

KANSAS RACING AND GAMING COMMISSION

MINUTES – JUNE 20, 2014

CALL TO ORDER:
(A.)

Chairman Timothy Shultz called the June 20, 2014, meeting to order at 10:00 a.m. at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners R. Eileen King and David H. Moses were present. Commissioner Dennis McKinney was absent. 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
AGENDA AS AMENDED:
(B.)

There was one amendment to the GLI Approval Letters removing two items from the list of approval recommendations (D.1.a.). Commissioner King (Moses) moved to approve the agenda as amended. Motion passed unanimously.

MOTION, APPROVE
MAY 16, 2014, MEETING
MINUTES:
(C.)

Commissioner King (Moses) moved to approve the minutes of the May 16, 2014 meeting. Motion passed unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

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

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; BOOT
HILL CASINO AND
RESORT:
(E.1.)

Diane Giardine, Senior Director of Administration and Support, reported:

- For the month of May 2014, Boot Hill Casino and Resort (BHCR) experienced a decrease in total gaming revenue of 2.18% from April 2014. Table games revenue was up 39.47% while slot revenue was down 6.72%. The revenue changes contributed to an increase in table hold and a decrease in slot hold.
- The Buffalo and Longhorn exhibit opening on Memorial Day weekend located on property of the BHCR and the United Wireless Arena was successful.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;

Scott Cooper, General Manager, reported:

- May 2014 admissions were down ten percent from May 2013.

KANSAS STAR:
(E.2.)

- Construction of the Kansas Star Casino convention/meeting space and adjacent equestrian building is on schedule for fourth quarter 2014 opening.
- The 150 room hotel expansion is scheduled to open in July 2014.
- Steel for the conference space goes up at the end of June/early July.
- Work on the southeast parking lot is complete.
- May revenue numbers compared to May 2013:
 - Total gaming revenue down seven percent.
 - Slot coin-in (handle) down five percent.
 - Slot hold up 2.7 percent.
 - Table game drop down two percent.
 - Table game hold down 3.4 percent.
 - Poker room revenue up four percent.
- Upcoming events at the Kansas Star Casino Arena are:
 - Pat Benatar/Rick Springfield concert (July 17th).
 - American Idol Live concert (August 2nd).

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

Bob Sheldon, General Manager, reported:

- May 2014 revenue numbers compared to May 2013:
 - Total gaming revenue was \$11.7 million, up \$322,000, or 2.8 percent.
 - Table games revenue was \$1.7 million, up 1.4 percent.
 - Slot revenue was \$10.0 million, up 3.1 percent.
- The spring NASCAR race was held in May this year with the Sprint Cup race on Saturday evening which had a prime-time national television broadcast.
- During the week, Hollywood Casino at Kansas Speedway had a meet and greet with NASCAR champion driver Brad Keselowski which was open to the public in Turn 2 Sports Bar.
- Attendance was very strong for the race and table games play was good along with strong food & beverage sales during the race weekend.
- Race viewing events were held for invited customers both in the Turn 2 Sports Bar as well as the exterior patio area behind the casino.

COMMISSION ITEMS –

- There were no Commission items pertaining to old business

OLD BUSINESS;
(F.)

to discuss.

COMMISSION ITEMS –
NEW BUSINESS;
(G.)

Mr. Petersen-Klein presented to the Commission, Education and Experience Qualifications. This Commission item is new business that KRGC staff was asked to provide the Commission for the purpose of determining whether the Commission should establish specific minimum education or experience qualifications for casino positions. Commission action requested was that the Commission review and hold discussion.

PUBLIC COMMENTS:
(H.)

- Mr. Clint Patty, outside Legal Counsel for BHCR, spoke in regards to Item G of the Agenda. Mr. Patty presented the Commission with a hand-out explaining why BHCR would like either the opportunity to quickly modify job descriptions as the need arises, or have some ability to have these requirements waived or eliminated to allow management flexibility in developing a good local group of employees dedicated to Dodge City and BHCR.
- Mr. Scott Cooper and Mr. Bob Sheldon also spoke in regards to Item G of the Agenda.

STAFF REPORTS;
(I.)

Mr. Petersen-Klein, reported:

- The Kansas Lottery set a deadline of December 19, 2014 for receipt of applications for SE gaming zone regarding a casino. Applications to begin being accepted on July 14, 2014. Mr. Petersen-Klein will provide the Commission with a memo of how the new casino process will work.
- The number of enrollees in the Voluntary Exclusion Program from the month of May 2014 declined but still above May 2013 enrollees.
- KRGC's financial report compares favorably to prior year and prior months.
- The next Commission meeting will be held on Thursday, July 17, 2014 at 1:00 p.m.

MOTION, EXECUTIVE
SESSIONS:
(J.)

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, staff attorney, and director of security. The total time for the executive sessions was anticipated to be twenty-five minutes, from 11:35 a.m. until 12:00 p.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 (Moses) made a motion to adjourn to executive session. Motion passed unanimously. Adjourned to executive session at 11:35 a.m.

RECONVENE: The commission meeting reconvened at 12:02 p.m. with all members present as previously noted. Additional time in the amount of ten minutes was needed to review confidential backgrounds for licensing. The commission meeting adjourned by unanimous consent motion to resume executive session at 12:03 p.m.

RECONVENE: The commission meeting returned to open session at 12:15 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 12:15 p.m.

RECONVENE: The commission meeting returned to open session at 12:22 p.m. with all members present.

MOTION TO DENY,
CONDITIONALLY
APPROVE, TABLE, AND
APPROVE LICENSE
APPLICATIONS
(K.) Commissioner King (Moses) moved to *deny* four applications, to *conditionally approve* one application for sixty days, to *table* one application for ninety days and *approve* the remaining 231 license applications from the June 20, 2014 list of background reports referred to the commission for action. Motion passed unanimously.

ADJOURN:
(L.) Commissioner Moses (King) moved to adjourn the meeting. Motion passed unanimously. The commission meeting adjourned at 12:25 p.m.

SUBMITTED BY:

(Signature on file)

R. Eileen King

Secretary

APPROVED BY:

(Signature on file)

Timothy A. Shultz

Chairman