

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – JUNE 15, 2012

CALL TO ORDER:  
(A.)

Chair Falstad called the June 15, 2012, meeting to order at 10:00 am at 700 SW Harrison, Auditorium B, Suite 460, Topeka, Kansas. Commissioners Falstad, Shultz, Shadwick, and McKinney were present at the meeting. Others present included executive director Richard Petersen-Klein, director of security Don Brownlee; director of administration/finance Kathy Lewis; general counsel Judith Taylor; director of information technology Bill Smith; recording secretary Linda Pendarvis and other staff.

MOTION, APPROVE  
AGENDA:  
(B.)

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

MOTION, APPROVE  
MAY 11, 2012, MEETING  
MINUTES:  
(C.)

Commissioner Shadwick (Shultz) moved to approve the minutes of the May 11, 2012, commission meeting as presented. Motion passed unanimously.

MOTION, APPROVE  
CONSENT AGENDA:  
(D.)

Commissioner Shultz (McKinney) moved to approve the consent agenda as submitted. Motion passed unanimously.

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

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

- May's budget did not reflect an increase in revenue over last year due to anticipated construction disruption, which affected the number of available slots.
- Construction is proceeding for the slots expansion (216 slots) projected to open on September 1, 2012. The table game pit has been reconfigured into two pits and four games added for a total of 18 games and five poker games.

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

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

- It was announced on May 18 that Boyd Gaming and Peninsula Gaming have entered into an agreement whereby Boyd will acquire Peninsula, the parent of the Kansas Star.
- May revenue was up slightly from April.
- Focus continues on identifying food and beverage staff for construction phase 1B. Total employment is currently at 578 people.
- The process of planning the transition from construction phase 1A to 1B continues.

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

Bob Sheldon, General Manager for the Hollywood Casino at the Kansas Speedway, reported that:

- Revenue during the month of May was slightly up from the previous month. Number of visitors also increased slightly over the previous month.
- A positive impact has been seen from added promotional programs including a variety of restaurant specials and the Marquee Rewards tee shirt giveaway.
- Current employment stands at 924.

CONSIDERATION OF KHA  
PROPOSED AGREEMENT:  
(F.1.a.)

Mr. Petersen-Klein presented the proposed contract extension from the Kansas Horsemen's Association. He recommended that the agreement be taken up for further discussion in Executive Session, along with the general counsel's report. Chair Falstad announced that further consideration would be taken up in executive session.

PUBLIC COMMENTS:  
(G.)

Chair Falstad called for public comments. The commission heard from the following individuals:

- Jerold F. Johnson, speaking as a member of the KHA and a minor breed representative.
- John McCoy, thoroughbred breeder and racer.
- Gail Radke, member of KHA

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

Mr. Petersen-Klein reported that:

- The agency's budget was approved without change in the 2012 legislative session. There were no significant legislative enactments concerning the Commission and the Commission's jurisdiction.
- Commissioner Glenn Braun has resigned from the Commission to accept appointment as district court judge in the 23<sup>rd</sup> judicial district. Mr. Braun served as vice chair of the Commission and was also the presiding officer on the agency's appellate panel. Those two positions will need to be filled. Commissioner Shultz (McKinney) moved to appoint Commissioner Jay Shadwick as vice chair. Motion passed unanimously. Commissioner McKinney (Shultz) moved that Chair Falstad be named the presiding officer on the appellate panel. Motion passed unanimously.
- Mr. Petersen-Klein introduced Brian Duncan, a new attorney with the agency.
- KRGC Staff has met with representatives of Boyd Gaming regarding our licensing process. KRGC is also coordinating related activities with the Kansas Lottery.
- Mr. Petersen-Klein reported that he and Chair Falstad attended the second session of the Boards and Commissions Seminars series, which focused on financial measures.

- Mr. Petersen-Klein and Carol Spiker attended the Midwest Conference on Problem Gambling and Substance Abuse.

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

The commission heard from Carol Spiker, responsible gambling coordinator, who reviewed the Voluntary Exclusion Report.

MOTION, EXECUTIVE  
SESSIONS:  
(I.1.- 2.)

Commissioner Shultz (Shadwick) moved that the commission go into consecutive executive sessions for the purpose of (1) attorney-client communication and (2) to review confidential background reports and licensing. Those included in the executive session for attorney-client privilege were the commissioners, executive director, general counsel, and enforcement attorney. Those included in the executive session for background reports and licensing were the commissioners, executive director, general counsel, and director of security. The total combined time for the executive sessions was one hour and 30 minutes, from 11:10 am until 12:40 pm, preceded by a 10-minute break. 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 TO DENY  
LICENSES:  
(J.)

Commissioner Shultz (Shadwick) moved to deny the licenses of:

- i. Grant Michael Level 2
- ii. Brian Salmon Level 2

Motion passed unanimously.

MOTION TO DENY  
REQUEST FOR  
RECONSIDERATION:  
(J.)

Commissioner Shultz (Shadwick) moved to deny the request for reconsideration of:

- i. Jackie Beal Level 2

Motion passed unanimously.

MOTION TO TABLE  
REQUEST:  
(J.)

Commissioner Shultz (Shadwick) moved to table the license request of:

- i. Alissa Lott Level 2

Motion passed unanimously.

MOTION TO APPROVE  
LICENSE APPLICATION  
SUBJECT TO  
CONDITIONS:

Commissioner Shultz (Shadwick) moved for conditional approval of the request for reconsideration:

- i. Paul Peterson Level 2

(J.)

Motion passed unanimously.

MOTION TO APPROVE  
LICENSES:

(J.)

Commissioner Shultz (Shadwick) moved to approve all other license applications as follows:

1. Consideration of proposed gaming licenses and renewals
  - a. AC Coin and Slot Company employee licenses:
    - i. David Digiuseppe Level 3
    - ii. John Simons Level 3
  - b. Bally Technologies employee licenses:
    - i. Shannan Devine Level 2
    - ii. Sree Dharman Level 2
  - c. Cummins-Allison Corporation employee licenses:
    - i. Douglas Crager Level 2
    - ii. Mark Kreis Level 2
    - iii. Kevin Sellers Level 2
  - d. Deliotte and Touch employee license:
    - i. Hsiao-Lun Lee Level 2
  - e. Digital Entertainment employee licenses:
    - i. Steven Jones Level 3
    - ii. Shawn Osterhoudt Level 3
    - iii. Daniel Scott Level 3
  - f. Ecolab employee license:
    - i. Patrick Kelly Level 3
  - g. Egads employee license:
    - i. Charles Webb Level 3
  - h. GTECH employee license:
    - i. Dennis Christian Level 2 (Renewal)
  - i. Konami Gaming employee licenses:
    - i. David Hainsworth Level 3
    - ii. Gaynell Hunt Level 3
    - iii. Jacob Sharbutt Level 3
  - j. Multimedia Games resubmission for conditional denial:
    - i. Preston Johannes Level 2
  - k. NRT Technology employee license:
    - i. Carlos Mateo Level 3
  - l. TR Biz employee licenses:
    - i. Robin Bowers Level 2
    - ii. Dawn Britt Level 2
  - m. Vista Host employee licenses:
    - i. Bernardo Del Real Level 3
    - ii. Zachary Dicjens Level 3
    - iii. Thomas Dunson Level 3

iv.	Xavier Lantz	Level 3	
v.	Shyrene Martinez	Level 3	
vi.	Abimael Sierra	Level 3	
n.	Boot Hill Casino employee licenses:		
i.	Katie Darrough	Level 2	
ii.	Lanetta Hylton	Level 2	
iii.	Manoj Manna	Level 2	
iv.	Manh Maphixat	Level 2	
v.	Zachary Roberts	Level 2	
vi.	Eldon Shelton	Level 2	
vii.	Kevin Shrader	Level 2	
viii.	Earl Stoltz	Level 2	
ix.	Dala Thomas	Level 2	
x.	Nicanora Casey	Level 2	(Renewal)
xi.	John Chambers	Level 2	(Renewal)
xii.	Allen Copeland	Level 2	(Renewal)
xiii.	Brenda Hernandez	Level 2	(Renewal)
xiv.	Shea Simmons	Level 2	(Renewal)
xv.	Samath Tun	Level 2	(Renewal)
xvi.	Ana Torres-Derayo	Level 3	
xvii.	Gabriela Perez	Level 3	(Renewal)
xviii.	Danny Weaver	Level 3	(Renewal)
o.	Hollywood Casino employee licenses:		
i.	Donna Bartholomew	Level 2	
ii.	Darla Birkhoffer	Level 2	
iii.	Thomas Bradley	Level 2	
iv.	James Canada II	Level 2	
v.	Nicholas Carmadella	Level 2	
vi.	Jeffrey Cottrill	Level 2	
vii.	Sara Crowley	Level 2	
viii.	Evan Davis	Level 2	
ix.	Timothy Eastman	Level 2	
x.	Benjaporn Emerson	Level 2	
xi.	Marcia French	Level 2	
xii.	Enrique Garrido	Level 2	
xiii.	Johnny Gillespie, Jr.	Level 2	
xiv.	Daniel Green	Level 2	
xv.	Edith Grijalva	Level 2	
xvi.	Wendy Hall	Level 2	
xvii.	Paul Hatem	Level 2	
xviii.	Vincent Hernandez	Level 2	
xix.	Meredith Herron	Level 2	

xx.	Laney Kathrens	Level 2
xxi.	Tan Le	Level 2
xxii.	Hung Lei	Level 2
xxiii.	Kenneth McDonald	Level 2
xxiv.	Ronald Phillips	Level 2
xxv.	Chad Rank	Level 2
xxvi.	Kyle Rector	Level 2
xxvii.	Shawn Sivyer	Level 2
xxviii.	Michael Sosa	Level 2
xxix.	Justin Spencer	Level 2
xxx.	Jay Standley	Level 2
xxxi.	James Wells	Level 2
xxxii.	Justen White	Level 2
xxxiii.	Nikita Wilson	Level 2
xxxiv.	Assad Abisaab	Level 3
xxxv.	Beau Aldridge	Level 3
xxxvi.	Heather Alexander	Level 3
xxxvii.	Momina Aumere	Level 3
xxxviii.	Aaron Bruce	Level 3
xxxix.	Whitney Sanford	Level 3
xl.	Kathleen Thomas	Level 3
xli.	LeMarco Williams	Level 3
p.	Kansas Star Casino employee licenses:	
i.	Michael Dickson	Level 1
ii.	Paula Akalis	Level 2
iii.	Stacy Ancell	Level 2
iv.	Robert Bieri	Level 2
v.	Ronald Bowes	Level 2
vi.	Ginny Burnett	Level 2
vii.	Paula Carden	Level 2
viii.	Tara Cheatwood	Level 2
ix.	David Cox	Level 2
x.	Diana Crumpler	Level 2
xi.	David Donnelly	Level 2
xii.	Stephanie Downing	Level 2
xiii.	Darren Dziewulski	Level 2
xiv.	Nikole Flying Out	Level 2
xv.	Garry Fromm	Level 2
xvi.	Lucas Garrigus	Level 2
xvii.	Charlene Gerlach	Level 2
xviii.	Peter Grant	Level 2
xix.	Susan Hachey	Level 2

xx.	Bryan Halbert	Level 2
xxi.	Wade Harp	Level 2
xxii.	Chantal Horacek	Level 2
xxiii.	Monica Johnson	Level 2
xxiv.	Jonna Kalcevic	Level 2
xxv.	Richard Knoffloch	Level 2
xxvi.	Olen Leach	Level 2
xxvii.	Joey Lynes	Level 2
xxviii.	Rossano Macari	Level 2
xxix.	Avery McChesney	Level 2
xxx.	Gerald McCoy	Level 2
xxxi.	Gloria Mefford	Level 2
xxxii.	Darlene Mejia	Level 2
xxxiii.	April Moats	Level 2
xxxiv.	Judith Penfield	Level 2
xxxv.	Amy Perry	Level 2
xxxvi.	Debra Schmidt	Level 2
xxxvii.	Jacqueline Smart	Level 2
xxxviii.	Bradley Smith	Level 2
xxxix.	Cindy Smith	Level 2
xl.	Shaina Stanton	Level 2
xli.	Thy Ta	Level 2
xlii.	Melissa Tanner	Level 2
xliii.	Jami Workentine	Level 2
xliv.	Samantha Bailey	Level 3
xlv.	Chelsee Bell	Level 3
xlvi.	Trisha Bonner	Level 3
xlvii.	David Bowman	Level 3
xlviii.	Emily Scheer	Level 3

Motion passed unanimously.

MOTION, CONTINUE  
REGISTERING OF HORSES  
UNDER THE KANSAS  
BRED PROGRAM:  
(J.)

Commissioner McKinney (Shultz) moved to continue the active registering of horses under the Kansas Bred Program. Motion passed unanimously.

MOTION, DECLINE  
CONTRACTING WITH  
OUTSIDE AGENCY:  
(J.)

Commissioner Shultz (Shadwick) moved to decline designating or contracting with any outside organization to be an official registering agency or to be an agency that provides for distribution of funds from the Kansas Horse Breeding Development Fund at this time, but to continue the registering and certification of horses and to provide for the future Kansas Horse Breeding Development Fund distribution for purse supplement stakes and awards as an agency function. Motion passed unanimously.

ORDER:  
(J.)

Chair Falstad declared that the matter of approving or denying the proposed agreement with the Kansas Horsemen's Association is now moot. He ordered the executive director of the Kansas Racing and Gaming Commission to continue the active registering of horses under the Kansas Bred Program and to create necessary rules and procedures to administer this program within the agency. The executive director is ordered to create rules and procedures to administer an in-agency program that provides for the future distribution of purse supplements, stakes, and awards from the Kansas Horse Breeding Development Fund. In accordance with the last executed contract with the Kansas Horsemen's Association effective January 1, 2007, all registration, accounting and other records related to the Kansas Bred Program and the distribution of purse supplements, stakes, and awards now in the possession of the Kansas Horsemen's Association or its members, are the property of the Kansas Racing and Gaming Commission and shall be returned to the Commission within 30 days. He further ordered that all registration fees deposited since January 2012, whether deposited or not deposited in an account, be immediately returned to the Kansas Racing and Gaming Commission within seven days. In addition, all registration stamps, seals, and other materials paid for with registration fees or with compensation paid by the Kansas Racing and Gaming Commission, now in the Kansas Horsemen's Association or any related parties' possession, will be returned to the Racing and Gaming Commission within seven days.

ADJOURN:  
(K.)

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

SUBMITTED BY:

*(Signature on File)*

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Timothy A. Shultz  
Secretary

APPROVED BY:

*(Signature on File)*

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William Falstad  
Chair