

KANSAS RACING AND GAMING COMMISSION

MINUTES – FEBRUARY 21, 2014

CALL TO ORDER:
(A.)

Vice-Chairman Dennis McKinney called the February 21, 2014, meeting to order at 10:00 a.m. at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. In addition to Vice-Chairman McKinney, Commissioners R. Eileen King and David H. Moses were present. Chairman Timothy Shultz was absent. Others present included Executive Director Richard Petersen-Klein, General Counsel Judith Taylor, 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
AGENDA:
(B.)

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

MOTION, APPROVE
JANUARY 17, 2014,
MEETING MINUTES:
(C.)

Motion was made that January 17, 2014 meeting minutes reflect that Electronic Security was added to the Executive Session and the commission unanimously moved to reconvene into Executive Session twice. Commissioner Moses (King) moved to approve the minutes of the January 17, 2014 meeting 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; BOOT
HILL CASINO AND
RESORT:
(E.1.)

Sharon Stroburg, General Manager, reported:

- For the month of January 2014, Boot Hill Casino and Resort (BHCR) experienced an increase of more than six percent over the prior month and 3.6 percent over January 2013. This was attributed to both an increase in slot and table hold, and the implementation of some new marketing initiatives.
- BHCR's visitation and revenue were impacted by the weather in January.
- The statistics of BHCR's semi-annual responsible gaming report for the six month period July 1, 2013 and December 31, 2013 were highlighted.

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

Scott Cooper, General Manager, reported:

- December admissions were down four percent from January 2013.
- Ongoing design work continues for the proposed

convention/meeting facility.

- December revenue numbers compared to January 2013:
 - Total gaming revenue down ten percent.
 - Slot coin-in (handle) down five percent.
 - Slot hold slightly higher.
 - Table game drop down thirteen percent.
 - Table game hold up less than one percent.
 - Poker room revenue down twenty percent.
- The statistics of Kansas Star's semi-annual responsible gaming report for the six month period July 1, 2013 and December 31, 2013 were highlighted.

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

Bob Sheldon, General Manager, reported:

- January revenue numbers compared to January 2013:
 - Total gaming revenue was \$10.5 million, up \$351,000, or 3.5 percent.
 - Table games revenue was \$1.9 million, down \$34,000, or two percent.
 - Slot revenue was \$8.6 million, up \$386,000, or almost five percent.
- Hollywood Casino's weekly marketing efforts remained consistent in January and also saw the culmination of the Pigskin Playoff promotion on January 17th where one winner walked away with \$20,000 in cash.
- Starting on January 20th guests began earning entries for the Marquee Millionaire slot tournament.
- January was adversely impacted by weekend weather events which significantly affected revenue as Hollywood Casino's largest revenue days typically occur on Friday and Saturday.
- The statistics of Hollywood Casino's semi-annual responsible gaming report for the six month period July 1, 2013 and December 31, 2013 were highlighted.

COMMISSION ITEMS;
(F.1.)

- Mr. Petersen-Klein reported on Kansas Voluntary Exclusion Program options to prevent excluded persons from entering any of the three state-owned gaming facilities.

PUBLIC COMMENTS:
(G.)

There were no public comments at this meeting.

STAFF REPORTS;
(H.1.)

Mr. Petersen-Klein, reported:

- The Voluntary Exclusion Program currently has 678 enrollees.
- Thursday, February 27, 2014 the Governor will sign a Proclamation declaring the month of March as Problem Gambling Awareness Month.

- KRGC updated its website and it was live.
- KRGC's financial report of expenditures now have a fund balance added as requested by the Commission at January's meeting.
- January 2014 compared to January 2013 had one extra pay period in it.
- Mr. Petersen-Klein announced that the next commission meeting will be held on March 14, 2014.

DIRECTION TO PAY
KANSAS GREYHOUND
ASSOCIATION (KGA)

Vice-Chairman McKinney stated that he has no problem with advancing the Kansas Greyhound Association (KGA) with \$3,000 and getting expenditure documentation at a later date. Staff was directed to pay KGA \$3,000 by unanimous consent from funds held under dual control.

MOTION, EXECUTIVE
SESSIONS:
(I.)

Vice-Chairman McKinney moved that the commission go into executive session for the purpose of (1) personnel (tribal gaming). Those included in the executive sessions were the commissioners, executive director, general counsel and the Kansas State Gaming Agency Executive Director, Mark Dodd. The total time for the executive session was anticipated to be 20 minutes, from 10:45 a.m. until 11:05 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 Moses (King) 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 as previously noted. Commissioner Moses (King) moved to approve two new unclassified positions for the Kansas State Gaming Agency - a Director of Human Resources and an Investigator. Funding will be provided by the tribal casinos. Motion passed unanimously.

EXECUTIVE SESSIONS:
(I.)

Vice-Chairman McKinney moved that the commission go into executive session for the purpose of (1) attorney/client privilege 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 time for the executive sessions was anticipated to be one hour, from 11:05 a.m. until 12:15 p.m., preceded by a ten 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 (Moses) made a motion to adjourn to executive session. Motion passed unanimously. Adjourned to executive session at 11:05 a.m.

RECONVENE:

The commission meeting was back in open session at 12:15 p.m. with all members present.

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

Commissioner King (Moses) moved to *deny* two applications, *conditionally approve* two applications, *table* two applications for thirty days, and *approve* the remaining 106 license applications from the February 21, 2014 list of background reports referred to the commission for action. Motion passed unanimously.

ADJOURN:
(K.)

Commissioner Moses (King) moved to adjourn the meeting. Motion passed unanimously. The commission meeting adjourned at 12:18 p.m.

SUBMITTED BY:

(Signature on file)
R. Eileen King
Secretary

APPROVED BY:

(Signature on file)
Dennis McKinney
Vice-Chair