

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – JANUARY 14, 2011

- CALL TO ORDER:  
(A.)
- Chair Falstad called the January 14, 2011, meeting to order at 10:03 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Falstad, Braun, Sader, Schwan, and McKechnie were all present at the meeting. Others present included Interim Executive Director Neysa Thomas; Assistant Attorney General Patrick Martin; Deputy Director of Security Don Brownlee; Deputy Director of Audit/Electronic Security Charles LaBoy; Deputy Director of Administration Don Cawby; Recording Secretary Linda Pendarvis and other staff.
- COMMENTS FROM CHAIR:
- Chair Falstad thanked Commissioner Carol Sader for her years of service as chair of the commission. He announced that Governor Brownback has asked Neysa Thomas to serve as interim executive director effective immediately.
- MOTION, APPROVE AGENDA:  
(B.)
- Commissioner Sader (McKechnie) moved to approve the agenda. Motion passed unanimously.
- MOTION, APPROVE DECEMBER 17, 2010, MEETING MINUTES:  
(C.)
- Commissioner Braun (Schwan) moved to approve the minutes of the December 17, 2010, commission meeting as submitted. Motion passed unanimously.
- MOTION, APPROVE CONSENT AGENDA:  
(D.)
- Commissioner Schwan (Sader) moved to approve the consent agenda as submitted, taking into consideration correction of a typo on page 2 as clarified by Mr. LaBoy. 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. Mr. Kocher noted that:
- The deadline for applications in the Southeast Gaming Zone expires January 20, 2011. The Lottery has not received any contacts about that zone recently.
  - Construction continues on the Hollywood Casino in Kansas City.
  - The Boot Hill Casino and Resort had a financially successful first year.
- LOTTERY GAMING FACILITY REPORTS/ITEMS:  
(F.1.)
- Mark Kashuda, general manager of the Boot Hill Casino and Resort, reported that:
- Boot Hill exceeded December's planned revenues by about 8%.

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

Marty Naumann, General Manager for Hollywood Casino at the Kansas Speedway, reported:

- The monthly construction report from Turner Construction progress.

PRESENTATION,  
LOTTERY GAMING  
FACILITY MANAGEMENT  
CONTRACT FOR  
PENINSULA GAMING  
PARTNERS, LLC:  
(G.1.)

Mr. Kocher highlighted the major points of the lottery gaming facility management contract between Peninsula Gaming Partners, LLC and the Kansas Lottery, including:

- The official commencement date for the 15 year term of the contract begins with the day games are first offered.
- The casino will be built near Exit 33 on the Kansas Turnpike.
- Peninsula will construct an interim facility within thirteen months of the contract's final approval by the commission.
- The contract includes increasing percentages for state revenue based on gross gaming amounts.
- The contract includes a scholarship fund.

INTRODUCTION OF,  
PENINSULA GAMING  
PARTNERS, LLC:  
(G.2.)

Mr. Brent Stevens, Chairman and CEO of Peninsula Gaming Partners, LLC reviewed the company's history, its business philosophy, and plans for the Kansas Star Casino and Resort.

PUBLIC COMMENTS:  
(H.)

Chair Falstad called for public comments and the following people spoke in these represented capacities:

- Rep. Vince Wetta, Sumner County resident
- Roger King, IBEW Electrical Workers Local #271
- John Shepherd, Plumbers and Pipefitters Local #441
- Charles Morgan, Manager at Carson Bank
- Bruce Christiansen, real estate developer and investor
- Janis Hellard, director of the Sumner County Economic Development Commission
- Gary Yager, president of Vision Bank Topeka
- Dr. Shelly Steadman, Mulvane resident
- Gerald Johnson, Kansas Horsemen's Association
- Paul Sutherland, Sumner County resident
- Kyle Steadman, Mulvane resident
- Nancy Mottola, Mulvane resident
- Jeri Myers, director of Mulvane senior center
- Bill Sims, vice president of operations for McPherson Contractors
- Dave Heinemann, Stand Up for Kansas
- Diana Friend, Kansas Quarter Horse Association
- Joan Storck, resident of Salem Township Sedgwick County

STAFF REPORT, THOMAS:  
(I.1.)

The commission heard a staff report from Ms. Thomas:

- Ms. Thomas recognized the service of Jay Hall over the past

three years and announced that he has accepted a position with Legislative Research.

RESPONSIBLE  
GAMBLING REPORT,  
SPIKER:  
(I.2.)

The commission heard a responsible gambling report from Carol Spiker, Director of the Office of Responsible Gambling, who reported that:

- Voluntary exclusion data in Kansas to date generally follows national trends.
- The state's responsible gambling Helpline provides important trending data, with recent increased activity in certain counties.

STAFF REPORT, CAWBY:  
(I.3.)

The commission heard a staff report from Mr. Cawby.

- Tentative meeting dates for the remainder of this calendar year are on the commission calendar.
- The agency has not received any substantive budget recommendations.

MOTION, EXECUTIVE  
SESSION:  
(J.1.)

Commissioner Sader (Braun) moved that the commission adjourn into executive session for a period of 45 minutes from 11:15 am to 12:00 pm for the purpose of receiving confidential information on the background of Peninsula Gaming Partners, LLC and its key employees. Those included in the executive session were the commission, Ms. Thomas, Mr. Martin, Mr. Brownlee, 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 12:00 pm with all members present as previously noted.

MOTION, EXECUTIVE  
SESSION:  
(J.1.)

Commissioner Sader (Schwan) moved that the commission re-adjourn into executive session for a period of one hour and 15 minutes from 12:00 pm until 1:15 pm for the purpose of continuing with the confidential background information on Peninsula Gaming Partners, LLC and its key employees, with additional time for attorney client communication. Those included in the first part of the executive session were the commission, Ms. Thomas, Mr. Martin, Mr. Brownlee, and security staff, with Mr. Brownlee and security staff leaving for the attorney-client communications matters. The executive session would proceed into attorney client communication with those previously noted minus the 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 1:15 pm with all members present as previously noted.

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

Commissioner Braun (Sader) moved to approve the backgrounds for:

- a. Michael Luzich Level 1
- b. Natalie Schramm Level 1
- c. Elizabeth Tranchina Level 1
- d. Andrew Whittaker Level 1
- e. Terrance Oliver Level 3

Motion passed unanimously.

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

Commissioner Braun (Sader) moved to approve the backgrounds for:

- a. Martin Stevens Level 1
- b. Jonathan Swain Level 1

Motion passed on a vote of 4-1, with Commissioner Schwan dissenting.

MOTION, APPROVE  
BACKGROUND REPORT:  
(K.1.)

Commissioner Braun (Sader) moved to approve the background of Peninsula Gaming Partners, LLC. Motion passed unanimously.

MOTION, APPROVE  
CONTRACT:  
(K.1.)

Commissioner Braun (Sader) moved to approve the lottery gaming facility management contract between Peninsula Gaming Partners, LLC and the Kansas Lottery. Motion passed on a vote of 4-1, with Commissioner Schwan dissenting.

MOTION, EXECUTIVE  
SESSION:  
(K.2.)

Commissioner Schwan (Sader) moved to adjourn into executive session for a period of 45 minutes from 1:20 pm until 2:05 pm for the purpose of receiving confidential background information related to license applicants. Those included in the executive session were the commission, Ms. Thomas, 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 2:09 pm with all members present as previously noted.

MOTION, TABLE  
BACKGROUND  
APPROVAL:

(K.2.)

Commissioner Braun (Sader) moved to table approval of the background of:

- i. Sonthsada Marshall Level 2

Motion passed unanimously.

MOTION, APPROVE  
LICENSES:

(K.2.A. and B.)

Commissioner Braun (Schwan) moved to approve the following backgrounds, certificates or licenses:

A. Aristocrat Technologies, Inc. employee:

- i. Kent Kreidler Level 2

B. Boot Hill Casino and Resort employees:

- i. Jessica McNiece Level 1
- ii. Michelle Stephens Level 1
- iii. Kayla Anderson Level 2
- iv. Eric Brandstetter Level 2
- i. Scott Campbell Level 2
- ii. Lincoln Hamilton Level 2
- iii. Kyle Hinrichs Level 2
- iv. Martiza Marquez Level 2
- v. Amanda Nufer Level 2
- vi. Ricardo Sanchez Level 2
- vii. Andrew Schneider Level 2
- viii. Saline Sisavatdy Level 2
- ix. Samath Tun Level 2
- x. Gregory Wachter Level 2
- xi. Hugo Zammarron Level 2
- xii. Susana Aguirre Level 3
- xiii. Daisy Beatriz Level 3
- xiv. Brenna Hernandez Level 3
- xv. Margarita Medina Level 3
- xvi. Robert Monarco Level 3
- xvii. Megan Neubauer Level 3
- xviii. Angelica Ortega Level 3
- xix. Eva Ramirez Level 3
- xx. Lanette Resor Level 3

Motion passed unanimously.

MOTION TO CLARIFY  
EARLIER MOTION:

Commissioner Braun (Sader) moved to clarify his earlier motions related to Peninsula Gaming Partners, LLC to ensure that the company's name was recited correctly. Motion passed unanimously.

MOTION, NEW  
COMMISSION  
SECRETARY:

Commissioner Sader (Braun) moved that Commissioner Barry Schwan be made the secretary of the commission. Motion passed unanimously.

ADJOURN:

Commissioner Schwan (Braun) moved to adjourn at 2:12 pm. Motion passed unanimously.

SUBMITTED BY:

*(Signature on File)*

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Barry L. Schwan  
Secretary

APPROVED BY:

*(Signature on File)*

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William Falstad  
Chair