

KANSAS RACING AND GAMING COMMISSION

MINUTES – OCTOBER 18, 2013

CALL TO ORDER:
(A.)

Chairman Timothy Shultz called the October 18, 2013, meeting to order at 10:07 a.m. at 700 SW Harrison, Auditorium B, Suite 460, Topeka, Kansas. In addition to Chairman Shultz, Commissioners Dennis McKinney, R. Eileen King and David H. Moses were present. Others present included Executive Director Richard Petersen-Klein, Director of Security Don Brownlee, Director of Administration and Finance Brandi White, General Counsel Judith Taylor, recording secretary Chris Vega and other staff.

MOTION, APPROVE
AMENDED AGENDA:
(B.)

Commissioner King (McKinney) moved to approve the agenda as amended. Motion passed unanimously.

MOTION, APPROVE
SEPTEMBER 13, 2013,
MEETING MINUTES:
(C.)

Commissioner King (McKinney) moved to approve the minutes of the September 13, 2013 meeting. Motion passed unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner McKinney (Moses) 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 absent but provided a written report:

- For the month of September 2013, BHCR experienced a decrease from September 2012 of just over eight percent. This was primarily attributed to a decrease in slot hold percentage. If slot hold had been closer to budgeted or previous month, budgeted revenue could have been achieved.

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

Scott Cooper, General Manager, reported:

- September admissions were down eighteen percent from August 2013.
- September revenue numbers compared to August 2013:
 - Total gaming revenue down thirteen percent.
 - Slot coin-in (Handle) down ten percent.
 - Slot win down ten percent. September hold up slightly.
 - Table game drop down sixteen percent.
 - Table game win down twenty-six percent. Hold down almost three percent.
 - Poker room revenue down twenty-one percent.
- Upcoming Kansas Star Arena events are:

- Asian concert to be held on October 27, 2013.
- Rodney Carrington concert on November 8, 2013.
- Celtic Woman concert on December 13, 2013.

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

Bob Sheldon, General Manager, reported:

- Although there was one less Saturday this September, visitation increased over September 2012 and again contributed to increased gaming revenues year over year for the month.
- September revenue numbers compared to September 2012:
 - Total gaming revenue was \$10.5 million, an increase of \$1 million, or eleven percent.
 - Table games revenue was \$1.5 million, which was down \$114,000 or seven percent. The decrease was due to last year's higher than normal hold percentage.
 - Slot revenue was \$9 million, an increase of \$1.2 million or eleven percent.
- The normal compliment of weekly gaming promotions occurred throughout the month of September. The Pigskin Payoff football season promotion kicked off where patrons have the chance to win weekly prizes totaling \$140,000 during the season.
- A watch party was held in the Turn 2 Sports Bar and Restaurant for the Kansas City Chiefs Thursday night away game, which featured appearances by the Chiefs Cheerleaders and prize giveaways.
- The all weekend "Flatlands Country" concert festival at the nearby Sporting Park with headliners Toby Keith and Miranda Lambert. Hollywood Casino was able to provide access to their VIP customers, which also provided a boost to visitation in the area.

COMMISSION ITEMS;
(F.1.-2.)

Mr. Petersen-Klein reported on staff out-of-state travel, licensing and illegal gaming for the third quarter.

PUBLIC COMMENTS;
(G.)

There were no public comments.

STAFF REPORTS;
(H.1)

Mr. Petersen-Klein, reported that:

- Voluntary Exclusion Program (VEP) has 559 enrolled as of the end of September and 28 new applicants for the month of September 2013.
- He has spoken to representatives from KDADS who had expressed concern that the problem gambling helpline information on various forms of advertising is not as legible as they believe it should be. Mr. Petersen-Klein has been

meeting with casino general managers to see what can be done in regards to this issue. KRGC is working with the Kansas Lottery and KDADS to find a resolution for advertising.

- He and Brandi White met with officials from the Kansas Greyhound Association (KGA) on 10/13/13 and also attended their election of officers meeting in Abilene, KS. Public comment for this commission meeting regarding greyhound registration has been postponed due to a conflict with the nationwide greyhound auction. This topic has been re-scheduled for the November commission meeting. Mr. Petersen-Klein and Ms. White now have a better understanding as to how the greyhound registration process works and the current status of greyhound registration activity. They also encouraged everyone at the KGA meeting to come to KRGC's November commission meeting to discuss registration and voice their concerns and issues so the commission has the best information available to make a determination on how registrations should be handled going forward.
- The next KRGC Commission meeting will be held on November 15, 2013.

MOTION, EXECUTIVE
SESSIONS:
(1.1.-2.)

Chairman Shultz moved 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 35 minutes, from 10:35 a.m. until 11:10 a.m., 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. Commissioner King (McKinney) made a motion to adjourn to executive session. Motion passed unanimously. Adjourned to executive session at 10:29 a.m.

RECONVENE:

The commission meeting reconvened at 11:10 a.m. with all members present. Additional time was needed to review confidential backgrounds for licensing, and a motion to continue the executive session for an additional 10 minutes was made by Commissioner King (McKinney). Motion passed unanimously and the meeting adjourned to continue executive session at 11:11 a.m.

RECONVENE:

The commission meeting reconvened again at 11:25 a.m. with all members present as previously noted.

MOTION TO DENY
LICENSE APPLICATIONS,
CONDITIONALLY
APPROVE LICENSE
APPLICATIONS, TO DENY
REQUESTS FOR
RECONSIDERATION, TO
TABLE LICENSE
APPLICATION, TO
APPROVE LICENSE
APPLICATIONS
(J.1.)

Commissioner King (McKinney) moved to *deny* four applications, *conditionally approve* two license applications, *deny* two requests for reconsideration, *table* one license application until next month's meeting and *approve* 233 license applications from the October 18, 2013, list of background reports referred to the commission for action. Motion passed unanimously.

ADJOURN:
(K.)

Commissioner King (McKinney) moved to adjourn the meeting. Motion passed unanimously. The commission meeting adjourned at 11:27 a.m.

SUBMITTED BY:

(Signature on file)
R. Eileen King
Secretary

APPROVED BY:

(Signature on file)
Timothy A. Shultz
Chair