

KANSAS RACING AND GAMING COMMISSION

MINUTES – MARCH 11, 2011

- CALL TO ORDER:
(A.)
- Chair Falstad called the March 11, 2011, meeting to order at 10:02 am at 700 SW Harrison, Auditorium B, Suite 460, Topeka, Kansas. Commissioners Falstad, Braun, Sader, and McKechnie were present at the meeting. Commissioner Schwan was absent. Others present included Interim Executive Director Neysa Thomas; Assistant Attorney General Patrick Martin; Director of Security Don Brownlee; Director of Audit/Electronic Security Charles LaBoy; Director of Administration Don Cawby; Recording Secretary Linda Pendarvis and other staff.
- MOTION, APPROVE AGENDA:
(B.)
- Commissioner Sader (McKechnie) moved to approve the agenda as presented. Motion passed unanimously.
- MOTION, APPROVE FEBRUARY 17, 2011, MEETING MINUTES:
(C.)
- Commissioner Sader (McKechnie) moved to approve the minutes of the February 17, 2011, commission meeting as amended. Motion passed unanimously.
- MOTION, APPROVE CONSENT AGENDA:
(D.)
- Commissioner McKechnie (Braun) moved to approve the consent agenda as presented. 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.
- LOTTERY GAMING FACILITY REPORTS/ITEMS:
(F.1.)
- Clark Stewart, president of Butler National Service Corp. d/b/a Boot Hill Casino and Resort (BHCR) :
- Reported that BHCR recorded a 15 percent increase in revenue during the month of February 2011.
 - Introduced Sharon Stroburg, corporate marketing director, who reviewed marketing activities at BHCR.
- LOTTERY GAMING FACILITY REPORTS/ITEMS:
(F.2.)
- Marty Naumann, general manager for Hollywood Casino at the Kansas Speedway:
- Distributed the monthly report from Turner Construction and reported that construction continues to go well.
 - Announced that the casino has hired Dave Rice as a compliance manager and Bob Sheldon as general manager.
- LOTTERY GAMING FACILITY REPORTS/ITEMS:
(F.3.)
- Scott Cooper, general manager for the Kansas Star Casino, reported:
- The project's temporary office is open at 108 W. Main Street in Mulvane.
 - The project has broken ground.

- Final approval has been received on the PUD and the developer's agreement from the City of Mulvane.
- Contractors and local construction suppliers are encouraged to go online and register to be a vendor. Four contracts have been awarded so far – all to vendors based in Kansas.
- The Kansasstarcasino.com website also invites people to apply for jobs at the Kansas Star. To date, the casino has received more than 2,600 employment applications.

DISCUSSION, KHA
REIMBURSEMENT FROM
KANSAS BRED
PROGRAM:
(G.1.)

The commission heard Neysa Thomas discuss the Kansas Horsemen's Association (KHA) request for reimbursement from the Kansas Bred Program for expenses for December 2009 through February 2010 in the amount of \$1,972.63, subject to the availability of funds.

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

Commissioner Braun (McKechnie) moved to approve the KHA request for reimbursement from the Kansas Bred Program for December 2009 through February 2010 in the amount of \$1,972.63, subject to the availability of funds. Motion passed unanimously.

DISCUSSION, PRE-
LIMINARY APPROVAL OF
"WAVE SIX" GAMING
REGULATIONS:
(G.2.)

The commission heard Patrick Martin discuss preliminary approval of "Wave Six" gaming regulation changes as follows:

K.A.R. 112-102-2 – Gaming supplier and non-gaming supplier defined

K.A.R. 112-104-5 – Standard financial reports

K.A.R. 112-104-6 – Annual audit; other reports; currency transaction reporting; suspicious transaction reporting

K.A.R. 112-104-42 – Purchasing (*new*)

K.A.R. 112-108-23 – Dice: receipt, storage, inspections, and removal from use

K.A.R. 112-110-1 – Adoptions by reference

K.A.R. 112-110-14 – Procedures for resolving EGM breaks in communication with the central computing system (*new*)

MOTION, PRELIMINARY
APPROVAL OF "WAVE
SIX" GAMING
REGULATIONS:
(G.2.)

Commissioner Sader (Braun) moved for preliminary approval of the regulations with the inclusion of a discussed change. Motion passed unanimously.

PUBLIC COMMENTS:
(H.)

Chair Falstad called for public comments. There were none.

STAFF REPORT, THOMAS:
(I.1.)

The commission heard a staff report from Ms. Thomas, including that:

- Pursuant to the commission's request, SRS provided a report concerning the Problem Gambling and Addictions Grant Fund Expenditures, and she noted that a representative from

SRS will attend the May commission meeting to explain the fund's status and expenditures.

- Mark Dodd is the Governor's recent appointment for the executive director of the State Gaming Agency. Mr. Dodd introduced himself and provided some background for the commissioners.
- Recognized commissioners Sader, McKechnie, and Schwan, whose appointments to the commission are not being renewed.

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

The commission heard a responsible gambling report from Mr. Cawby in the absence of Carol Spiker.

MOTION, EXECUTIVE
SESSION:
(J.1.)

Commissioner Sader (McKechnie) moved that the commission adjourn into executive session for a period of 30 minutes from 11:10 am to 11:40 am for the purpose of attorney-client communication. Those included in the executive session were the commission, Ms. Thomas, 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 11:40 am with all members present as previously noted.

MOTION, EXECUTIVE
SESSION:
(J.2.)

Commissioner Braun (McKechnie) moved that the commission adjourn into executive session for a period of 15 minutes, from 11:45 am until 12:00 pm, for the purpose of reviewing confidential background reports. 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, APPROVE
LICENSES:
(K.)

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

- a. Boot Hill Casino and Resort employee license *renewals*:
 - i. Larry Honeycutt Level 1

- ii. Kerry Kaiser Level 1
- iii. Mark Kashuda Level 1
- iv. Araceli Calderon Level 2
- v. Jeffrey Jacobson Level 2
- vi. Sylvia Suarez Level 3
- b. GTECH employee license *renewals*:
 - i. Marcus Collette Level 2
 - ii. Derek Sparks Level 2
 - iii. Ronald Babineau Level 3
- c. Butler National employee license *renewal*:
 - i. Michael Tamburelli Level 3
- d. Bally employee licenses:
 - i. Kevin Connaughton Level 3
 - ii. Lakshmi Datla Level 3
 - iii. Obed Garza Level 3
 - iv. Joseph Johnson Level 3
 - v. Edward MacGillivray Level 3
 - vi. Jesse Porchas Level 3
 - vii. Mathew Preslin Level 3
 - viii. Shirley Russell Level 3
 - ix. Mark White Level 3
- e. GTECH employee licenses:
 - i. Jason Apodaca Level 2
 - ii. John May Level 2
 - iii. Luc Aube Level 3
- f. Boot Hill Casino and Resort employee licenses:
 - i. Juan Baez, Jr. Level 2
 - ii. Ruth Hammer Level 2
 - iii. Mathew Heinz Level 2
 - iv. Della Johnson Level 2
 - v. Richard Martin Level 2
 - vi. Zam Marvilla Level 2
 - vii. James Morton Level 2
 - viii. Carlie Rouse Level 2
 - ix. Dulce Ruiz-Lerma Level 2
 - x. Martina Aguirre De Sandez Level 3
 - xi. Miriam Guillen Level 3
 - xii. Jessica Marrufo Level 3
 - xiii. Daniel Martinez Level 3
 - xiv. Yanerys Morejon-Cruz Level 3
 - xv. Adelina Ventura Level 3

Motion passed unanimously.

MOTION, DENY LICENSE: Commissioner Braun (McKechnie) moved to deny the license
(K.) requested for:

f. Boot Hill Casino and Resort employee:

i. Jason Ward Level 2

Motion passed unanimously.

ADJOURN: Commissioner McKechnie (Sader) moved to adjourn at 12:02 pm.
Motion passed unanimously.

SUBMITTED BY:

(Signature on File)

Glenn R. Braun
Acting Secretary

APPROVED BY:

(Signature on File)

William Falstad
Chair