

KANSAS RACING AND GAMING COMMISSION

MINUTES – NOVEMBER 14, 2014

CALL TO ORDER:
(A.)

Acting Chairman Dennis McKinney called the November 14, 2014, meeting to order at 10:00 a.m. at 700 SW Harrison, East Tower Conference Room, Suite 410, Topeka, Kansas. Commissioners R. Eileen King and David H. Moses were present. Commissioner Laura McConwell 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
OCTOBER 16, 2014,
MEETING MINUTES:
(C.)

Commissioner King (Moses) moved to approve the minutes of the October 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.)

Sharon Stroburg, General Manager, reported:

- For the month of October 2014, Boot Hill Casino and Resort (BHCR) experienced an increase in total gaming revenue of 4.83% over October 2013. Total slot revenue was up 4.89%. Table games revenue was up 4.26% over October 2013. Slot revenue was up marginally over previous month while table games revenue was down due to a decrease in hold percentage over previous month.
- BHCR is giving away two Jeep Cherokees, one in the month of November and one in December.
- BHCR is holding its annual canned good and toy drives during the months of November and December. Patrons who participate will earn free play.

LOTTERY GAMING

Scott Cooper, General Manager, reported:

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

- This would be his last commission meeting as Scott is retiring.
- October 2014 admissions were up 2% from October 2013.
- Construction of the Kansas Star Casino convention/meeting space and adjacent equestrian building continues and is on schedule for fourth quarter 2014 opening.
- Construction of the valet bar is ongoing and should be completed around Thanksgiving.
- October 2014 revenue numbers compared to October 2013:
 - Total gaming revenue down 1.6%
 - Slot coin-in (handle) down 4%
 - Slot hold down .4 points
 - Table game drop down 8%
 - Table game hold down .3 points
 - Poker room revenue down 5%
- Upcoming events at the Kansas Star Casino Arena are:
 - December 13th – Asian Variety Show
 - December 19th – Celtic Woman concert

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

Bob Sheldon, General Manager, reported:

- October 2014 revenue numbers compared to October 2013:
 - Total gaming revenue was \$11.4 million, an increase of \$142,000, or 1.3%
 - Table games revenue was \$1.4 million, a decrease of 27%. The unusual variance year-over-year was not due to volume of table games drop which increased marginally over prior year, but was a result of a much lower than normal hold percentage compared with an exceptionally high hold percentage in the prior year.
 - Slot revenue was \$9.9 million, an increase of 7.4%.
- The Hollywood Casino 400 NASCAR race took place over the first weekend of October and was well attended. Hollywood Casino had a variety of promotional events on property over the race weekend including a truck giveaway, celebrity meet-and-greets and live music on the gaming floor.
- Hollywood Casino continues to have discussions with the Unified Government of Wyandotte County regarding Hollywood Casino hotel development in conjunction with Wyandotte County's desire to develop a multi-purpose events center in the Village West area. Wyandotte County had

contracted with a consultant to do a feasibility study for a variety of different events centers. They have completed the study and presented their preliminary findings to the commissioners, who are taking the information under consideration. Wyandotte County is considering constructing an events center, and if they do so, Hollywood will adjust their design. Mr. Sheldon reported that the commission will hear more on the hotel in about a month.

COMMISSION ITEMS –
OLD BUSINESS;
(F.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS;
(G.1.)

There were no new business items.

PUBLIC COMMENTS;
(H.)

There were no public comments.

STAFF REPORTS;
(I.)

Mr. Petersen-Klein, reported:

- Enrollment in the Voluntary Exclusion Program continues to progress with fifteen new enrollees during the month of October, but enrollment was down compared to October 2013.
- KRGC's financial report compares favorably to prior year and prior months.
- Two office positions will be filled shortly (two offers of employment have been accepted).
- The Kansas Lottery is still in the process of accepting applications for a casino in the southeast gaming zone. The deadline for applications is December 19, 2014.
- The next Commission meeting will be Friday, December 12, 2014 at 10:00 a.m.

MOTION, EXECUTIVE
SESSIONS:
(J.)

Acting Chairman McKinney moved for the commission to go into executive session for the purpose of (1) attorney/client privilege (2) discussion of confidential facility manager data under K.S.A. 74-8752(e) and (3) 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 10:30 a.m. until 11:30 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 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. The motion passed unanimously and the meeting was adjourned to executive session at 10:31 a.m.

RECONVENE:

The commission meeting returned to open session at 11:31 a.m. with all members present as previously noted. Additional time in the amount of twenty minutes was needed to review confidential backgrounds for licensing. The commission meeting adjourned by unanimous consent motion to resume executive session at 11:32 a.m.

RECONVENE:

The commission meeting returned to open session at 11:52 a.m. with all members present.

MOTION TO
CONDITIONALLY
APPROVE AND APPROVE
LICENSE APPLICATIONS
(K.)

Commissioner King (Moses) moved to *deny* five license applications and *approve* the remaining 137 license applications from the November 14, 2014 list of background reports referred to the commission for action. Motion passed unanimously.

ADJOURN:
(L.)

Acting Chairman McKinney declared the meeting adjourned at 11:54 a.m.

SUBMITTED BY:

R. Eileen King
Secretary

APPROVED BY:

Dennis McKinney
Acting Chairman