

KANSAS RACING AND GAMING COMMISSION

MINUTES – SEPTEMBER 14, 2011

- CALL TO ORDER:
(A.)
- Chair Falstad called the September 14, 2011, meeting to order at 10:04 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Falstad, Braun, Shultz, Shadwick, and McKinney were 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; Director of Administration/Finance Kathy Lewis; Recording Secretary Linda Pendarvis and other staff.
- MOTION, APPROVE AGENDA:
(B.)
- Commissioner Shultz (McKinney) moved to approve the agenda as presented. Motion passed unanimously.
- MOTION, APPROVE AUGUST 12, 2011, MEETING MINUTES:
(C.)
- Commissioner Shadwick (Shultz) moved to approve the minutes of the August 12, 2011, commission meeting as presented. Motion passed unanimously.
- MOTION, APPROVE CONSENT AGENDA:
(D.)
- Commissioner Shultz (Braun) moved to approve the consent agenda as submitted. Motion passed unanimously.
- LOTTERY GAMING FACILITY REPORTS/ITEMS:
(E.1.)
- Sharon Stroburg, general manager of the Boot Hill Casino and Resort, reported that:
- Revenue was up about 10% over last year during the month of August.
 - Hotel construction continues on schedule.
- LOTTERY GAMING FACILITY REPORTS/ITEMS:
(E.2.)
- Bob Sheldon, general manager for the Hollywood Casino at the Kansas Speedway, reported that:
- The September 8 job fair was very well attended. About 700 new applications were generated. The casino will be participating in an additional job fair on October 20.
 - The dealers' school will begin on October 10. Roughly 180 individuals will participate.
 - The initial delivery of slot machines is scheduled for October 3. Installation will begin near the end of October.
 - On October 9, the Kansas Speedway is hosting the Hollywood Casino 400 NASCAR race. The casino will have a race car painted appropriately to represent the casino, a model of the facility, and a desk for the purpose of recruiting potential employees and distributing marketing materials.
 - Construction is moving along very well. The parking garage is nearing completion. The administrative level where the

offices will be located is well underway, and occupancy is expected to occur around November 1. Some of the KRGC offices will be ready by October 15.

- He introduced Aaron Rosenthal, who has been hired as assistant general manager of the casino.

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

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

- Construction is on schedule with focus now shifted to the interior of the facility. KRGC and Kansas Lottery trailers are onsite and ready.
- Slot machines are expected to arrive in mid-October.
- 7,500 employment applications have been received, 90% of which are from Kansas. Ultimately just under 500 full-time employees will be hired with an additional 60-100 part-time employees.
- \$68 million in contracts have been awarded, 95% of which have been awarded to Kansas subcontractors.
- A dealers' school is currently underway with approximately 80 people participating.

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.

DISCUSSION, FY 2012-
2013 BUDGET:
(G.1.)

The commission heard Mr. Petersen-Klein discuss the budget for 2012-2013.

- All but a small portion of the start-up loan for the agency was repaid a year ahead of schedule.
- The 2012 budget reflects the opening of the Hollywood Casino and the Kansas Star Casino in the second half of the fiscal year.
- The highlight of the 2013 budget is that it will be the first year that KRGC has three casinos fully operating.

Mark Dodd, executive director of the State Gaming Agency, commented on the SGA's portion of the combined budget.

MOTION, APPROVE FY
2012-2013 BUDGET:
(G.1.)

Commissioner Shadwick (Braun) moved to approve the 2012-2013 budget as presented, subject to technical changes to be made upon entering the budget into IBARS, the State Budget System. Motion passed unanimously.

PUBLIC COMMENTS:
(H.)

Chair Falstad called for public comments. There were none.

STAFF REPORT,
ASSISTANT ATTORNEY
GENERAL:
(I.1.)

Mr. Martin expressed appreciation and presented plaques to Cheryl Dolejsi, who is retiring after more than 41 years of service to the State of Kansas, 22 of which have been with KRGC; and to Charles LaBoy, who is leaving after 13 years with KRGC to accept a position with the Maryland State Lottery.

STAFF REPORT,
RESPONSIBLE
GAMBLING
COORDINATOR:
(I.2.)

The commission heard from Carol Spiker, responsible gambling coordinator, who reviewed the voluntary exclusion report.

MOTION, EXECUTIVE
SESSION:
(J.1.)

Commissioner Braun (Shadwick) moved that the commission take a 5-minute break followed by a 20-minute executive session, from 11:25 am until 11:45 am, for the purpose of discussing personnel issues. Those included in the executive session were the commission and Mr. Petersen-Klein. 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 11:45 am with all members present as previously noted.

MOTION, EXECUTIVE
SESSION:
(J.2.)

Commissioner Braun (Shultz) moved that the commission go into executive session for a period of one hour from 11:45 am until 12:45 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 12:45 pm with all members present as previously noted.

MOTION, APPROVE
LICENSES:
(K.1.)

Commissioner Braun (Shadwick) moved to approve the licenses of:

- a. KRGC New Employee Applications:
 - i. Roger Bailey Public Service Executive II
 - ii. Ashley Cruz Administrative Officer
 - iii. Jodi Johnstone Auditor

- iv. Erik Nava IT Consultant I
- v. Frederick Waller Special Investigator
- b. Gaming Partners International USA, Inc. (Gaming Vendor) *license*
- c. Aristocrat Technologies employee *license*:
 - i. William Ulmer Level 3
- d. Bally Gaming employee *licenses*:
 - i. Masimba Muskwe Level 2
 - ii. Bryan Schichtel Level 2
 - iii. Sathesh Arumugam Level 3
 - iv. Spinivasa Miriyala Level 3
 - v. Arinze Uzowihe Level 3
 - vi. Lynn Zerillo Level 3
- e. GTech employee *license renewals*:
 - i. Gary Cherwinski Level 1
 - ii. Charles Calhoun Level 2
 - iii. Darrell Wehmeier Level 2
- f. Shuffle Master employee *license renewals*:
 - i. Stephen Gravett Level 2
 - ii. Gregory Walser Level 2
- g. Boot Hill Casino and Resort employee *license renewals*:
 - i. Jessica Baird Level 2
 - ii. Michael Rueb Level 2
- h. Boot Hill Casino and Resort employee *licenses*:
 - i. Janie Blankenship-Reitan Level 2
 - ii. Shawne Childress Level 2
 - iii. Alejandro Duran Level 2
 - iv. Lucia Galindo Level 2
 - v. Teraldine Pitt Level 2
 - vi. Kelcie Riederer Level 2
 - vii. Ashley Scotti Level 2
 - viii. Maricel Waugh Level 2
- i. Hollywood Casino at Kansas Speedway employee *licenses*:
 - i. James White Level 2
 - ii. Alisha Bennett Level 3
 - iii. Victoria Hewitt-Burns Level 3
- j. Kansas Star Casino employee *licenses*:
 - i. Gerald Gilkey Level 1
 - ii. Wendy Pelz Level 2
 - iii. Melissa Stevens Level 2
 - iv. Stacy Wontorsky Level 2

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|--------------------|---------|
| v. Deborah Bennett | Level 3 |
| vi. Ronald Bowes | Level 3 |
| vii. Connie Kimple | Level 3 |

Motion passed unanimously.

MOTION, APPROVE
LICENSES:
(K.1.)

Commissioner Braun (Shultz) moved to approve the license of:

- | | |
|----------------|---------|
| i. Diana Farha | Level 1 |
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On a roll call vote, the motion passed 4-0 with Commissioner Shadwick abstaining. Motion passed.

ADJOURN:
(L.)

Commissioner Braun (Shultz) moved to adjourn at 12:50 pm.
Motion passed unanimously.

SUBMITTED BY:

(Signature on File)

Timothy A. Shultz
Secretary

APPROVED BY:

(Signature on File)

William Falstad
Chair