, Mr. Martino, and Mr. Martin. 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 12:05 pm with all members present as previously noted.

MOTION, EXECUTIVE  
SESSION:  
(J.2.)

Commissioner Braun (Falstad) moved that the commission adjourn into executive session 30 minutes, from 12:10 until 12:40 pm, for the purpose of discussing confidential background investigations performed by KRGC agents on various applicants. Those included in the executive session were the commission, Mr. Martino, Mr. Martin, and Mr. Brownlee. 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 12:40 pm with all members present as previously noted.

MOTION, EXECUTIVE  
SESSION:  
(J.2.)

Commissioner Braun (Falstad) moved that the commission adjourn into executive session 15 minutes, from 12:45 until 1:00 pm, for the purpose of discussing confidential background investigations performed by KRGC agents on various applicants. Those included in the executive session were the commission, Mr. Martino, Mr. Martin, and Mr. Brownlee. 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 1:02 pm with all members present as previously noted.

MOTION, APPROVE  
LICENSES:  
(K.1.a-b)

Commissioner Braun (Falstad) moved to approve the following licenses:

a. Boot Hill Casino

- |        |                         |                             |
|--------|-------------------------|-----------------------------|
| i.     | Sarah Abel              | Administrative Asst.        |
| ii.    | Felix Avina             | Bus Person                  |
| iii.   | Stacy Barnes            | Slot Manager                |
| iv.    | Stephanie Barraza       | Players Club Rep.           |
| v.     | Christopher J. Bourneuf | Table Games Manager         |
| vi.    | John C. Budnyk          | Director of Surveillance    |
| vii.   | Robert Cano-Mendoza     | Count Team                  |
| viii.  | Theatry Dean            | Cashier                     |
| ix.    | Jacqueline Dockery      | Cage Supervisor             |
| x.     | Roy E. Evans            | Senior Director of Finance  |
| xi.    | Nydia Gonzalez          | Valet                       |
| xii.   | Robert Holeman          | Security Manager            |
| xiii.  | Larry B. Honeycutt, Jr. | Director of Marketing/Slots |
| xiv.   | Jeffrey Jacobson        | Pit Manager                 |
| xv.    | Wesley Mahieu           | Network Administrator       |
| xvi.   | Nicole Malcolm          | Slot Shift Manager          |
| xvii.  | Chandra Maple           | Surveillance Operator       |
| xviii. | Joan Rupp               | Receiving Clerk             |
| xix.   | Sueann Schaller         | Cook                        |
| xx.    | Ralph Walker            | Pit Manager                 |

b. GTECH

- |     |                 |                               |
|-----|-----------------|-------------------------------|
| i.  | Gary Cherwinski | Director of Gaming Operations |
| ii. | Ernest Clark    | Spielo Software Tester        |

Motion passed unanimously.

