

KANSAS RACING AND GAMING COMMISSION

MINUTES – NOVEMBER 15, 2013

CALL TO ORDER:
(A.)

Chairman Timothy Shultz called the November 15, 2013, meeting to order at 10:00 a.m. at 700 SW Harrison, Auditorium A, Suite 450, 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, Director of IT and Electronic Security Dennis Bachman and other staff.

MOTION, APPROVE
AGENDA:
(B.)

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

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

Commissioner King (McKinney) moved to approve the minutes of the October 18, 2013 meeting. Motion passed unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner King (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, reported:

- For the month of October 2013, Boot Hill Casino and Resort (BHCR) experienced a slower than normal month, compared to previous year and previous month. Primarily due to a decrease in table drop and table hold percentage, a decrease from September 2013 of seven percent was experienced.
- Customers are still harvesting and few events have been hosted recently at the United Wireless Arena. 1200 tickets were sold earlier this month for county artist Dwight Yoakum's concert. Music group Mannheim Steamroller will be playing the United Wireless Arena in December.
- IGT software is still an issue for BHCR with a negative impact of \$5,000 per day. Commissioner King inquired about the IGT software problem with Ms. Stroburg stating that IGT/GLI are taking longer than expected to make modifications.

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

Scott Cooper, General Manager, reported:

- October admissions were down eleven percent from September 2013.
- October revenue numbers compared to September 2013:

- Total gaming revenue up two percent.
- Slot coin-in (Handle) up six percent.
- Slot win was flat. Hold was down slightly.
- Table game drop up ten percent.
- Table game win up twelve percent. Hold up one percent.
- Poker room revenue up sixteen percent.
- Food and beverage is focusing more on food specials to get more patrons into the casino.
- Tickets to comedian Rodney Carrington's upcoming show at the Kansas Star Arena sold out with 3100 tickets sold.
- Upcoming Kansas Star Arena events are:
 - Rodney Carrington 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:

- Visitation increased over October of last year and again contributed to increased gaming revenues year over year for the month.
- October revenue numbers compared to October 2012:
 - Total gaming revenue was \$11.2 million, an increase of \$1.6 million, or sixteen percent.
 - Table games revenue was \$2.0 million, which was up \$124,000, or seven percent.
 - Slot revenue was \$9.3 million, an increase of \$1.4 million, or eighteen percent.
- The normal compliment of weekly gaming promotions occurred throughout the month of October.
- The NASCAR Sprint Cup race was held over the first weekend in October and was very successful for Hollywood Casino. The Hollywood Casino 400 Giveaway took place on October 4th with one person walking away with \$20,000 in cash.
- Hollywood Casino continues to tweak their marketing programs over race weekend to drive incremental traffic to the casino.
- The month of October was also strongly supported by the Pigskin Payoff Promotion and the resurgence of the Kansas City Chiefs.
- Brandi White, Director of Administration and Finance, addressed the commission regarding registration of greyhounds. Ms. White reported that in the past, KRGC has contracted with the Kansas Greyhound Association (KGA) to operate the Kansas Greyhound Registry. The KRGC currently does not have a contract with the KGA, but has

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

received a request from KGA to withdraw \$5,600 from a CD. In order to make the withdrawal of funds, a signature from a KRGC staff member is required. Today, the commission is providing an opportunity for KGA and other interested parties to address the request for funding and the reasons to continue the registry despite the absence of greyhound racing in the state of Kansas. This is an opportunity for commissioners to hear comments from the regulated community to consider whether registration of greyhounds should continue, and if so, in what manner.

- Steve Ward, KGA, submitted written and oral testimony to the commission. Mr. Ward would like to continue with a one-year contract to operate the greyhound registry and if there is no success re-opening racetracks by the end of the 2014 legislative session, the KGA would end the registry contract. Mr. Ward stated that the \$5,600 the KGA is asking for at this time is from surplus registry funds associated with application and membership fees that have already been paid-in in an overage to fund 2014.

MOTION TO APPROVE
KGA CONTRACT AND
EXPENSES

Commissioner McKinney (Moses) moved to execute a contract and pay the \$5,600 to the KGA. Chairman Shultz (Moses) moved to modify the motion to pay \$2,200 now, execute a new contract, and pay the remainder later. Motion, as modified, passed unanimously.

PUBLIC COMMENTS;
(G.)

Jerry Johnson, appearing on behalf of himself and also as a member of the Kansas Horsemen's Association, spoke in favor of keeping the racing industry (racehorse and greyhound) alive.

STAFF REPORTS;
(H.1)

Mr. Petersen-Klein, reported that:

- Voluntary Exclusion Program (VEP) has 587 enrolled as of the end of October and 27 new applicants for the month of October 2013.
- KRGC is working with the KDADS, Kansas Lottery, Boot Hill Casino and Resort, Kansas Star Casino, Hollywood Casino and casino marketing officers to enhance problem gambling advertising.
- Jean Holthaus is leaving KDADS.
- The next KRGC Commission meeting will be held on December 13, 2013.

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

Chairman Shultz moved that the commission go into consecutive executive sessions for the purpose of (1) attorney-client communication, (2) security and (3) reviewing the list of confidential backgrounds for licensing. Those included in the executive sessions were the commissioners, executive director, legal counsel, director of

security and security staff. The total combined time for the executive sessions was anticipated to be one hour from 10:45 a.m. until 11:45 a.m. 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 10:45 a.m.

RECONVENE:

The commission meeting reconvened at 11:45 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 11:47 a.m.

RECONVENE:

The commission meeting reconvened again at 12:00 p.m. with all members present as previously noted.

MOTION TO DENY
LICENSE APPLICATIONS
AND TO APPROVE
LICENSE APPLICATIONS
(J.1.)

Commissioner King (McKinney) moved to *deny* one application, and *approve* the remaining 178 license applications from the November 15, 2013, list of background reports referred to the commission for action. Motion passed unanimously.

ADJOURN:
(K.)

Chairman Shultz reminded all that the next commission meeting will be held on Friday, December 13, 2013 at 10:00 a.m. Commissioner King (McKinney) moved to adjourn the meeting. Motion passed unanimously. The commission meeting adjourned at 12:03 p.m.

SUBMITTED BY:

(Signature on File)
R. Eileen King
Secretary

APPROVED BY:

(Signature on File)
Timothy A. Shultz
Chair