

KANSAS RACING AND GAMING COMMISSION

MINUTES – JULY 15, 2011

CALL TO ORDER:
(A.)

Chair Falstad called the July 15, 2011, meeting to order at 10:00 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Falstad, Braun, Shultz, Shadwick, and McKinney were all present at the meeting. Others present included Executive Director Richard Petersen-Klein; Assistant Attorney General Patrick Martin; Director of Security Don Brownlee; Director of Audit/Electronic Security Charles LaBoy; Recording Secretary Linda Pendarvis and other staff.

MOTION, APPROVE
AMENDED AGENDA:
(B.)

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

MOTION, APPROVE
JUNE 17, 2011, MEETING
MINUTES:
(C.)

Commissioner Shultz (Braun) moved to approve the minutes of the June 17, 2011, commission meeting as presented. Motion passed unanimously.

MOTION, APPROVE
AMENDED CONSENT
AGENDA:
(D.)

Commissioner McKinney (Shadwick) moved to approve the consent agenda as amended. Motion passed unanimously.

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

Sharon Stroburg, general manager of the Boot Hill Casino and Resort, reported that:

- Construction continues on the Hampton Inn and Suites that is being built next to the casino.
- During the month of June, revenue was up about 13% over last year. Wins per patron were up about 20%.
- A lunch buffet has been added, which has resulted in lunch covers increasing more than 40% in the two weeks that the buffet has been open.

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

Jeff Boerger, president of Kansas Speedway Development Corporation, reported on the Hollywood Casino at Kansas Speedway and he:

- Called attention to the monthly report from Turner Construction.
- Reported that the facility is approximately 70% complete, and they are on schedule to meet their projected February 1, 2012, opening date.
- Introduced Bob Sheldon, general manager of the casino.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS:
(E.3.)

Scott Cooper, general manager for the Kansas Star Casino, reported that:

- Construction continues on schedule, and he provided photos showing the progress.
- Contracts awarded amount to \$50 million, approximately 97% of which has gone to Kansas vendors.
- Online employment applications now exceed 6,000. 92% of those who have applied for employment are from Kansas. The first employment open house is scheduled for July 26.
- Approximately 85% of vendors who have registered are from Kansas.
- Mike Dickson is the new director of casino operations.
- The Lottery Commission has approved the casino's request to increase their investment to \$290 million, with a larger infrastructure and increased amenities. Accordingly, the casino will add 60,000 sq. ft. to the equestrian venue, which will allow for additional restaurants and banquet space and will increase seating capacity from 3,400 to 4,900 seats. Also, the casino will increase the gaming floor by about 7,000 sq. ft. and the hotel is being increased by about 22,000 sq. ft. Those expansions will allow the casino to add four food outlets, and to increase the size of the steak house and buffet. A 5,000 sq. ft. banquet facility will be added to the third floor. As one reduction, the casino will reduce the RV park's size.
- Opening of the temporary casino is still anticipated to be December 23, 2011, with the permanent casino opening a year later.

KANSAS LOTTERY
COMMISSION REPORT:
(F.)

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

COMMISSION ITEMS:
(G.)

Mr. Petersen-Klein presented the quarterly reports on licensing, illegal gambling, and staff out-of-state travel.

PUBLIC COMMENTS:
(H.)

Chair Falstad called for public comments. There were none.

STAFF REPORT,
EXECUTIVE DIRECTOR:
(I.1.)

Mr. Petersen-Klein called the commission's attention to the calendar dates for upcoming meetings.

STAFF REPORT,
DIRECTOR OF SECURITY:
(I.2.)

Mr. Brownlee responded to a question raised at the June commission meeting concerning the effectiveness of security at Boot Hill Casino as patrons enter the facility.

- From January through May, 2011, 260 minors were refused entrance to the facility.

- 574 people were turned away for lack of proper identification.

STAFF REPORT,
RESPONSIBLE
GAMBLING
COORDINATOR:
(I.3.)

The commission heard from Carol Spiker, responsible gambling coordinator, who:

- Reviewed the voluntary exclusion report.
- Reported that she has not received SRS's problem gambling treatment data.
- Reported on the recent Kansas Responsible Gambling Alliance meeting.
- Summarized data from the problem gambling helpline.

MOTION, EXECUTIVE
SESSION:
(J.1.)

Commissioner Shadwick (Braun) moved that the commission adjourn into executive session for 15 minutes, from 11:00 am to 11:15 am, for the purpose of attorney-client communication. Those included in the executive session were the commission, Mr. Petersen-Klein, 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 11:17 am with all members present as previously noted.

MOTION, EXECUTIVE
SESSION:
(J.2.)

Commissioner Shultz (Braun) moved that the commission adjourn into executive session for 10 minutes, from 11:25 am to 11:35 am, preceded by a five-minute break, for the purpose of discussing personnel issues. Those included in the executive session were the commission, Mr. Petersen-Klein, 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 11:35 am with all members present as previously noted.

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

Commissioner Braun (Shultz) moved to extend the executive session for the purpose of discussing personnel issues for an additional 10 minutes until 11:45 am. Those included in the executive session were the commission, Mr. Petersen-Klein, 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 11:48 am with all members present as previously noted.

MOTION, EXECUTIVE SESSION: (J.3.) Commissioner Braun (McKinney) moved that the commission adjourn into executive session for 50 minutes, from 11:50 am until 12:40 pm, for the purpose of reviewing confidential background reports. Those included in the executive session were the commission, Mr. Petersen-Klein, 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 12:40 pm with all members present as previously noted.

MOTION, DENY LICENSES: (J.3.) Commissioner Braun (Shultz) moved to deny the license applications of:

- i. Dasha Herrell Level 2
- ii. Jason Hibbs Level 2
- iii. Edward Horner Level 2

Motion passed unanimously.

MOTION, DENY RECONSIDERATION: (J.3.) Commissioner Braun (Shadwick) moved to deny reconsideration of the background of:

- i. Brenda Metzler Level 2

Motion passed unanimously.

MOTION, APPROVE LICENSES: (J.3.) Commissioner Braun (Shultz) moved to approve the licenses of:

- a. WMS Gaming, Inc. *license*
- b. Spielo/Lottomatica *license*
 - i. Walter Bugno Level 1
- c. GTech *license renewals*:
 - i. Patrick Craig Level 2
 - ii. Craig Gates Level 2
 - iii. David Hirsch Level 2
 - iv. Robert Maina Level 2
 - v. Thomas Robichaud Level 2
- d. Bally Gaming *licenses*

- i. Michael Brown Level 3
- ii. Michael Detar Level 3
- iii. Brian Hanifan Level 3
- iv. Kevin Jackson Level 3
- v. Denyse Moore Level 3
- vi. Praveen Pinnika Level 3
- vii. Karen Webb Level 3
- e. Bally Gaming *license renewal*
 - i. Kendra Brock Level 3
- f. Boot Hill *licenses*:
 - i. Rosa Baquera Level 2
 - ii. Pongsak Dismanopnarong Level 2
 - iii. Monica Florez Level 2
 - iv. Monica Garcia Level 2
 - v. Amanda Gerber Level 2
 - vi. Barbara Odermann Level 2
 - vii. Thomas Reitan Level 2
 - viii. Rosa Terrell Level 2
 - ix. Graciela Cervantez Level 3
 - x. Iris Hernandez Level 3
 - xi. Dashon Jackson Level 3
 - xii. Celia Martinez Level 3
 - xiii. Librada Myers Level 3
 - xiv. Lisa Romero Level 3
 - xv. Arturo Tena Level 3
- g. Boot Hill *license renewals*:
 - i. Jesse King Level 1
 - ii. Misti Alexander Level 2
 - iii. Mel Clare Level 2
 - iv. Clay Feilmeier Level 2
 - v. Felix Flores Level 2
 - vi. Mohammed Mohammed Level 2
 - vii. Susan Myers Level 2
 - viii. Octavio Ovalle Level 2
 - ix. Carlos Sanchez Level 2
 - x. Theresa Settle Level 2
 - xi. Rashell Taylor Level 2
 - xii. Guy Watana Level 2
 - xiii. Carmelo Garcia Level 3
 - xiv. Edith Martinez Level 3

Motion passed unanimously.

ADJOURN: Commissioner Braun (Shadwick) moved to adjourn at 12:45 pm.
Motion passed unanimously.

SUBMITTED BY:

(Signature on File)

Timothy A. Shultz
Secretary

APPROVED BY:

(Signature on File)

William Falstad
Chair