

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – JANUARY 15, 2016

CALL TO ORDER:  
(A.)

Acting Chairman Dennis McKinney called the January 15, 2016, meeting to order at 9:57 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 Security Larry Moreland, Recording Secretary Chris Vega and other staff.

MOTION, APPROVE  
AGENDA:  
(B.)

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

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

Commissioner King (Kessinger) moved to approve the minutes of the December 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:

- December 2015 revenue numbers compared to December 2014:
  - Total gaming revenue down 6.57%
  - Total slot revenue down 8.78%
  - Table games revenue up 8.87%
  - The weather predictions during the weekend following Christmas had an adverse effect on gaming revenue. For the Saturday and Sunday following Christmas, BHCR was down 29.45% over prior year.
- Upcoming casino promotions and events at the United Wireless Arena:
  - 2-1 Blackjack promotion
  - Big Hand Bonus in Poker

- Hotel Promotions – discounted rates
- Buffalo Packages
- Motorcoach trips
- Email promotion - \$25 in Free Play
- Grapes & Grains – January 15th

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

Dan Ihm, General Manager, reported:

- December 2015 admissions were up 1% from December 2014.
- December 2015 revenue numbers compared to December 2014:
  - Total gaming down 3.2%
  - Slot coin-in (handle) down 2.4%
  - Slot hold up .17 points
  - Table game drop down 11.3%
  - Table game hold down 1.2 points
  - Poker room revenue down 22.2%
- Past events at the Kansas Star Casino Arena:
  - December 12 – Wynonna Judd
  - December 19 – Asian Variety Show
- Upcoming events at the Kansas Star Casino Arena:
  - 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
- Commissioner Moses inquired of Mr. Ihm what his thoughts were on poker rooms in Wichita, KS. Acting Chairman McKinney would like to add this topic to next month’s agenda along with public comment on the issue.

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

Rick Skinner, General Manager, reported:

- December 2015 revenue numbers compared to December 2014:
  - Total gaming revenue was \$12.6 million, an increase of \$420,000.00 or 3.4%.
  - Table games revenue was \$1.5 million, a decrease of \$21,000.00 or 1.3%.
  - Slot revenue was \$10.8 million, an increase of

\$449,000.00 or 4.3%.

- Hollywood Casino had their usual compliment of marketing promotions and food specials throughout the month of December. The direct mail program continues to be a strong driver of business volumes. Hollywood Casino also had weekend point multipliers and a comp for gift cards promotion which increased visitation. The month culminated with the New Year's Eve weekend, where Hollywood Casino saw a significant increase in volume year-over-year, both on the gaming floor and in all of its outlets.

COMMISSION ITEMS –  
OLD BUSINESS;  
(F.)

There were no old business items to discuss.

COMMISSION ITEMS –  
NEW BUSINESS;  
(G.)

- Executive Director Brownlee reported on staff out-of-state travel, licensing and illegal gambling for the fourth quarter of 2015.
- Brandi White presented the proposal of approving a contract for the Kansas Greyhound Association for the year 2016. Travis Bartley addressed the commission on behalf of the Kansas Greyhound Association.

MOTION TO TRANSFER,  
CLOSE AND REMIT TO  
KGA; MOTION TO  
APPROVE KGA  
CONTRACT FOR 2016

- Commissioner King (Jones) moved to remit \$3,245.00 to the Kansas Greyhound Association and close the KGA account. Motion carried unanimously.
- Commissioner Jones (King) moved to approve the Kansas Greyhound Association contract for 2016. 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 December 2015.

Executive Director Brownlee, reported:

- The next KRGC meeting will be February 12, 2016 at 10:00 a.m. at the Kansas Speedway Administration Offices. Commissioners have the opportunity to tour the Hollywood Casino after the meeting.

DISCIPLINARY REVIEW  
PROCEEDINGS; (J.)

Disciplinary review proceedings were held in the matter of KRGC case 2015-3011 (Scott Easton), 2015-3015 (Corbinn Bethard) and 2015-3018 (John Sherley).

- 2015-3011 – Scott Easton did not submit witness names or evidence nor did he show on this date, thus the DRB’s order, upheld by the commission at the December 11<sup>th</sup> meeting, is final with no further action required.
- 2015-3015 – Corbinn Bethard did not appear, but his attorney Mr. Clint Patty appeared on his behalf. A settlement agreement had been signed prior to the meeting and Mr. Bethard agreed to relinquish his gaming license.
- 2015-3018 – John Sherley did not respond, appear or submit any evidence in regards to the Summary Proceeding Order. Ms. Neis requested the commission order a \$200.00 fine. (Mr. Sherley is no longer employed by Hollywood Casino.)

MOTIONS REGARDING  
DISCIPLINARY REVIEW  
PROCEEDINGS

- Commissioner Jones (King) moved to approve Mr. Bethard’s settlement agreement adding a provision that Mr. Bethard’s counsel, Mr. Patty, also sign off on the agreement. Motion carried unanimously.
- Commissioner Jones (Kessinger) moved to modify Mr. Sherley’s Summary Proceeding Order to a \$200.00 fine from a 2-day suspension, with a provision that license become indefinitely suspended if fine is not paid. Motion carried unanimously.

MOTION, EXECUTIVE  
SESSIONS:  
(K.)

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 forty-five 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 11:04 a.m.

RECONVENE

The commission meeting returned to open session at 12:01 p.m. with all members present.

MOTION TO DENY,  
CONDITIONALLY  
APPROVE, APPROVE FOR  
ONE YEAR, APPROVE FOR  
SIX MONTHS, TABLE AND  
APPROVE LICENSE  
APPLICATIONS  
(L.)

Commissioner King (Kessinger) moved to *deny* three license applications, *conditionally approve* five license applications, *approve for one year* one license application, *approve for six months* one license application, *table* one license application and *approve* the remaining 205 license applications from the January 15, 2016 list of background reports referred to the commission for action. The motion carried unanimously.

ADJOURN:  
(M.)

Acting Chairman McKinney declared the meeting adjourned at 12:03 p.m.

SUBMITTED BY:

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R. Eileen King  
Secretary

APPROVED BY:

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Dennis McKinney  
Acting Chairman