

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – SEPTEMBER 14, 2012

CALL TO ORDER:  
(A.)

Vice-Chair Jay Shadwick called the September 14, 2012, meeting to order at 10:00 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Shadwick, Shultz, McKinney, and King 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.

ANNOUNCEMENT OF  
COMMISSION CHANGES

Commissioner Shadwick announced that Chair William Falstad resigned his position on the commission for personal reasons. He introduced R. Eileen King, who was appointed by the Governor to replace Mr. Falstad as commissioner. Ms. King also serves as the County Treasurer for Riley County. Commissioner Shadwick further announced that he has been named the new commission chair.

MOTION, APPROVE  
AGENDA:  
(B.)

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

MOTION, APPROVE  
AUGUST 17, 2012,  
MEETING MINUTES:  
(C.)

Commissioner Shultz (McKinney) moved to approve the minutes of the August 17, 2012. Motion passed unanimously.

MOTION, APPROVE  
CONSENT AGENDA:  
(D.)

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

STAFF REPORT,  
EXECUTIVE DIRECTOR:  
(H.1.-2.)

- Mr. Petersen-Klein presented a brief bio of Commissioner King and welcomed her to the agency.
- Following discussion about the commission's Appellate Panel, Chair Shadwick (King) moved that Commissioner Shultz serve as vice-chair, Commissioner King serve as secretary, and Commissioner McKinney join the appellate panel as a member, with Chair Shadwick serving as the presiding officer. Motion passed unanimously.
- Mr. Petersen-Klein announced that the November 16 commission meeting will be held in Dodge City.
- Following up on the commission's request at the September meeting, Mr. Petersen-Klein has talked with Chris Howell in the Governor's office concerning coordination of self-exclusion programs among the State and Tribal casinos. Mr. Howell suggested that as a first step, KRGC identify what goals and concerns it may have in that process, followed by discussions and

his appearance at some upcoming KRGC commission meeting. Among the concerns expressed so far are sharing of personal information and consistent application of programs, confidentiality, and enforcement.

- KRGC offices at the Kansas Star are scheduled to move this weekend from the arena into the permanent facility.

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

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

- August revenue was approximately 9% over last year and approximately 12% over budget.
- The month of August began with 516 EGM's on the floor (versus 584 before construction). By August 23, guests had access to 800 slot machines.
- The expansion project is completed. Breezeway construction connecting BHCR and the United Wireless Arena is progressing.

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

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

- Construction for phase 1B is progressing on schedule. The hotel is tentatively scheduled to open around October 15. To date, the Kansas Star has awarded 89% of its sub-contracts to Kansas contractors. The office relocation of the KRGC and Lottery will take place beginning September 17.
- August revenue was as follows:
  - Slot Coin-In was up 6.6% from July.
  - Slot Win was up 10.8% from July.
  - Table Game drop was up 2.9% from July.
  - Table Game Win was flat from July
  - Poker Room average revenue was down 4% from July.
- Operational notes:
  - August admissions were 5% higher than July.
  - Hiring for Phase 1B is on schedule and will include the hiring of almost 400 employees.
  - The All Star Scholars Fund distribution for students returning to school was \$100 per student, \$1,000 for each graduating senior, and \$500 per teacher.

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

Bob Sheldon, general manager for the Hollywood Casino at the Kansas Speedway, reported that:

- August gaming revenue was 2.9% less than the month of July. Slot revenue was down about 2%, and table games declined about 6% compared to the previous month.
- Marketing program features during August included special pricing at the Epic Buffet, along with a seafood/crab leg buffet on Sundays. Several promotional events were also

featured in the Turn 2 Sports Lounge and Restaurant.

DISCUSSION, FY 2013-  
2014 BUDGET:  
(F.1.a.-c.)

Mr. Petersen-Klein called the commission's attention to the budget packet and discussed its highlights. Mr. Jamie Nickoley, from the State Gaming Agency, presented his agency's portion of the budget.

MOTION, APPROVAL OF  
FY 2013-2014 BUDGET:  
(F.1.a.-c.)

Commissioner Shultz (McKinney) moved to approve the 2013-2014 budget requests as submitted. Motion passed unanimously.

PUBLIC COMMENTS:  
(G.)

Chair Shadwick called for public comments. There were none.

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

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

MOTION, EXECUTIVE  
SESSIONS:  
(I.1.-3.)

Commissioner McKinney (Shultz) moved that the commission go into consecutive executive sessions for the purpose of (1) attorney-client communication, (2) personnel, and (3) to review the list of 218 confidential backgrounds for licensing. Those included in the executive sessions were the commissioners, executive director, legal counsel, and director of security. The total combined time for the executive sessions was anticipated to be two hours, from 11:30 am until 1:30 pm, preceded by a 5-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 11:30 am with all members present as previously noted.

MOTION, CONTINUE  
EXECUTIVE SESSIONS:  
(I.1.-3.)

Commissioner Shultz (King) moved to continue the executive sessions from 1:30 pm until 1:45 pm. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 1:45 pm with all members present as previously noted.

MOTION REGARDING  
LICENSES:  
(J.1.)

Commissioner Shultz (McKinney) moved to *deny* two applicants from today's list of background reports referred to the commission for action and to *conditionally approve* five others from the list. Motion passed unanimously.

MOTION TO APPROVE  
LICENSES:  
(J.1.)

Commissioner Shultz (King) moved to approve the other 211 license applications appearing on the list of confidential backgrounds for licensing. Motion passed unanimously.

MOTION TO  
CONDITIONALLY  
APPROVE:  
(J.1.)

Commissioner McKinney (Shultz) moved to conditionally approve Butler National's certificate subject to receipt of KPMG's final report within 30 days and compliance with recommendations in the report to the satisfaction of the executive director. Motion passed unanimously.

ADJOURN:  
(K.)

Commissioner Shultz (King) moved to adjourn at 1:47 pm. Motion passed unanimously.

SUBMITTED BY:

*(Signature on File)*

---

Timothy A. Shultz  
Secretary

APPROVED BY:

*(Signature on File)*

---

Jay T. Shadwick  
Chair