

KANSAS RACING AND GAMING COMMISSION

MINUTES – DECEMBER 11, 2015

CALL TO ORDER:
(A.)

Acting Chairman Dennis McKinney called the December 11, 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 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, Director of Security Larry Moreland, Recording Secretary Chris Vega and other staff.

MOTION, APPROVE
AMENDED AGENDA:
(B.)

There was one amendment to the agenda pertaining to the minutes of November 13, 2015 (item C. on the agenda), adding a report from Mr. Moreland regarding regulation changes. Commissioner King (Kessinger) moved to approve the amended agenda. Motion carried unanimously.

MOTION, APPROVE
AMENDED
NOVEMBER 13, 2015
MEETING MINUTES:
(C.)

Commissioner King (Jones) moved to approve the minutes of the November 13, 2015 meeting as amended. 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:

- November 2015 revenue numbers compared to November 2014:
 - Total gaming revenue down 15.30%
 - Total slot revenue down 13.74%
 - Table games revenue down 25.15%
 - There were some severe ice storms during the last week of November that had a major impact on business for that week. Revenue was down 35% compared to the last seven days of the month compared to prior year, compromising 66% of the

decline compared to prior year November 2014.

- Upcoming casino promotions and events at the United Wireless Arena:
 - November 27 – December 20 – Food & Toy Drive
 - Limit Poker Play
 - December 11 – Manheim Steamroller
 - December 25 – Christmas buffet

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

Dan Ihm, General Manager, reported:

- November 2015 admissions were down 6.3% from November 2014.
- November 2015 revenue numbers compared to November 2014:
 - Total gaming revenue flat
 - Slot coin-in (handle) down 4.6%
 - Slot hold up .41 points
 - Table game drop down 12.9%
 - Table game hold up 3.4 points
 - Poker room revenue down 26.6%
- Past events at the Kansas Star Casino Arena:
 - November 6 – 7 – National Finals Steer Roping
 - November 21 – LeAnn Rimes
- Upcoming events at the Kansas Star Casino Arena:
 - December 12 – Wynonna Judd
 - December 19 – Asian Variety Show
 - January 23 – Hairball (hair band tribute)
 - February 13 – Cirque Ziva Golden Dragon Acrobats
 - February 26 – Bellator MMA
 - March 12 – John Mueller’s Winter Dance Party (Buddy Holly Tribute Show)
 - April 16 - Foreigner

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

Rick Skinner, General Manager, reported:

- November 2015 revenue numbers compared to November 2014:
 - Total gaming revenue was \$10.9 million, a decrease of \$386,000.00 or 3.4%.
 - Table games revenue was \$1.5 million, a decrease of \$457,000.00 or 23.6%. Table games volume was down slightly, but the decrease in revenue can be

attributed to an abnormally low hold percentage versus a high hold percentage in 2014. Hold was down 5.1 points year-over-year.

- Slot revenue was relatively flat at \$9.4 million, an increase of \$71,000.00 or less than 1%.
- The weather over Thanksgiving weekend did not help drive additional revenues. Visitation numbers were lower than expected.

COMMISSION ITEMS –
OLD BUSINESS;
(F.)

There were no old business items to discuss.

COMMISSION ITEMS –
NEW BUSINESS;
(G.)

There were no new business items to discuss.

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 November 2015.

Executive Director Brownlee, reported:

- Licensing regulations have made it through the Department of Administration and the Attorney General's Office and ready for the sixty day comment period.
- The next KRGC meeting will be January 15, 2016 at 10:00 a.m.
- The February 12, 2016 KRGC meeting will be held in Kansas City, KS (location yet to be determined) so that the new commissioners can tour the Hollywood Casino.

MOTION; EXECUTIVE
SESSION TO VIEW
SURVEILLANCE VIDEO

Commissioner Jones moved for the commission to go into a ten minute executive session for the purpose of viewing surveillance video in KRGC case 2015-3011. Those included in the executive session were the commissioners, enforcement attorney and respondent. The total time for the executive session was anticipated to be ten minutes. 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 Jones (King) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 10:25 a.m.

RECONVENE

The commission meeting returned to open session at 10:38 a.m. with all members present.

DISCIPLINARY REVIEW
PROCEEDINGS; (J.)

Disciplinary review proceedings were held in the matter of KRGC case 2015-3011 (Scott Easton). The commission heard from both Enforcement Attorney Ms. Neis and respondent Mr. Easton. Hearing concluded at 11:36 a.m.

MOTION, EXECUTIVE
SESSIONS:
(K.)

Acting Chairman McKinney moved for the commission to go into executive session for the purpose of (1) deliberation on case 2015-3011. Those included in the executive session were the five commissioners. There was also an executive session for the purpose of (2) attorney/client privilege and (3) 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. 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 11:38 a.m.

RECONVENE

The commission meeting returned to open session at 12:10 p.m. with all members present.

MOTION

Commissioner Jones (King) moved that the findings of fact and the conclusions of law made by the Disciplinary Review Board be upheld as written in the order given previously. Motion carried unanimously.

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

Commissioner King (Moses) moved to *deny* one license application, *conditionally approve* three license applications, and *approve* the remaining 146 license applications from the December 11, 2015 list of background reports referred to the commission for action. The motion carried unanimously.

ADJOURN:
(M.)

Acting Chairman McKinney declared the meeting adjourned at 12:17 p.m.

SUBMITTED BY:

(Signature on file)

R. Eileen King
Secretary

APPROVED BY:

(Signature on file)

Dennis McKinney
Acting Chairman