

KANSAS RACING AND GAMING COMMISSION

MINUTES – FEBRUARY 15, 2013

CALL TO ORDER:
(A.)

Chairman Jay Shadwick called the February 15, 2013, meeting to order at 1:00 p.m. at the City of Mulvane City Council Chambers, 211 North Second Avenue, Mulvane, KS. In addition to Chairman Shadwick, Commissioners Dennis McKinney, Timothy A. Shultz, R. Eileen King and 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.)

Commissioner Shultz (King) moved to approve the agenda. Motion to approve the agenda passed unanimously.

MOTION, APPROVE
JANUARY 18, 2013,
MEETING MINUTES:
(C.)

Commissioner Moses requested that the January minutes reflect that certain licensing motions were made by Commissioner King and seconded by Commissioner McKinney. Chairman Shadwick requested a motion to approve the January minutes as amended. Commissioner Moses (McKinney) moved to approve the January 18, 2013 minutes as amended. Motion passed unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner King (Moses) moved to approve the consent agenda. Motion passed unanimously.

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

Bob Sheldon, General Manager, reported that:

- Total gaming revenue for January was \$10.2 million, a decrease of 6.8% from December.
- Slot revenue for January was \$8.2 million, a decrease of 6.9% from December.
- Table games revenue was \$1.9 million, a decrease of 6.2% from December
- Total visitors declined by 8.7% compared to December.

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

Diane Giardine, Director of Human Resources, presenting on behalf of Sharon Stroburg, reported that:

- January came in approximately 17% under last year's revenue and 4.5% under last month (December).
- Revenue was impacted due to 6 inches of snow on December 31, 2012, as snow removal for the roads in the surrounding areas took several days.

- The breezeway connecting the casino to the arena will be opening soon to allow admittance for both conferences and events.

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

Scott Cooper, General Manager, reported that:

- January admissions per day are 13% higher than the previous 20 week average in 2012.
- As of December 31, 2012, Kansas Star Casino had 896 team members on payroll.
- 90% of team members are new to gaming.
- Construction work continues on the arena conversion.
- Gaming Revenues:
 - Slot coin-in flat from January 2012
 - Slot win up 1.6% from January 2012
 - Slot hold up slightly from January 2012
 - Table game drop down 9% from January 2012
 - Table game win up 42% from January 2012
 - Table game hold 21.4% vs. 13.7% last January
 - Poker room average daily revenue down 6% from December 2012

COMMISSION ITEMS;
(F.1.)

Mr. Petersen-Klein reported that there were no commission items up for discussion.

PUBLIC COMMENTS;
(G.)

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

STAFF REPORTS;
(H.1)

Mr. Petersen-Klein, reported that:

- Voluntary Exclusion Program (VEP) application approvals for January totaled 37, which is the highest number of applicants KRGK has had since the program began.
- Senate Bill 114 and House Bill 2168 are looking to reduce the investment in the Southeast gaming zone for a lottery gaming facility, and adjust the slot machine revenues from racetracks in an effort to resurrect the horse and greyhound racing industries.
- Senate Bill 148 is a bill intended to legalize raffles and poker runs conducted by non-profit charities for fundraising. Senate Bill 148 may be tied to a House resolution for a constitutional amendment allowing charitable raffles and poker runs.
- There are various bills introduced in the Legislature to expand lottery gaming slot machines in various veterans venues.
- House Bill 2293 was recently introduced regarding commissioner salaries.

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

Chairman Shadwick proposed that the commission go into consecutive executive sessions for the purpose of (1) attorney-client communication, and (2) reviewing 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 one hour, from 2:10 p.m. until 3:10 p.m., 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. Commissioner Shultz (King) moved to proceed in to executive session. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 3:10 p.m. with all members present.

MOTION TO DENY:
(J.1.)

Commissioner King (Shultz) moved to *deny* two applicants from the February 15, 2013, list of background reports referred to the commission for action (the "List"). Motion passed unanimously.

MOTION TO
CONDITIONALLY
APPROVE:
(J.1.)

Commissioner King (Shultz) moved to *conditionally approve* two license applications from the List. Motion passed unanimously.

MOTION TO TABLE:
(J.1.)

Commissioner King (Shultz) moved to *table* for thirty days the consideration of one applicant from the List.

MOTION TO APPROVE
LICENSES:
(J.1.)

Commissioner King (Shultz) moved to approve the remaining 154 license applications appearing on the List. Motion passed unanimously.

ADJOURN:
(K.)

Chairman Shadwick advised that the next commission meeting will be held on March 15, 2013. Commissioner McKinney (King) moved to adjourn the meeting. Motion passed unanimously. The commission meeting adjourned at 3:19 p.m.

SUBMITTED BY:

(Signature on File)

R. Eileen King
Secretary

APPROVED BY:

(Signature on File)

Timothy A. Shultz
Vice Chair