

KANSAS RACING AND GAMING COMMISSION

MINUTES – SEPTEMBER 11, 2015

CALL TO ORDER:
(A.)

Acting Chairman Dennis McKinney called the September 11, 2015, meeting to order at 9:01 a.m. The meeting was held at the Eisenhower State Office Building at 700 SW Harrison, East Tower Conference Room, in Topeka, Kansas. Commissioners David Moses, Brandon L. Jones and new commissioner Jan Kessinger were also present. Commissioner Eileen King was absent. Others present included 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 was an amendment to the agenda pertaining to who would be presenting the Kansas State Gaming Agency's budget. Commissioner Jones (Moses) moved to approve the amended agenda. Motion carried unanimously.

MOTION, APPROVE
AUGUST 14, 2015
MEETING MINUTES:
(C.)

Commissioner Moses (Jones) moved to approve the minutes of the August 14, 2015 meeting. Motion carried unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner Jones (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:

- August 2015 revenue numbers compared to August 2014:
 - Total gaming revenue down 2.73%
 - Total slot revenue down 3.74%
 - Table games revenue up 6.51%
- Upcoming events at the United Wireless Arena and promotions:
 - August 15 – Comedian Ron White
 - August 29 – Boston Concert
 - 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, will be in attendance.

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

Dan Ihm, General Manager, reported:

- August 2015 admissions were down 10.2% from August 2014.
- August 2015 revenue numbers compared to August 2014:
 - Total gaming revenue down 3%
 - Slot coin-in (handle) down 6.4%
 - Slot hold up .29 points
 - Table game drop down 7.1%
 - Table game hold up 1.3 points
 - Poker room revenue down 22.3%
- Past events at the Kansas Star Casino Arena:
 - August 8 – Deep Purple
- Upcoming events at the Kansas Star Casino Arena:
 - September 11 – 13 - USTRC
 - September 25 – 27 – Don Gay Bull Riding Finals
 - November 21 – LeAnn Rimes
 - December 12 – Wynonna Judd

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

Rick Skinner, General Manager, reported:

- August 2015 admissions were down 6.7% from August 2014.
- August 2015 revenue numbers compared to August 2014:
 - Total gaming revenue was \$11.6 million, a decrease of \$191,000.00 or 1.9%.
 - Table games revenue was \$1.2 million, a decrease of \$381,000.00 or 23.9%.
 - Slot revenue was \$10.4 million, an increase of \$190,000.00 or 1.9%.
- On August 22, 2015 Hollywood held their first of three slot tournaments in which patrons can win a trip to Las Vegas and an entry to participate in Hollywood's \$350,000.00 Blockbuster Weekend event which will be held at the M Resort in November. The other two slot tournaments will be held on September 12th and 26th. Hollywood will be sending a total of eight lucky patrons and their guest to the event in Las Vegas.
- Also on August 22, 2015 Hollywood hosted a Sporting KC

Watch Party in the Turn 2 Lounge. At this event, a signed Sporting KC jersey along with tickets to an upcoming home game will be given away.

- On September 3, 2015 Hollywood hosted a KC Chiefs Watch Party. Cheerleaders and former players were in attendance and prizes were given away to patrons.
- 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.
- Mr. Skinner introduced himself to the commission.

COMMISSION ITEMS –
OLD BUSINESS;
(F.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS;
(G.)

- Executive Director Brownlee reported on the procedure for approving instructional table games and the post audit review
- Brandi White reported on the KRGC budget.
- Kala Loomis, Director of Enforcement and Compliance, Kansas State Gaming Agency, reported on the KSG budget.

MOTION TO APPROVE
RECOMMENDATION TO
DELEGATE ON-SITE KRGC
AGENTS AUTHORITY FOR
APPROVING
INSTRUCTIONAL TABLE
GAMES OFFERED TO THE
PUBLIC

Commissioner Jones (Kessinger) moved to approve the recommendation to delegate on-site KRGC agents authority for approving instructional table games offered to the public. Motion carried unanimously.

MOTION TO APPROVE
BUDGET

Commissioner Kessinger (Jones) moved to approve the budgets for the KRGC and KSG. 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 August 2015.

Executive Director Brownlee welcomed Commissioner Kessinger, Rick Skinner and Mark Wong.

Executive Director Brownlee, reported:

- The Kansas Lottery has given Kansas Crossing a 90-day extension (November 2016). The Lottery will consider additional extensions if needed.
- Construction on Kansas Crossing has ceased and internal plans to go forward are still being worked on.
- Judith Taylor and Michelle Neis were thanked for their help regarding the Cherokee County/Castle Rock lawsuit.
- Brandi White was thanked for her help with the audit and budget.
- The next KRGC meeting will be October 16, 2015 at 10:00 a.m.
- A hearing for a licensee from Hollywood will be held on the afternoon of October 16, 2015. (KRGC case 2015-3004, Perales). (Commissioner Jones was designated hearing officer.)

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/director of security and general counsel. The total time for the executive sessions was anticipated to be thirty-five 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 (Jones) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 10:43 a.m.

RECONVENE

The commission meeting returned to open session at 11:25 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 (Jones) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 11:25 a.m. until 11:40 a.m.

RECONVENE

The commission meeting returned to open session at 11:41 a.m. with all members present.

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

Commissioner Moses (Jones) moved to *deny* two license applications, *conditionally approve with extension of work permit* three license applications, *table* one license application, *approve until March 15, 2016* one license application and *approve* the remaining 147 license applications from the September 11, 2015 list of background reports referred to the commission for action. The motion carried unanimously.

MOTION, EXECUTIVE
SESSIONS:
(J.)

Acting Chairman McKinney moved for the commission to go into executive session for the purpose of one (1) personnel issue. Those included in the executive sessions were the commissioners and the executive director. 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 (Jones) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 11:43 a.m. until 12:13 p.m.

RECONVENE

The commission meeting returned to open session at 12:14 p.m. with all members present.

ADJOURN:
(L.)

Acting Chairman McKinney declared the meeting adjourned at 12:14 p.m.

SUBMITTED BY:

(Signature on file)

David H. Moses

Commissioner

APPROVED BY:

(Signature on file)

Dennis McKinney

Acting Chairman