

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – SEPTEMBER 12, 2014

CALL TO ORDER:  
(A.)

Chairman Timothy Shultz called the September 12, 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, as was Laura McConwell, who was introduced as KRGC's newest commissioner. 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 additions. Commissioner Moses (King) moved to approve the amended agenda. Motion passed unanimously.

MOTION, APPROVE  
AUGUST 15, 2014,  
MEETING MINUTES:  
(C.)

Commissioner King (McKinney) moved to approve the minutes of the August 15, 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 August 2014, Boot Hill Casino and Resort (BHCR) experienced an increase in total gaming revenue of 3.10% over July 2014. Total slot revenue was up 4.94% while table games revenue was down 11.13% over July 2014.
- BHCR had a great opening weekend in August with the Dodge Ram truck giveaway and the Longhorn Cattle Drive, and a strong closing weekend as well with Joseph Hall's Elvis Rock "N" Remember Tribute, which were two sold-out performances held at the United Wireless Conference Center.

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS

Scott Cooper, General Manager, reported:

- August 2014 admissions were down 6.3% from August 2013.

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 hotel's 300 rooms are now open.
- August revenue numbers compared to August 2013:
  - Total gaming revenue down 9.5%.
  - Slot coin-in (handle) down 3.8%.
  - Slot hold down 2.5%.
  - Table game drop down 6.6%.
  - Table game hold down 1.1%.
  - Poker room revenue up 1%.
- Upcoming events at the Kansas Star Casino Arena are:
  - October 11<sup>th</sup> – Lifehouse concert
  - October 16<sup>th</sup> – Taste of Derby
  - October 24<sup>th</sup> – Bellator MMA
  - November 7<sup>th</sup> & 8<sup>th</sup> – National Finals Steer Roping

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

Bob Sheldon, General Manager, reported:

- August 2014 revenue numbers compared to August 2013:
  - Total gaming revenue was \$11.8 million, an increase of \$443,000, or 3.9%.
  - Table games revenue was \$1.6 million, down \$98,000, or 5.8%.
  - Slot revenue was \$10.2 million, an increase of \$541,000, or 5.6%.
- Hollywood Casino offered the usual complement of marketing and promotional gaming offers and continued their variety of food specials offered in each of the restaurant outlets.
- Hollywood Casino benefited from the August calendar because it had an additional Sunday compared to August 2013, and that Sunday fell on the 31<sup>st</sup> over the busy Labor Day holiday weekend.
- NASCAR announced their 2015 schedule and the Kansas Speedway was granted another prime-time race in May of 2015, along with another race in October 2015.

COMMISSION ITEMS –  
OLD BUSINESS;  
(F.)

There were no old business items.

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

Patsy Congrove, Administrator of Charitable Gaming, presented the Semi-Annual Activity Report of Inspections and Investigations of Bingo operations.

COMMISSION ITEMS –  
NEW BUSINESS;  
(G.2.)

Mr. Petersen-Klein presented the KRGC budget.

- The proposed budget is a joint budget of the Kansas Racing and Gaming Commission and the Kansas State Gaming agency.
- The budget is for FY2016 and FY2017, along with a revised FY2015.
- The FY2015 expenditures are \$5.6 million and are projected to increase to \$8.8 million by FY2017 in anticipation of a fourth gaming facility
- The number of employees will increase by twenty-four, from sixty-seven currently to ninety-one. Most of these positions are related to staffing a facility in the southeast gaming zone. Some of the positions are related to the re-institution of the gaming machine examination fund, which is projected to begin in the second-half of FY2015.
- Gail Radke and Kevin Cook are the first two individuals appointed to the Lottery Gaming Facility Review Board (LGFRB). The LGFRB is not fully staffed, but is expected to begin operations in early 2015.

Mark Dodd, Executive Director of the Kansas State Gaming Agency (SGA) presented the SGA's budget.

- The SGA is funded one hundred percent by Kansas Native American tribes that operate Class III gaming facilities under compacts with the State.
- Annual budgeted expenditures through FY2017 are projected at \$1.7 million, which is \$87,000 less than last year.

MOTION TO APPROVE  
BUDGET

Commissioner King (McKinney) moved to approve the budget as submitted. Motion passed unanimously.

PUBLIC COMMENTS;  
(H.)

There were no public comments.

STAFF REPORTS;  
(I.)

Mr. Petersen-Klein, reported:

- Enrollment in the Voluntary Exclusion Program is down from

prior year.

- KRGC is encouraging KDADS to renew their awareness campaign.
- KRGC met with the city of Mulvane, KS to discuss the possibility of developing a problem gambling court. Mulvane was receptive to the idea of offering problem gamblers who have violated the State's Voluntary Exclusion Program a diversion program involving treatment.
- KRGC's financial report compares favorably to prior year and prior months.
- The next Commission meeting will be Thursday, 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 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 preceded by a ten minute break, from 10:50 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 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 McKinney (King) made a motion to adjourn to executive session. The motion passed unanimously and the meeting was adjourned to executive session at 10:49 a.m.

RECONVENE:

The commission meeting returned to open session at 11:35 a.m. with all members present.

MOTION TO DENY,  
CONDITIONALLY AROVE  
AND APPROVE LICENSE  
APPLICATIONS  
(K.)

Commissioner King (Moses) moved to *deny* three applications, *conditionally approve* two applications for sixty days and *approve* the remaining 159 license applications from the September 12, 2014 list of background reports referred to the commission for action. Motion passed unanimously.

ADJOURN:  
(L.)

Commissioner King (McKinney) moved to adjourn the meeting. Motion passed unanimously. The commission meeting adjourned at 11:38 a.m.

SUBMITTED BY:

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R. Eileen King  
Secretary

APPROVED BY:

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Timothy A. Shultz  
Chairman