

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – DECEMBER 14, 2012

CALL TO ORDER:  
(A.)

Chairman Jay Shadwick called the December 14, 2012, meeting to order at 10:00 a.m. at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. In addition to Chairman Shadwick, Commissioners Timothy Shultz, Dennis McKinney, R. Eileen King and newly appointed Commissioner David H. Moses were present at the meeting. Others present included Executive Director Richard Petersen-Klein, Director of Security Don Brownlee, Interim Director of Administration and Finance Brandi White, General Counsel Judith Taylor, recording secretary Chris Vega and other staff.

MOTION, APPROVE  
AGENDA:  
(B.)

Mr. Petersen-Klein stated that one of the items on the consent agenda, GLI approval of Bally's file number MO-73-BAL-12-124 is to be withdrawn and not up for approval. Commissioner King (Shultz) moved to approve the agenda as amended. Motion to approve agenda as amended by executive director passed unanimously.

MOTION, APPROVE  
NOVEMBER 16, 2012,  
MEETING MINUTES:  
(C.)

Commissioner King (Shultz) moved to approve the minutes of the November 16, 2012. Motion passed with Commissioner Moses abstaining.

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 CASINO AND  
RESORT:  
(E.1.)

Sharon Stroburg, General Manager, reported that:

- November revenue came in approximately 2% over last year's revenue and 1% over October.
- Boot Hill's ability to increase revenue for this quarter continues to be negatively impacted by the decrease in motor coach business.
- Breezeway construction connecting BHCR and United Wireless Arena is expected to be completed this month, which is the completion of Phase II, excluding the additional movement of games.

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

Scott Cooper, General Manager, reported that:

- As of December 12, 2012:
  - A portion of the expansion of the permanent casino building is now open.
  - The Kitchen Buffet, An Pho Noodle Bar, Shark Bar and the Cottonwood Bar are now open.

- Slots in the new area total over 1,000 machines, table games total 35; and poker room tables total 10.
- The remaining restaurants, the Woodfire Grille Steakhouse and Panini Jo's Deli are to open on December 21, 2012.
- November revenues were:
  - Slot coin-in unchanged from October
  - Slot win down 2% from October. November hold was slightly lower than October.
  - Table game drop was up 7% from October.
  - Table game win was up 10% from October. Hold was 19% vs. 19.7% in October.
  - Poker room average revenue was up 2% from October.
- November admissions were 5% lower than October.
- November month end staffing was 701.
- At December 12, 2012, an additional 220 team members were on the payroll.

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

Bob Sheldon, General Manager, reported that:

- General business volume was good and total gaming had a slight increase of 1.5% resulting in revenue of \$9.8 million.
- Slot revenue was up over the month of October.
- Table games volume was equal to October, however, table games revenue was down due to the hold percentage compared to the prior month, which had a higher than normal hold percentage.
- Total visitors were down about 3% as a result of having one less day than the month of October.
- Several promotional giveaways were offered during the month of November in an effort to drive additional visitation during key periods.

FY2013 REVENUES,  
EXPENDITURES AND  
FY2014 BUDGET RE: 2%  
PROBLEM GAMBLING AND  
OTHER ADDICTIONS  
FUND:  
(F.1.)

Angela Hagen, Director of Behavioral Health Services, Kansas Department on Aging and Disability Services (KDADS), spoke to the commission about how the funding for the 2% problem gambling fund is distributed.

PUBLIC COMMENTS:  
(G.)

Chairman Shadwick called for public comments. Six members of the public spoke about various topics in support of problem gambling treatment initiatives.

STAFF REPORTS;  
(H.1)

Mr. Petersen-Klein:

- Introduced David H. Moses as the KRGC's newest

commissioner.

- Reported that Brandi White is now the interim director of finance and administration.
- Reported that the February 15, 2012 commission meeting will be held in Mulvane, KS, to allow commissioners an opportunity to visit the Kansas Star Casino's permanent building and new hotel.

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

Commissioner Shultz (King) 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 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 and forty-five minutes, from 12:00 pm until 2:45 pm, preceded by a short 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 2:45 pm with all members present as previously noted.

MOTION REGARDING  
LICENSES:  
(J.1.)

Commissioner Shultz (McKinney) moved to *deny* six applicants from the December 14, 2012 list of background reports referred to the commission for action (the "List"). Motion passed unanimously.

MOTION TO  
CONDITIONALLY  
APPROVE:  
(J.1.)

Commissioner Shultz (McKinney) moved to conditionally approve one license application from the List. Motion passed unanimously.

MOTION TO APPROVE  
LICENSES:  
(J.1.)

Commissioner Shultz (McKinney) moved to approve the remaining 190 license applications appearing on the List. Motion passed unanimously.

MOTION TO TABLE:  
(J.1.)

Commissioner Shultz (McKinney) moved to table Boot Hill Casino's license for another 30 days to allow for additional information to be obtained.

ADJOURN:  
(K.)

Commissioner Shultz (King) moved to adjourn at 2:48 pm. Motion passed unanimously.

SUBMITTED BY:

*(Signature on File)*

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R. Eileen King  
Secretary

APPROVED BY:

*(Signature on File)*

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Jay T. Shadwick  
Chair