

KANSAS RACING AND GAMING COMMISSION

MINUTES – AUGUST 15, 2014

CALL TO ORDER:

(A.)

Chairman Timothy Shultz called the August 15, 2014, meeting to order at 10:00 a.m. at 700 SW Harrison, East Tower Conference Room, Suite 410, Topeka, Kansas. Commissioners Dennis McKinney, R. Eileen King and David H. Moses were 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
AMENDED AGENDA:

(B.)

There was an amendment to the GLI Approval Letters with twelve items needing upgrades. Commissioner King (Moses) moved to approve the amended agenda. Motion passed unanimously.

MOTION, APPROVE
JULY 17, 2014, MEETING
MINUTES:

(C.)

Commissioner King (Moses) moved to approve the minutes of the July 17, 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 July 2014, Boot Hill Casino and Resort (BHCR) experienced an increase in total gaming revenue of 8.10% over June 2014. Total slot revenue was up 7.64% while table games revenue was up 11.73% over June 2014.
- BHCR had a great opening weekend in August with the Dodge Ram truck giveaway and the Longhorn Cattle Drive. Over 25,000 people watched the Longhorn Cattle Drive from Boot Hill Museum down Wyatt Earp to the RoundUp Rodeo arena. The High Noon Gunfight and the rodeo reported record attendance on Saturday after the cattle drive.

Ms. Stroburg presented BHCR's responsible gambling report to the commission.

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

Scott Cooper, General Manager, reported:

- July 2014 admissions were down five percent from July 2013.
- Construction of the Kansas Star Casino convention/meeting space and adjacent equestrian building is on schedule for fourth quarter 2014 opening.
- The hotel's 300 rooms are now open.
- Work on the walls for the conference space is ongoing.
- July revenue numbers compared to July 2013:
 - Total gaming revenue down eight percent.
 - Slot coin-in (handle) down eleven percent.
 - Slot hold flat.
 - Table game drop down twelve percent.
 - Table game hold up .4 percent.
 - Poker room revenue up two percent.
- Upcoming events at the Kansas Star Casino Arena are:
 - September 2014 – Team roping and bull riding
 - October 2014 – Roping Championship
 - November 2014 – Belator MMA

Mr. Cooper presented Kansas Star's responsible gambling report to the commission.

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

Bob Sheldon, General Manager, reported:

- July 2014 revenue numbers compared to July 2013:
 - Total gaming revenue was \$11.0 million, up \$39,000, or 0.4 percent.
 - Table games revenue was \$1.7 million, up \$68,000, or 4.3 percent. Although volume in table games play was down, Hollywood Casino did have a strong hold percentage compared to a below average hold last year, which provided the year over year revenue increase.
 - Slot revenue was \$9.4 million, down \$29,000, or 0.3 percent.
- Hollywood Casino introduced some new mid-week food specials in their Final Cut restaurant, but also continued their summer seasonal specials in their other outlets.
- Hollywood Casino had an official Sporting KC watch party in the Turn 2 sports bar which was well attended by local fans.
- The "Superstar Reels" promotion created a buzz as the jackpot approached its cap of \$25,000 nearing July's end.

Mr. Sheldon presented Hollywood Casino's responsible gambling report to the commission.

COMMISSION ITEMS –
OLD BUSINESS;
(F.)

Executive Director Petersen-Klein, addressed the commission regarding education and experience qualifications related to individual positions, which were first discussed at the June 20th meeting. KRGC drafted proposed language and sent it to each of the facility managers who responded, with their biggest concern being the commission's proposed approval authority. The proposed language was revised including the commission's approval authority and provided to the facility managers who indicated the revised language was acceptable.

MOTION TO APPROVE
LANGUAGE IN REVISED
K.A.R. 112-104-2(a)

Commissioner King (McKinney) moved to approve the language as revised for K.A.R. 112-104-2(a). Motion passed unanimously.

COMMISSION ITEMS –
NEW BUSINESS;
(G.)

There were no new commission items.

PUBLIC COMMENTS:
(H.)

There were no public comments.

STAFF REPORTS;
(I.)

Mr. Petersen-Klein, reported:

- The semi-annual bingo report will be presented by Department of Revenue Charitable Gambling Coordinator Patsy Congrove at the September commission meeting.
- Enrollment in the Voluntary Exclusion Program has declined slightly, which can be attributed to the end of the KDADS promotion advertising the availability of various problem gambling services in the state.
- KRGC joined a group of KDADS employees that met with the KDADS secretary Kari Bruffett, to discuss problem gambling. Secretary Bruffett's concern was the need for evidence to present to policy makers to measure the effectiveness of gambling addiction treatment. She also noted that the number of people in treatment was low at 133, which raised the question whether additional funding was actually needed.
- KRGC's financial report compares favorably to prior year and

prior months.

- The budgeting process has begun for FY2015, FY2016 and FY2017, which will include numbers for a new casino located in the southeast gaming zone and reconvening of the Lottery Gaming Facility Review Board. The budget, which is due on September 15, will be presented at September's commission meeting.
- The next Commission meeting will be Friday, September 12, 2014 at 10:00 a.m.
- There is a conflict with the Department of Administration's seminar for lawyers on October 17, 2014 and KRGC staff requested a change to move the meeting to Friday, October 10, 2014 or Thursday afternoon on October 16, 2014. The commission meeting was moved to the afternoon of October 16, 2014 at 1:00 p.m.

MOTION, EXECUTIVE
SESSIONS:
(J.)

Chairman Shultz 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), (3) personnel and (4) 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 and fifteen minutes, from 10:50 a.m. until 12:05 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. The motion passed unanimously and the meeting was adjourned to executive session at 10:50 a.m.

RECONVENE:

The commission meeting returned to open session at 12:05 p.m. with all members present.

MOTION TO DENY AND
APPROVE LICENSE
APPLICATIONS
(K.)

Commissioner King (McKinney) moved to *deny* three applications and *approve* the remaining 157 license applications from the August 15, 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 12:08 p.m.

SUBMITTED BY:

(Signature on file)

R. Eileen King
Secretary

APPROVED BY:

(Signature on file)

Timothy A. Shultz
Chairman