

KANSAS RACING AND GAMING COMMISSION

MINUTES – OCTOBER 13, 2010

CALL TO ORDER:
(A.)

Chair Sader called the October 13, 2010, meeting to order at 10:05 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Sader, Braun, Falstad, and Schwan were present at the meeting. Commissioner McKechnie was absent. Others present included Interim Executive Director Patrick Martin; Deputy Director of Security Don Brownlee; Deputy Director of Audit/Electronic Security Charles LaBoy; Deputy Director of Administration Don Cawby; Director of Communications/Responsible Gaming Mike Deines; Recording Secretary Linda Pendarvis and other staff.

MOTION, APPROVE
AGENDA:
(B.)

Commissioner Braun (Schwan) moved to approve the agenda with the correction of deleting item 1.d.2. Motion passed unanimously.

MOTION, APPROVE
SEPTEMBER 10, 2010,
MEETING MINUTES:
(C.)

Commissioner Falstad (Schwan) moved to approve the minutes of the September 10, 2010, commission meeting as submitted. Motion passed unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner Schwan (Braun) moved to approve the consent agenda. 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:

- In the South Central gaming zone, the Lottery Commission approved the contracts for Global Gaming and Peninsula.
- The Lottery Commission's deadline to submit the contracts to the Review Board is on October 21.
- Applicant Peninsula Gaming and two of its executives were recently charged in Iowa with making improper campaign contributions. Peninsula has been forthright in their disclosure to the Lottery and the Lottery sees no reason for the misdemeanor charges to affect their application.

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

Clint Patty, outside legal counsel for Butler National Service Corporation, d.b.a. Boot Hill Casino and Resort, gave Boot Hill's report:

- Revenues decreased in September, perhaps as a result of good weather and outdoor activities.
- A deal for a third party to build and operate a hotel is near. It is anticipated that the hotel will open in mid-2011.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS:
(F.2.)

Jeff Boerger, president of Kansas Speedway Development Corporation, reported on the Hollywood Casino at the Kansas Speedway.

- He distributed the monthly construction report from Turner Construction. Construction progress continues to be good. They anticipate that steel construction will begin next month.
- They had a very successful race weekend and received many comments and questions about the casino from race fans. Over 400 media outlets were present.

DISCUSSION
PARIMUTUEL FUNDS:
(G.1.)

The commission heard Mr. Martin discuss parimutuel funds. After discussion, the commission determined that nothing should be done with the funds at this time.

PUBLIC COMMENTS:
(H.)

Chair Sader called for public comments. There were none.

STAFF REPORT, MARTIN:
(I.1.)

The commission heard a staff report from Mr. Martin:

- Assuming that the Kansas Racing and Gaming Commission receives the contracts from the Lottery for both casino developers, the Review Board will meet on October 28. The Review Board then has 60 days to make its decision, at which point it would be transferred to the commission.
- Kevin Mullally of Gaming Laboratories International will be at our next commission meeting and will present information from the state's testing laboratory.

STAFF REPORT, DEINES:
(I.2.)

The commission heard a staff report from Mr. Deines:

- He distributed a map showing the general locations of voluntary exclusion program participants.
- Since the last commission meeting, five new people have requested self-exclusion.
- He provided details on functioning of the gambling help line.
- Mr. Deines was elected chairman of the problem gambling and addiction fund committee. The Department of Social and Rehabilitative Services established that committee to make recommendations to the Secretary of SRS about uses for the money contained in the fund.

STAFF REPORT, CAWBY:
(I.3.)

The commission heard a staff report from Mr. Cawby:

- He introduced Dylan Dear, the new legislative research analyst assigned to KRGC.
- He anticipates holding a commission meeting in Dodge City in the spring, possibly April.

MOTION, EXECUTIVE
SESSION:
(J.1.)

Commissioner Falstad (Schwan) moved that the commission go into a 30-minute executive session from 11:00 am to 11:30 am for the purpose of attorney client communication. Those included in the executive session were the commission 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 11:30 am with all members present as previously noted.

MOTION, EXECUTIVE
SESSION:
(J.2.)

Commissioner Braun (Schwan) moved that the commission take a 5-minute break followed by a 30-minute executive session from 11:40 am until 12:10 pm for the purpose of considering 26 confidential background reports. Those included in the executive session were the commission, Mr. Martin, 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 12:10 pm with all members present as previously noted.

MOTION, APPROVE
BACKGROUND REPORTS:
(K.1.a.)

Commissioner Braun (Schwan) moved to approve the license (certificate) for:

- a. Sysco Kansas City, Inc. , non gaming vendor

Motion passed unanimously.

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

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

- b. GTECH/Spielo employees:

- i. Jean-Luc Goguen Level 3
- ii. Nicholas Maillet Level 3
- iii. Carlo Marin Level 3

- c. ShuffleMaster employee:

- i. Stephen Gravett Level 2

- d. Boot Hill Casino and Resort employees:

- i. Martina Andazola Level 2
- ii. Allen Copeland, Jr. Level 2

