

KANSAS RACING AND GAMING COMMISSION

MINUTES – OCTOBER 16, 2015

CALL TO ORDER:
(A.)

Acting Chairman Dennis McKinney called the October 16, 2015, meeting to order at 10:00 a.m. The meeting was held at the Eisenhower State Office Building located at 700 SW Harrison, East Tower Conference Room, in Topeka, Kansas. Commissioners R. Eileen King, David Moses, Brandon L. Jones, and Jan Kessinger were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Finance, and Audit Brandi White, Director of IT and Electronic Security Dennis Bachman, Recording Secretary Chris Vega and other staff.

MOTION, APPROVE
AGENDA:
(B.)

Commissioner King (Kessinger) moved to approve the agenda. Motion carried unanimously.

MOTION, APPROVE
SEPTEMBER 11, 2015
MEETING MINUTES:
(C.)

Commissioner Jones (Moses) moved to approve the minutes of the September 11, 2015 meeting. Motion carried unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner King (Kessinger) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; BOOT
HILL CASINO AND
RESORT:
(E.1.)

Sharon Stroburg, General Manager, reported:

- September 2015 revenue numbers compared to September 2014:
 - Total gaming revenue down 6.37%
 - Total slot revenue down 5.97%
 - Table games revenue down 9.53%
- Past casino promotions, Dodge City events, and events at the United Wireless Arena:
 - 2-1 Blackjack card for the month of September
 - Buffalo Packages the month of September
 - September 9 – Don Williams
 - September 24 – National Finals Rodeo Giveaway
 - September 25 – 27 – Wild West Fest. Gunsmoke actors, including Burt Reynolds, were in attendance.

- October 3 - Kansas

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

Dan Ihm, General Manager, reported:

- September 2015 admissions were down 1% from September 2014.
- September 2015 revenue numbers compared to September 2014:
 - Total gaming revenue up 3.9%
 - Slot coin-in (handle) up 1.66%
 - Slot hold up .32 points
 - Table game drop down 5.7%
 - Table game hold up .2 points
 - Poker room revenue down 26%
- Past events at the Kansas Star Casino Arena:
 - September 11 – 13 – USTRC
 - September 25 – 27 – Don Gay Bull Riding Finals
- Upcoming events at the Kansas Star Casino Arena:
 - October 30 – November 1 – KHJA Horse Show
 - November 6 – 7 – National Finals Steer Roping
 - November 21 – LeAnn Rimes
 - December 12 – Wynonna Judd
 - December 19 – Asian Variety Show

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

Rick Skinner, General Manager, reported:

- September 2015 revenue numbers compared to September 2014:
 - Total gaming revenue was \$11.2 million, an increase of \$488,000.00 or 4.5%.
 - Table games revenue was \$1.5 million, a decrease of \$50,000.00 or 3.3%.
 - Slot revenue was \$9.8 million, an increase of \$538,000.00 or 5.8%.
- On September 12, 2015 and September 26, 2015, Hollywood Casino held the final two slot tournaments in which patrons could win a trip to Las Vegas and an entry to participate in Hollywood's \$350K Blockbuster Weekend event which will be held at the M Resort in November 2015. Hollywood Casino will be sending a total of eight lucky patrons and their guest to this event.
- Hollywood Casino hosted an official Kansas City Chiefs

watch party on Monday, September 28, 2015 for the Monday Night Football game against the Green Bay Packers. Patrons had a good time as some Chiefs Cheerleaders, former players, and KC Wolf made appearances for the party.

- Upcoming events:
 - October 17 – 18 – NASCAR Weekend at Kansas Speedway, Kansas Lottery 300 Xfinity race on Saturday afternoon and the Hollywood Casino 400 Sprint Cup race on Sunday afternoon. On the Friday night of race weekend, Hollywood will be giving away a 2015 Toyota Tundra to one lucky patron which was purchased from Clint Bowyer's dealership in Emporia, KS.

COMMISSION ITEMS –
OLD BUSINESS;
(F.)

Dennis Bachman presented the discussion of actual vs. theoretical slot machine payouts.

MOTION:

Acting Chairman McKinney (Moses) moved to direct staff to develop a rule to provide a measure of decline in usage of a slot machine that allows the machine to be removed to meet market conditions and consumer demand. Staff is further directed to consult with operators in developing this rule. In addition, staff is directed to extend the 180 day rule to 270 days for all new machine test period. The proposal is to be presented at the November 13, 2015 commission meeting. Motion carries 4 to 1 with Commissioner Jones dissenting.

COMMISSION ITEMS –
NEW BUSINESS;
(G.1. & G.2.)

- Executive Director Brownlee reported on staff out-of-state travel, licensing, and illegal gambling for 3rd quarter of 2015.
- Michelle Neis, Enforcement Attorney, presented the Disciplinary Review Board Hearing Policy.

MOTION TO APPROVE
DISCIPLINARY REVIEW
BOARD HEARING POLICY

Commissioner Jones (Kessinger) moved to approve the Disciplinary Review Board Hearing Policy. Motion carried unanimously.

PUBLIC COMMENTS;
(H.)

There were no public comments.

STAFF REPORTS;
(I.)

Michelle Neis, Enforcement Attorney, reported on the Voluntary Exclusion Program statistics for the month of September 2015.

Executive Director Brownlee, reported:

- The next KRGC meeting will be November 13, 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 security division personnel. The total time for the executive sessions was anticipated to be forty minutes, 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. Acting Chairman McKinney (King) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 12:15 p.m.

RECONVENE

The commission meeting returned to open session at 1:00 p.m. with three members present. Commissioners Moses and Jones had to leave to attend other engagements.

MISCELLANEOUS:

Commissioner Jones has been appointed hearing officer for KRGC case 2015-1002 (Durham).

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

Commissioner King (Kessinger) moved to *conditionally approve* four license applications, and *approve* the remaining 230 license applications from the October 16, 2015 list of background reports referred to the commission for action. The motion carried unanimously.

ADJOURN:
(L.)

Acting Chairman McKinney declared the meeting adjourned at 1:02 p.m.

SUBMITTED BY:

(Signature on file) _____

R. Eileen King

Secretary

APPROVED BY:

(Signature on file) _____

Dennis McKinney

Acting Chairman