

KANSAS RACING AND GAMING COMMISSION

MINUTES – JANUARY 16, 2015

CALL TO ORDER:
(A.)

Acting Chairman Dennis McKinney called the January 16, 2015, meeting to order at 10:00 a.m. at 700 SW Harrison, Auditorium B, Suite 460, 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.)

There was an amendment to the location listed on the agenda. Commissioner Moses (McConwell) moved to approve the agenda. Motion passed unanimously.

MOTION, APPROVE
DECEMBER 12, 2014,
MEETING MINUTES:
(C.)

Commissioner King (McConwell) moved to approve the minutes of the December 12, 2014 meeting. Motion passed unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner King (Moses) 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 December 2014, Boot Hill Casino and Resort (BHCR) experienced an increase in total gaming revenue of 8.29% over December 2013. Total slot revenue was up 10.96%. Table games revenue was down 7.24% from December 2013. Slot revenue was up 1.35% over last month while table games revenue was down 8.33% over last month due to a decrease in hold percentage over December 2013.

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

Dan Ihm, Assistant General Manager, reported:

- December 2014 admissions were up 7.1% from December 2013.
- Construction of the Kansas Star Casino convention/meeting space and adjacent equestrian building is complete.

- December 2014 revenue numbers compared to December 2013:
 - Total gaming revenue up 9.2%
 - Slot coin-in (handle) up 2.3%
 - Slot hold up .45 points
 - Table game drop up 4.4%
 - Table game hold up 3 points
 - Poker room revenue up 8.8%
- Upcoming events at the Kansas Star Casino Arena:
 - January 30th-February 1st – Circus
 - February 14th – Rodney Carrington
 - February 17th – Maize wrestling tournament
 - March 21st – Styx concert
 - March 28th – Championship Bull Riding
- Upcoming events at the Kansas Star Casino Events Center:
 - January 22nd – Events Center grand opening
 - January 22nd & 23rd – Elvis Presley tribute
 - February 13th – Comedian Tom Arnold (pending)

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

Dean Doria, Vice-President of Marketing, reported:

- December 2014 revenue numbers compared to December 2013:
 - Total gaming revenue was \$12.2 million, an increase of \$1.7 million or 15.6%
 - Table games revenue was \$1.8 million, an increase of \$235,000 or 14.6%, as a result of a \$177,000 jackpot that was won in the previous year by a patron on the Ultimate Texas Hold'em game
 - Slot revenue was \$10.4 million, an increase of \$1.4 million or 15.8%
- Hollywood Casino continued to have the usual compliment of marketing promotions and food specials. There were special offerings for food, beverage and entertainment on New Year's Eve. With both Christmas and New Year's falling on a Thursday it seemed to drive more business throughout both weeks and particularly strong on the weekend between both holidays.

COMMISSION ITEMS –
OLD BUSINESS;
(F.)

There were no old business items.

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

- Mr. Petersen-Klein presented the quarterly report on staff out-of-state travel, licensing and illegal gambling for fourth quarter 2014.
- Due to some scheduling conflicts, Mr. Petersen-Klein reported that the next commission meeting will be advanced from Friday, February 13, 2015 at 10:00 a.m. to Thursday, February 12, 2015 at 10:00 a.m. with an appeal hearing to follow.

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

- Judith Taylor reported on appeal of Disciplinary Review Board orders and the appellate panel format.

MOTION TO HAVE ENTIRE
COMMISSION SIT AS
APPELLATE PANEL FOR
APPEALS OF DRB

Commissioner Moses (King) moved to approve motion to have the entire commission sit as an appellate panel for Disciplinary Review Board (DRB) appeals. Motion passed unanimously.

PUBLIC COMMENTS;
(H.)

There were no public comments.

STAFF REPORTS;
(I.)

Mr. Petersen-Klein reported:

- KRGC, along with the Kansas Lottery and the Kansas State Gaming Agency, made a presentation to the Senate Federal and State Affairs Committee. Topics presented included:
 - The LGFRB had its first meeting on January 7, 2015.
 - An RFP (request for proposal) was initiated to contract for LGFRB consultants.
 - The Lottery is taking lottery gaming facility management applications for the southeast gaming zone through January 30, 2015. The timeline, assuming there are no extensions, would be ninety days to negotiate contracts which would be April 30, 2015. The LGFRB would receive the contracts for review on that date. The LGFRB has sixty days from that date to make a selection, after which the KRGC will have ten days to approve the selected applicant's background and the LGFRB's recommendation.
- The Voluntary Exclusion Program had twenty-three enrollees during the month of December 2014.
- KRGC's financial report compares favorably to prior year and

prior months.

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 one hour, from 10:55 a.m. until 11:55 a.m., preceded by a short 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 (King) made a motion to adjourn to executive session. The motion passed unanimously and the meeting was adjourned to executive session at 10:53 a.m.

RECONVENE:

The commission meeting returned to open session at 11:56 a.m. with all members present.

MOTION TO
CONDITIONALLY
APPROVE, APPROVE FOR
ONE YEAR,
CONDITIONALLY
APPROVE AND ALLOW A
ONE-YEAR AND APPROVE
LICENSE APPLICATIONS
(K.)

Commissioner King (McConwell) moved to *conditionally approve for sixty days* three license applications, *approve for one year* three license applications, *conditionally approve for sixty days and a one-year license* one license application and *approve* the remaining 154 license applications from the January 16, 2015 list of background reports referred to the commission for action. Commissioner McConwell stated for the record that, in regards to the 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 EXTEND THE
SUSPENDED EXPIRATION
DATE OF BUTLER

Commissioner King (Moses) moved to extend the expiration date of Butler National Service Corp.'s certification for an additional sixty

NATIONAL SERVICE
CORP. CERTIFICATION
FOR AN ADDITIONAL
SIXTY DAYS

days (March 17, 2015). Motion passed unanimously.

HEARING PANEL FOR
APPEALS OF THE
DISCIPLINARY REVIEW
BOARD

Acting Chairman McKinney appointed Commissioner Moses to be presiding officer of the hearing panel for appeal of a Disciplinary Review Board order to be heard following the February commission meeting.

ADJOURN:
(L.)

Acting Chairman McKinney declared the meeting adjourned at 12:00 p.m.

SUBMITTED BY:

(Signature on file)

R. Eileen King
Secretary

APPROVED BY:

(Signature on file)

Dennis McKinney
Acting Chairman