

KANSAS RACING AND GAMING COMMISSION

MINUTES – JUNE 13, 2013

CALL TO ORDER:
(A.)

Chairman Jay Shadwick called the June 13, 2013, 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 and David H. Moses were present at the meeting. Commissioner R. Eileen King was absent. Others present included Executive Director Richard Petersen-Klein, Director of Security Don Brownlee, Director of Administration and Finance Brandi White, General Counsel Judith Taylor, Interim Director of IT and Electronic Security Dennis Bachman, recording secretary Chris Vega and other staff.

MOTION, APPROVE
AGENDA:
(B.)

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

MOTION, APPROVE
MAY 17, 2013, MEETING
MINUTES:
(C.)

Commissioner Shultz (Moses) moved to approve the May 17, 2013 minutes. Motion passed unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

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

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

Sharon Stroburg, General Manager, was not required to attend, but was present and reported that:

- For the month of May 2013, BHCR increased revenue over May 2012 by 5%. This was due to an increase in marketing promotional activity.
- In preparation for severe weather season, BHCR conducted a mock tornado drill for its employees, requiring them to go to the designated “safe areas” in the event of a tornado.

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

A representative from Kansas Star Casino was not required to attend due to the rescheduling of the meeting. Instead, a written report was submitted showing:

- May 2013 admissions per day were flat to April 2013.
- Opening acts for the Arena will be Daughtry on June 29, 2013 and Tim McGraw on July 7, 2013.
- May weather was a negative factor to revenue and visitation.
- May revenue numbers:
 - Total gaming revenue down 3% from April 2013.
 - Slot coin-in (Handle) slightly down from April 2013.

- Slot win flat to April 2013. May hold flat to April 2013.
- Table game drop down 12% from April 2013.
- Table game win up 2% from April 2013. Hold 21% vs. 18.2% in April.
- Poker room revenue daily average down 10% from April 2013.
- Arena was turned over to Operation on June 3, 2013.

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

A representative from Hollywood Casino was not required to attend due to the rescheduling of the meeting. Instead, a written report was submitted showing:

- Gaming revenues continued the trend in exceeding prior year as there was a significant increase over May of 2012.
- Total gaming revenue was \$11.4 million for May 2013 which was \$1.7 million or 17% greater than May 2012.
- Table games revenue was \$1.7 million, which was flat with prior year.
- Slot revenue was \$9.7 million, an increase of \$1.7 million, or 21%, over the prior year.
- In May 2013, the Hollywood Casino kicked off its Sizzling Summer Giveaway during which players earn entries into drawings for prizes totaling \$30,000.00 in value. This was coupled with weekly promotions held throughout the month to include the Superstar Reels daily promotion.
- Hollywood Casino had a NASCAR watch party for the Talladega 500 with prize giveaways in the Turn 2 sports lounge and restaurant, as well as two Kansas City Royals watch parties during May, which included appearances from former Royals alumni.
- Business over the Memorial Day weekend wasn't notable and relatively flat compared with typical weekends.

PUBLIC COMMENTS;
(F.)

There were no public comments.

STAFF REPORTS;
(G.)

Mr. Petersen-Klein, reported that:

- Voluntary Exclusion Program (VEP) has 453 enrollments, with 20 new applicants for the month of May 2013.
- KRGC has filled two IT positions with one of those being filled internally. One employee will be assisting with Electronic Gaming Machines (EGM's) and the other employee will be handling day-to-day IT system issues. Starting June 17, a summer intern from the Governor's Intern Program will assist the KRGC with updating gaming regulations. Four agent positions (two at Kansas Star Casino

and two at Hollywood Casino) have been filled. Brandi White, who has been acting as the interim Director of Administration and Finance, will assume that position on a permanent basis.

- The next KRGC Commission Meeting will be held on July 19, 2013.

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

Chairman Shadwick moved that the commission go into executive session 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, general counsel, and director of security. The total combined time for the executive sessions was anticipated to be thirty minutes, from 10:25 a.m. until 10:55 a.m., 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. Commissioner Shultz (Moses) made a motion to adjourn to executive session. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 10:57 a.m. with all members present.

MOTION TO
CONDITIONALLY
APPROVE LICENSES
WITH EXTENSION:
(I.1.)

Commissioner Shultz (McKinney) moved to *conditionally approve* with the extension of temporary work permits, one license application from the List. Motion passed unanimously.

MOTION TO APPROVE
LICENSES:
(I.1.)

Commissioner Shultz (McKinney) moved to *approve* the remaining 153 license applications appearing on the List. Motion passed unanimously.

ADJOURNMENT:
(J.)

Chairman Shadwick asked the commission if anyone had any questions or concerns. Commissioner McKinney suggested that the commission determine what procedures and “safe areas” Boot Hill Casino and Resort has in place in regards to inclement weather. Commissioner Moses stated that rather than be reactive, the commission should be proactive in light of the tragedies over the years, such as the tornado in Greensburg, KS, a few years ago and Moore, OK, recently. KRGC staff will contact Sharon Stroburg and request that she report to the commission on this topic. Commissioner Shultz (Moses) moved to adjourn the meeting. Motion passed unanimously. The commission meeting adjourned at 11:12 a.m.

SUBMITTED BY:

(Signature on file)

Timothy A. Shultz
Chair

APPROVED BY:

(Signature on file)

Dennis McKinney
Vice Chair