

KANSAS RACING AND GAMING COMMISSION

MINUTES – DECEMBER 17, 2010

CALL TO ORDER:
(A.)

Chair Sader called the December 17, 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. Commissioners Schwan and McKechnie were absent. Others present included Interim Executive Director Patrick Martin; Deputy Director of Administration Don Cawby, Deputy Director of Security Don Brownlee; Deputy Director of Audit/Electronic Security Charles LaBoy; Director of Communications/Responsible Gambling Mike Deines; Recording Secretary Linda Pendarvis and other staff.

MOTION, APPROVE
AGENDA:
(B.)

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

MOTION, APPROVE
NOVEMBER 12, 2010,
MEETING MINUTES:
(C.)

Commissioner Braun (Falstad) moved to approve the minutes of the November 12, 2010, commission meeting as submitted. Motion passed unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner Braun (Falstad) moved to approve the consent agenda and internal control amendments as submitted. Motion passed unanimously.

KANSAS LOTTERY
COMMISSION REPORT:
(E.)

Keith Kocher, director of gaming facilities for the Kansas Lottery, reported on the current status of casinos:

- The Boot Hill Casino and Resort passed its first year anniversary.
- The Hollywood Casino's construction continues.
- The Kansas Lottery Gaming Facility Review Board approved Peninsula Gaming Partners' application in the South Central gaming zone by a 6-1 vote.

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

Mark Kashuda, general manager of the Boot Hill Casino and Resort, reported that:

- November revenue was down although table games and food and beverage sales were strong.
- December volumes and headcounts are down slightly. It is anticipated that this will likely be made up during Christmas week.

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 and reported that construction is going extremely well.
- There are 467 construction workers on the job site. Mass excavation is nearly finished; a few parking areas are still being finalized. If the weather remains warm, they anticipate being able to lay the first and second base of asphalt for the parking lots. The road and utilities infrastructure have been installed. The service level located underneath the casino is progressing nicely, which will afford protection during the winter months and enable construction to proceed.
- When the project is complete, they will have utilized over 71% minority, women-owned, and local businesses.

COMMISSION ITEMS:
(G.1.)

Mr. Martin gave a quarterly report on out-of-state travel, licensing status, and illegal gaming.

PUBLIC COMMENTS:
(H.)

Chair Sader called for public comments. There were none.

- Commissioner Braun mentioned that he has been asked to speak to several civic groups on the topic of the Boot Hill Casino and Resort and gaming in general.

STAFF REPORT, MARTIN:
(I.1.)

The commission heard a staff report from Mr. Martin:

- As of yesterday, December 16, the Review Board transferred the Peninsula Gaming Partners' contract to KRGC. That transfer begins the 10-day period in which backgrounds are to be done. He anticipates that a 60-day extension will be requested from the Governor. He also anticipates that the commission will consider the Peninsula Gaming Partners' contract at the January 14, 2011, commission meeting. Accordingly, that meeting will be longer than usual.
- He reviewed the fiscal, regulatory and public health considerations that can measure the Boot Hill Casino and Resort's performance in its first year of operation.

STAFF REPORT, DEINES:
(I.2.)

The commission heard a staff report from Mr. Deines:

- There are 17 people on the voluntary exclusion list.
- KRGC has contracted with a telephone translation service to assist in communicating with non-English-speaking callers.
- There were 20 legitimate calls on the gambling help line in November.
- The Problem Gambling and Addictions Fund Advisory Committee met and is in the process of developing some

priorities on how that fund should be utilized.

STAFF REPORT, CAWBY:
(I.3.)

The commission heard a staff report from Mr. Cawby.

MOTION, EXECUTIVE
SESSION:
(J.1.)

Commissioner Falstad (Braun) moved that the commission go into a 15-minute executive session from 11:00 am to 11:15 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 11:15 am with all members present as previously noted.

MOTION, EXECUTIVE
SESSION:
(J.2.)

Commissioner Braun (Falstad) moved that the commission go into a 45-minute executive session from 11:15 am until 12:00 pm for the purpose of considering 36 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 12:02 pm with all members present as previously noted.

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

Commissioner Braun (Falstad) moved that the commission continue the executive session for the purpose of considering confidential background reports until 12:15 pm. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 12:15 pm with all members present as previously noted.

MOTION, APPROVE
LICENSES:
(J.2.)

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

- a. GTECH/Spielo employees:
 - i. Bryon Becker Level 2
 - ii. Jonathan Psomas Level 2
 - iii. Paul Hanham Level 3
 - iv. Ryan Smyth Level 3

b. Boot Hill Casino and Resort employees:

- | | | |
|---------|------------------|---------|
| i. | Victor Aguilar | Level 2 |
| ii. | Jayne Chappel | Level 2 |
| iii. | Margaret Deibert | Level 2 |
| iv. | Ashley Drennan | Level 2 |
| v. | Jack Farley | Level 2 |
| vi. | Norma Felsburg | Level 2 |
| vii. | Rosalva Gallardo | Level 2 |
| viii. | Susan Glenn | Level 2 |
| ix. | Quade Ham | Level 2 |
| x. | James Hernandez | Level 2 |
| xi. | James Kendrick | Level 2 |
| xii. | John Powell | Level 2 |
| xiii. | Marian Reynolds | Level 2 |
| xiv. | Malinda Thayer | Level 2 |
| xv. | Quang Vo | Level 2 |
| xvi. | Spencer Wasson | Level 2 |
| xvii. | Guy Watana | Level 2 |
| xviii. | Kayla Wolfe | Level 2 |
| xix. | Rosa Baquera | Level 3 |
| xx. | Josefina Beatriz | Level 3 |
| xxi. | Jessica Faulkner | Level 3 |
| xxii. | Lucia Galindo | Level 3 |
| xxiii. | George Gillespie | Level 3 |
| xxiv. | Shayla Holsten | Level 3 |
| xxv. | Herminio Lucas | Level 3 |
| xxvi. | Maria Marrufo | Level 3 |
| xxvii. | Brenda Maupin | Level 3 |
| xxviii. | Joshua Sandoval | Level 3 |
| xxix. | Jeffrey Thorpe | Level 3 |

Motion passed unanimously.

MOTION, DENY
LICENSES:
(J.3.)

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

- a. Boot Hill Casino and Resort employees:
- | | | |
|------|----------------|---------|
| i. | Matthew Chavez | Level 3 |
| ii. | Maria Lozano | Level 3 |
| iii. | Carol Tacha | Level 3 |

Motion passed unanimously.

ADJOURN: Commissioner Braun (Falstad) moved to adjourn at 12:20 pm.
Motion passed unanimously.

SUBMITTED BY:

(Signature on File)

Barry Schwan
Secretary

APPROVED BY:

(Signature on File)

William Falstad
Chair