

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – APRIL 11, 2014

CALL TO ORDER:  
(A.)

Chairman Timothy Shultz called the April 11, 2014, meeting to order at 10:00 a.m. at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Dennis McKinney and R. Eileen King were present. Commissioner David Moses 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 AS AMENDED:  
(B.)

There were two amendments made to the agenda. There was a section added to regulation 112-104-6 and dates were added to the gaming revocations. Commissioner King (McKinney) moved to approve the agenda as amended. Motion passed unanimously.

MOTION, APPROVE  
MARCH 14, 2014,  
MEETING MINUTES:  
(C.)

Commissioner King (McKinney) moved to approve the minutes of the March 14, 2014 meeting. Motion passed unanimously.

MOTION, APPROVE  
CONSENT AGENDA:  
(D.)

Commissioner McKinney (King) 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 March 2014, Boot Hill Casino and Resort (BHCR) experienced an increase of 16.71 percent over February 2014. This was attributed to an increase in slot hold, which is attributable to new game software being installed. BHCR is anticipating all of the new software to be installed by the end of April 2014.
- BHCR is partnering with the Wild West Heritage Foundation to display a buffalo and longhorn exhibit which will be located outside of BHCR and the United Wireless Arena starting on Memorial Day weekend. The exhibit will feature four unique buffalo: two brown, one golden (beige) and one spotted, along with Corriente longhorn cattle. The Dodge

City Community College Rodeo School will care for the animals and also own the longhorns as part of their program.

- During Dodge City Days (the first weekend of August), “parade ready” longhorns will be brought to Dodge City from Texas to participate in a cattle drive, which will travel down Wyatt Earp Boulevard.
- BHCR is looking to bring Buck Taylor, who played Newly O’Brian in the television series Gunsmoke, to Dodge City Days. BHCR is also trying to get Burt Reynolds, who also starred in Gunsmoke as Quint Asper, to make an appearance.
- Dodge City passed a resolution adding BHCR to the Convention and Visitors Bureau along with United Wireless Arena and the Western State Expo Center. BHCR is once again in partnership with the Dodge City Chamber of Commerce under the resolution that they continue to actively participate for the next year under the Butler National Corporate membership.
- The motor coach program now has lines coming out from Great Bend, Hays and Garden City. Wichita started at the beginning of April, two buses from Salina came to town within the past two weeks for the Dodge City Law game and a bus from Nebraska will be heading to the area next week for another Dodge City Law game. BHCR is working on getting lines from Hutchinson, Liberal and Colby.
- BHCR recently kicked-off their partnership with Stations Casino.

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

Scott Cooper, General Manager, reported:

- March admissions were down twelve percent from March 2013.
- Ongoing design work continues for the proposed convention/meeting facility with ground-breaking scheduled for mid-April and completion either the end of this year or the first of next year.
- The hotel is undergoing an expansion from 150 rooms to 300 rooms and is anticipated to be completed by July 2015.
- Comedian Ron White’s concert at the Kansas Star Arena sold out to half-house capacity with 3,200 tickets sold.
- March revenue numbers compared to March 2013:
  - Total gaming revenue down fifteen percent.

- Slot coin-in (handle) down seventeen percent.
- Slot hold flat.
- Table game drop down fifteen percent.
- Table game hold up .4 percent.
- Poker room revenue down seventeen percent.
- Upcoming events at the Kansas Star Casino Arena are:
  - Asian Show, April 19th
  - American Cancer Society fundraising event in May.
  - Several Equestrian/Rodeo-type events in May.

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

Dean Doria, Vice President of Marketing, reported:

- March revenue numbers compared to March 2013:
  - Total gaming revenue was \$11.8 million, down \$83,000, or 0.7 percent.
  - Table games revenue was \$1.6 million, down \$130,000, or 7.4 percent. Hold percentage was up slightly from last year but the volume of table game business was down, in part due to the winter storm conditions during the first weekend of the month.
  - Slot revenue was \$10.2 million, up \$47,000, or 0.5 percent.
- Hollywood Casino launched their \$25,000 Hidden Treasures Giveaway sweepstakes promotion during the month of March. The promotion culminates on April 18, 2014 and Hollywood Casino held a preliminary drawing on March 28, 2014 which was well attended.
- The NASCAR Sprint Cup race will be held in May as opposed to April and will be held at night.

COMMISSION ITEMS;  
(F.1. – F.3.)

- Mr. Petersen-Klein reported on staff out-of-state travel, licensing and illegal gambling.
- Sharon Stroburg, Scott Cooper and Dave Rice, Compliance Manager of Hollywood Casino at Kansas Speedway, addressed the commission about needing more time to review proposed temporary gaming regulations.

MOTION TO POSTPONE  
ACTION ON REGULATIONS  
PROPOSED FOR  
TEMPORARY REGULATORY  
APPROVAL PROCESS FOR 1  
MONTH

Chairman Shultz (King) moved to postpone the temporary regulatory approval items for one month until the next commission meeting on May 16, 2014. Motion passed unanimously.

MOTION TO MOVE  
FORWARD WITH THE  
PERMANENT REGULATORY  
APPROVAL PROCESS FOR  
SECTIONS THAT HAVE  
BEEN DENOTED

Commissioner McKinney (King) moved to move forward with the permanent regulatory approval process for K.A.R. 112-104 sections: 2, 3, 4, 6, 7, 10, 11, 13, 14, 15, 16, 18, 19, 20, 25, 26, 31, 32, 34, 35 and 43. Motion passed unanimously.

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 739 enrollees. There were 34 new enrollees during the month of March, likely due to March being Problem Gambling Awareness month.
- KRGC's financial report compares favorably to prior year and prior months.
- New computers have been budgeted for and will be arriving between now and the end of the fiscal year.
- A bill was passed that lowered the investment for a casino in the Southeast gaming zone from \$250,000,000.00, which would include a \$225,000,000.00 capital investment plus a \$25,000,000.00 privilege fee, down to a \$50,000,000.00 capital investment with a \$5,500,000.00 privilege fee similar to the Southwest gaming zone. If passed, the Kansas Lottery will see applicants, at which time the KRGC will gear up for the Lottery Gaming Facility Review Board process.

MOTION, EXECUTIVE  
SESSIONS:  
(I.)

Chairman Shultz 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 forty minutes, from 11:20 a.m. until 12:00p.m., preceded by a five 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 11:15 a.m.

RECONVENE:

The commission meeting was back in open session at 12:00 p.m. with all members present.

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

Commissioner King (McKinney) moved to *deny* four applications, *table* one application and *approve* the remaining 77 license applications from the April 11, 2014 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 May 16, 2014. Commissioner McKinney (King) 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)

Dennis McKinney  
Vice-Chairman