

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – JANUARY 17, 2014

CALL TO ORDER:  
(A.)

Chairman Timothy Shultz called the January 17, 2014, 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, Director of IT and Electronic Security Dennis Bachman, recording secretary Chris Vega and other staff.

MOTION, APPROVE  
AMENDED AGENDA:  
(B.)

The agenda was amended to include an Executive Session for Electronic Security. Commissioner King (Moses) moved to approve the agenda as amended. Motion passed unanimously.

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

Commissioner Moses (King) moved to approve the minutes of the December 13, 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 December 2013, Boot Hill Casino and Resort (BHCR) experienced a very slight decrease of .01 percent over prior month. This was prompted by a decrease in slot hold percentage for the month.
- The first twenty days of December were slow due to weather and the holidays, but BHCR finished strong with three million dollars in gaming revenue.
- The IGT software issue has been resolved and should be installed on 110 machines by the end of January 2014.

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

Scott Cooper, General Manager, reported:

- December admissions were flat from November 2013.
- Kansas Star's remodeled deli, Panini Joe's, opened with direct access from the casino.
- Ongoing design work continues for the proposed convention/meeting facility.
- The hotel expansion is about one month behind due to on and off weather. Kansas Star is anticipating an early summer opening.

- The Celtic Woman concert did well with 3,000 tickets sold.
- December revenue numbers compared to November 2013:
  - Total gaming revenue down two percent.
  - Slot coin-in (handle) down one percent.
  - Slot win down four percent. Hold down slightly.
  - Table game drop up 6.7 percent.
  - Table game win up ten percent. Hold down slightly.
  - Poker room revenue down one percent.

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

Bob Sheldon, General Manager, reported:

- December revenue numbers compared to December 2012:
  - Total gaming revenue was \$10.6 million, down \$325,000, or three percent.
  - Table games revenue was \$1.6 million, down \$450,000, or 21.9 percent.
  - Slot revenue was \$9.0 million, up \$125,000, or 1.4 percent.
- While table games volume was down somewhat, a large portion of the YOY variance is due to some large progressive jackpots that were hit by some lucky patrons on carnival table games.
- Hollywood Casino continued their customary programmed marketing promotions in December which included a Pigskin Payoff cash drawing. In addition, patrons were provided the opportunity to acquire gift cards for holiday shopping at the two major retailers in the Village West area. This was very well received by their guests and is the second year Hollywood Casino has conducted this promotion.
- New Year's Eve proved to be a great success this year as the weather held out. Strong volumes were driven by numerous events on property which included a VIP brunch and dinner in the Marquee Café and a live band performance on a stage set up on the casino floor. The New Year's countdown was concluded with a fireworks show conducted from Turn 4 of the Kansas Speedway.
- The Wyandotte County Unified Government granted Hollywood Casino an extension from February 3, 2014 until May 1, 2014 to consider alternative design options for the proposed casino hotel and related costs. A decision to build the hotel or not will be made in May 2014.

COMMISSION ITEMS;  
(F.1.)

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

PUBLIC COMMENTS:  
(G.)

Judy Whetzel, member of the South Central Kansas Problem Gambling Task Force, spoke on casinos not honoring the banning of

self-excluded persons and allowing them entry to the casinos.

STAFF REPORTS;  
(H.1.a. and b.)

Mr. Petersen-Klein, reported:

- Enforcement of the Voluntary Exclusion Program is, in part, casino employees recognizing VEP's from photos taken during enrollment. Generally, upon enrollment in the Voluntary Exclusion Program any player's club card is canceled. Once a player's club account is canceled, an enrolled individual no longer receives solicitations from the casino because the player's club card database is used to solicit individual patronage. The KRGC's audit staff tests each casino for compliance with the non-solicitation policy. Additionally, if a canceled player's club card related to a VEP is used, casino security is alerted.
- A marketing program called "Know your limits" from KDADS will launch on January 27, 2014.
- KRGC updated its website and it was live.
- KRGC's financial report of expenditures for the agency was generated "in-house". Expenditures are running ten percent under prior year and budget.
- The Kansas Legislature is back in session.
- Kristen Veverka has been selected as the KRGC's Public Information Officer and will be starting her employment within the next few weeks.

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

Chairman Shultz moved that the commission go into consecutive executive sessions for the purpose of (1) security (2) electronic security and (3) reviewing the list of confidential backgrounds for licensing. Those included in the executive sessions were the commissioners, executive director, director of security and director of electronic IT and electronic security. The total combined time for the executive sessions was anticipated to be 30 minutes, preceded by a short break, from 11:15 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 McKinney (King) made a motion to adjourn to executive session. Motion passed unanimously. Adjourned to executive session at 11:08 a.m.

RECONVENE:

The commission meeting reconvened at 11:45 a.m. with all members present as previously noted. Additional time in the amount of fifteen minutes was needed to review confidential backgrounds for licensing. The commission meeting adjourned by unanimous consent motion to

resume executive session at 11:45 a.m.

RECONVENE:

The commission meeting returned to open session at 12:05 p.m. with all members present as previously noted. Additional time in the amount of ten minutes was needed. The commission meeting adjourned by unanimous consent motion to resume executive session at 12:05 p.m.

RECONVENE:

The commission meeting was back in open session at 12:17 p.m. with all members present.

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

Commissioner King (McKinney) moved to *deny* one application, *conditionally approve* two applications, *deny* two requests for reconsideration, *table* one application for thirty days and *approve* the remaining 161 license applications from the January 17, 2014 list of background reports referred to the commission for action. Motion passed unanimously.

ADJOURN:  
(K.)

Chairman Shultz reminded all present that the next commission meeting was scheduled for Friday, February 14, 2014 at 10:00 a.m. However, due to scheduling conflicts, two commissioners would not be able to attend the meeting on that date. The commission agreed to move the meeting out one more week to February 21, 2014. Commissioner McKinney (King) moved to adjourn the meeting. Motion passed unanimously. The commission meeting adjourned at 12:26 p.m.

SUBMITTED BY:

(Signature on file)  
R. Eileen King  
Secretary

APPROVED BY:

(Signature on file)  
Timothy A. Shultz  
Chair