

KANSAS RACING AND GAMING COMMISSION

MINUTES – JUNE 12, 2015

CALL TO ORDER:
(A.)

Acting Chairman Dennis McKinney called the June 12, 2015, meeting to order at 10:00 a.m. The meeting was held at the Eisenhower State Office Building at 700 SW Harrison, East Tower Conference Room, in Topeka, Kansas. Commissioners R. Eileen King and David H. Moses were also present. Others present included Interim Executive Director/Director of Security 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
AMENDED AGENDA:
(B.)

There were five amendments to the agenda pertaining to GLI approval/rejection letters for June 2015. Commissioner King (Moses) moved to approve the agenda as amended. Motion carried unanimously.

MOTION, APPROVE
MAY 15, 2015, MEETING
MINUTES:
(C.)

There was an amendment to the minutes regarding the Motion to Appoint Commissioner Moses as presiding officer of the Schweih's hearing. The minutes were amended to reflect that the motion carried unanimously. Commissioner King (Moses) moved to approve the minutes of the May 15, 2015 meeting as amended. Motion carried unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner King (Moses) 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:

- May 2015 revenue numbers compared to May 2014:
 - Total gaming revenue up 9.70%
 - Total slot revenue up 13.10%
 - Table games revenue down 11.19%
- Upcoming events at the United Wireless Arena and promotions:
 - 2-1 Blackjack card through June 28th
 - Hotel offer for the month of June
 - Earn & Win T-shirt through June 28th
 - July 2 & 3 – Elvis show

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

Dan Ihm, General Manager, reported:

- May 2015 admissions were down 1.9% from May 2014.
- May 2015 revenue numbers compared to May 2014:
 - Total gaming revenue up 7.8%
 - Slot coin-in (handle) up 2.8%
 - Slot hold up .3 points
 - Table game drop up 3.5%
 - Table game hold up 2.5 points
 - Poker room revenue down 1.5%
- Past events at the Kansas Star Casino Arena:
 - May 7-10 – Let It Ride Equestrian event
 - May 29 - USTRC
- Upcoming events at the Kansas Star Casino Arena:
 - June 13 – Credence Clearwater Revisited
 - June 20 – Showdown in the Valley Car & Bike Show
 - June 26 – Bellator MMA
- Past Kansas Star Casino Events Center events:
 - May 9 – Asian Variety Show
 - May 16 – Comedian Louie Anderson
 - May 30 – The Temptations

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

Bob Sheldon, General Manager, reported:

- He has been re-assigned to Las Vegas to head the acquisition process for the Tropicana Hotel & Casino, which Penn National is in the process of purchasing. Penn National has another property in Las Vegas, The M Resort, and Mr. Sheldon will be overseeing operations at both facilities.
- May 2015 revenue numbers compared to May 2014:
 - Total gaming revenue was \$13.5 million, an increase of \$1.9 million or 15.9%.
 - Table games revenue was \$1.8 million, an increase of \$83,000.00 or 4.9%. Table volume was slightly ahead of prior year but hold percentage was higher which accounted for most of the year-over-year increase.
 - Slot revenue was \$11.8 million, an increase of \$1.8 million or 17.8%.
- Hollywood Casino had the normal complement of monthly promotional offers and restaurant specials.
- The Kansas Speedway held its national televised night race on

Saturday, May 9th which drove additional retail traffic to the casino.

- The month of May culminated with Hollywood’s first “Spring into Summer” drawing on Friday, May 29th.

COMMISSION ITEMS –
OLD BUSINESS;
(F.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS;
(G.)

There were no new business items.

PUBLIC COMMENTS;
(H.)

There were no public comments.

STAFF REPORTS;
(I.)

Michelle Neis, reported:

- The Voluntary Exclusion Program statistics for the month of May 2015.

Interim Executive Director Brownlee, reported:

- KRGC’s financial report compares favorably to prior year and prior months.
- Brandon Jones, attorney from Ottawa, KS, has been appointed as a new commissioner and will have orientation at the KRGC on June 24th. Commissioner Jones’ first meeting will be the July 2nd commission meeting.
- The Lottery Gaming Facility Review Board (LGFRB) meeting was held on June 10th, at which the board heard from consultants. The next LGFRB meeting is scheduled for June 23rd at 9:00 a.m., at which the board will hear updated consultant reports and final presentations from the applicants. They will also choose the applicant with the best possible contract for the southeast gaming zone.
- The next few KRGC meetings are scheduled as follows:
 - A special KRGC meeting to receive the selected southeast gaming zone applicant’s background report and vote on the LGFRB’s selection will be held on July 2, 2015 at 9:00 a.m.
 - July 23, 2015 scheduled for 10:00 a.m. has been advanced to 8:30 a.m.

- August 14, 2015 will be at 10:00 a.m.
- The September meeting is currently scheduled for September 18th, but because the KRGC needs to submit the budget by September 15th, the meeting has been advanced to Friday, September 11th 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, interim executive director/director of security, general counsel and the security manager. 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 10:46 a.m.

RECONVENE

The commission meeting returned to open session at 11:16 a.m. with all members present. Acting Chairman McKinney moved for the commission to extend the executive session for an additional fifteen minutes. 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 11:17 a.m.

RECONVENE

The commission meeting returned to open session at 11:31 a.m. with all members present.

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

Commissioner King (McKinney) moved to *deny* three license applications, *conditionally approve* four license applications, and *approve* the remaining 155 license applications from the June 12, 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 11:33 a.m.

SUBMITTED BY:

(Signature on file)

R. Eileen King

Secretary

APPROVED BY:

(Signature on file)

Dennis McKinney

Acting Chairman