

KANSAS RACING AND GAMING COMMISSION

MINUTES – DECEMBER 12, 2014

CALL TO ORDER:
(A.)

Acting Chairman Dennis McKinney called the December 12, 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, David H. Moses and Laura McConwell were also present. 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
NOVEMBER 14, 2014,
MEETING MINUTES:
(C.)

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

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner King (McConwell) 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 November 2014, Boot Hill Casino and Resort (BHCR) experienced an increase in total gaming revenue of 8.01% over November 2013. Total slot revenue was up 8.37%. Table games revenue was up 5.85% over November 2013. Slot revenue was up 2.26% over last month while table games revenue was up 55.80% over last month due to an increase in table games drop of 29.60%.

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

Dan Ihm, Assistant General Manager, reported:

- November 2014 admissions were down 6.5% from November 2013.
- Construction of the Kansas Star Casino convention/meeting space and adjacent equestrian building continues and is on schedule for a fourth quarter 2014 opening.

- Construction of the valet bar is complete and operating.
- November 2014 revenue numbers compared to November 2013:
 - Total gaming revenue down 5.9%
 - Slot coin-in (handle) down 6.7%
 - Slot hold down .13 points
 - Table game drop up 1%
 - Table game hold up 1.3 points
 - Poker room revenue up 3.85%
- Upcoming events at the Kansas Star Casino Arena are:
 - December 13th – Asian Variety show
 - December 19th – Celtic Woman concert
 - January 30th-February 1st – Circus
 - February 14th – Rodney Carrington
 - March 28th – Championship Bull Riding

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

Bob Sheldon, General Manager, reported:

- November 2014 revenue numbers compared to November 2013:
 - Total gaming revenue was \$11.3 million, an increase of \$391,000 or 3.6%
 - Table games revenue was \$1.9 million, an increase of \$342,000 or 21.5%, as a result of a high hold percentage in table games.
 - Slot revenue was \$9.3 million, an increase of \$49,000 or .5%
- Hollywood Casino continued to have the usual compliment of marketing promotions and food specials. There were special offerings in the restaurants over Thanksgiving. As expected, gaming business was very brisk on Black Friday.

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:

- Two Lottery Gaming Facility Review Board (LGFRB) members were present at the meeting. They were Jack Bower, who is the chair of the LGFRB, and Kevin Cook.
- The LGFRB is fully staffed with seven members.
- The Lottery extended the deadline for casino applications from December 19, 2014 to January 30, 2015.
- Enrollment in the Voluntary Exclusion Program rebounded from fifteen in October 2014 to the upper twenties in November 2014.
- KRGC's financial report compares favorably to prior year and prior months.
- The next Commission meeting will be Friday, January 16, 2015 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 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 thirty minutes, from 10:50 a.m. until 11:20 a.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 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 (McConwell) made a motion to adjourn to executive session. The motion passed unanimously and the meeting was adjourned to executive session at 10:45 a.m.

RECONVENE:

The commission meeting returned to open session at 11:22 a.m. with all members present as previously noted. Additional time in the amount of eight minutes was needed to review confidential backgrounds for licensing. The commission meeting adjourned by unanimous consent motion to resume executive session at 11:23 a.m.

RECONVENE:

The commission meeting returned to open session at 11:37 a.m. with all members present.

MOTION TO DENY,
APPROVE FOR ONE YEAR,
TABLE FOR THIRTY DAYS
AND APPROVE LICENSE
APPLICATIONS
(K.)

Commissioner King (McConwell) moved to *deny* one license application, *approve for one year* two license applications, *table for thirty days* two license applications and *approve* the remaining 123 license applications from the December 12, 2014 list of background reports referred to the commission for action. Commissioner McConwell stated for the record that, in regards to the two applicants who failed to meet the minimum education requirements, it would not be her intention to grant a further extension if applicants have not met the education requirements by their next license renewal. If applicants are not enrolled in a program or not near meeting those minimum requirements, the result would be an absolute denial. If there is a problem with meeting the one-year extension that the commission has afforded them, Commissioner McConwell would like to hear about it in the next month or two and not at the end of 2015. Motion passed unanimously.

MOTION TO INSTRUCT
ALL THREE CASINOS BE
MORE RIGOROUS TO SEE
THAT APPLICANTS FOR
EMPLOYMENT MEET
MINIMUM EDUCATION
REQUIREMENTS

Acting Chairman McKinney (Moses) moved to instruct all three casinos to be more rigorous in their efforts to see that applicants for employment meet all minimum education requirements. Motion passed unanimously.

ADJOURN:
(L.)

Following motions, Acting Chairman McKinney declared the meeting adjourned at 11:41 a.m.

SUBMITTED BY:

R. Eileen King
Secretary

APPROVED BY:

Dennis McKinney
Acting Chairman