

KANSAS RACING AND GAMING COMMISSION

MINUTES – MAY 13, 2016

CALL TO ORDER
(A.)

Chairman Brandon Jones called the May 13, 2016, meeting to order at 10:00 a.m. The meeting was held at the Boot Hill Casino & Resort Conference Center, 4100 W. Comanche, in Dodge City, KS. Commissioners Dennis McKinney and David Moses were also present. Commissioner Jan Kessinger was absent. 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 a presentation by the Dodge City Convention and Visitor's Bureau (item D.1. on the agenda). Commissioner Moses (McKinney) moved to approve the amended agenda. Motion carried unanimously.

MOTION, APPROVE APRIL
15, 2016 MEETING
MINUTES
(C.)

Commissioner Moses (McKinney) moved to approve the minutes of the April 15, 2016 meeting. Motion carried unanimously.

DODGE CITY
CONVENTION AND
VISITOR'S BUREAU
PRESENTATION
(D.)

Brent Harris, Brand Ambassador for Boot Hill Museum Inc., welcomed the commission to Dodge City. Mr. Harris spoke briefly about the history of Dodge City, KS.

MOTION, APPROVE
CONSENT AGENDA
(E.)

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

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; BOOT
HILL CASINO & RESORT
(F.1.)

Diane Giardine, General Manager of Boot Hill Casino & Resort, took a moment to welcome the commission to Dodge City and introduced various Boot Hill Casino & Resort staff members who were in attendance.

Ms. Giardine reported:

- April 2016 revenue numbers compared to April 2015:

- Total gaming revenue down 1.17%
- Total slot revenue down 2.30%
- Table games revenue up 7.75%
- Past casino promotions and arena events:
 - April 16 – Dodge City Law Football
 - April 18 – Tax Day cash bonus
 - April 22 – Mustang Madness
 - April 30 – Mustang Madness
 - April 30 – Dodge City Law Football
 - Seniors Take 10
 - Amp’ed Up April Point Multiplier
 - Stay & Play hotel packages
 - Motorcoach trips
- Upcoming casino promotions and arena events:
 - May 18 – The Beach Boys
 - May 18 – Fun in the Sun dream vacation giveaway starts, with package given away on June 17, 2016
 - August 25 - Styx

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

Dan Ihm, General Manager, reported:

- April 2016 admissions were up 6.3% from April 2015.
- April 2016 revenue numbers compared to April 2015:
 - Total gaming revenue down 1%
 - Slot coin-in (handle) up 1.5%
 - Slot hold up .11 points
 - Table game drop down 8.9%
 - Table game hold down 3 points
 - Poker room revenue down 4.1%
- Past events at the Kansas Star Casino Arena:
 - April 14 – Adam Ferrara (comedian)
 - April 16 – Foreigner
 - April 21 – Todd Barry (comedian)
 - April 23 – Asian Variety Show
 - April 28 – Taylor Williamson (comedian)
 - April 30 – EFC (Evolution Fighting Championship)
- Upcoming events at the Kansas Star Casino Events Center:
 - June 9-11 – Legends in Concert
 - July 22 – Bellator MMA

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

Rick Skinner, General Manager, reported:

- April 2016 revenue numbers compared to April 2015:
 - Total gaming revenue was \$12.0 million, a decrease of \$474,000.00 or 3.8%
 - Table games revenue was \$1.4 million, a decrease of \$518,000.00 or 27%. The majority of the table games decrease can be attributed to a significant decrease in hold percentage. The hold in April 2016 was 5.1 points lower than April 2015, which accounts for 75% of the year-over-year decline.
 - Slot revenue was \$10.6 million, an increase of \$43,000.00 or 0.4%.
- Hollywood Casino at Kansas Speedway experienced a noticeable drop in revenues beginning on April 10, 2016 when, as part of the on-going construction of the Johnson County Gateway Project, they closed the ramps allowing access to I-435 westbound from I-35.
- The Kansas Speedway hosted the Mother's Day weekend NASCAR races on Friday and Saturday nights, May 6th and 7th.
- Commissioner Moses inquired of Mr. Skinner about the Woodlands racetrack. Commissioner Moses wanted to know if the Woodlands was going to open and if so, what are they going to offer. Mr. Skinner reported that representatives for Mr. Ruffin have gone before the Wyandotte Planning and Zoning Commission, where they received an 8-2 vote in the affirmative, along with fourteen stipulations for their special use permit. Wyandotte County did approve Mr. Ruffin's group for a special use permit.

COMMISSION ITEMS –
OLD BUSINESS;
(G.)

Larry Moreland, Director of Security, presented to the commission the Final Approval of Change to K.A.R. 112-102-2. Commissioner McKinney and Chairman Jones asked that a summary of the basics of Mr. Moreland's report be attached to the minutes from this meeting.

MOTION

Commissioner McKinney (Moses) moved that the commission make the final approval of the change to the regulation as proposed. Motion carried unanimously.

COMMISSION ITEMS –
NEW BUSINESS;
(H.)

There were no new business items to discuss.

PUBLIC COMMENTS
(I.)

There were no public comments.

STAFF REPORTS
(J.)

Michelle Neis, Enforcement Attorney, reported on the Voluntary Exclusion Program statistics for the month of April 2016.

Executive Director Brownlee reported:

- Kansas Crossing Casino had their ground breaking on May 5, 2016 with deadline completion/opening date of April 2, 2017. With good weather, they expect to beat that deadline by two weeks. Kansas Crossing Casino increased the size of their initial investment from \$70 million to \$80 million.
- The Legislature is mostly finished, with *sine die* scheduled for June 2, 2016. None of the racing bills passed.
- The regulatory amendment to change renewal dates from two to three years was withdrawn last month. The amendment to increase the non-gaming supplier threshold from \$100,000.00 to \$250,000.00 requires approval by the commission, after which it will be sent to the Secretary of State for publishing. Adopting the GLI Technical Standards by reference is still under review by the Department of Administration. The regulatory amendment to change some internal auditing requirements from three months to six months has been sent to the Department of Administration for review.
- Former Commissioner, Eileen King, will be recognized for her service to the Commission and will be presented with a plaque at the KRGC's June meeting.
- The September meeting is currently scheduled for September 16, 2016. Because of budget issues, the KRGC has to have its budget submitted to the Governor's office prior to that and needs the commission's approval. Mr. Brownlee suggested advancing the meeting by one week to September 9, 2016. The commission agreed on advancing the September meeting by one week, September 9, 2016 at 10:00 a.m. in Topeka.
- The next commission meeting will be June 17, 2016 at 10:00 a.m. in Topeka.

- Following this meeting, the commission will tour the Boot Hill Casino & Resort

DISCIPLINARY REVIEW
PROCEEDINGS
(K.)

Michelle Neis, Enforcement Attorney, reported on Disciplinary Review Board Matters. Ms. Neis reported that for this month, there were originally three hearings scheduled. All three were incidents stemming from Hollywood Casino. Cases were as follows:

- Teraporn Lowe – 2016-3006, waived right to hearing, served ordered 2-day suspension
- Thomas Bradley – 2016-3007, agreed to a settlement agreement of a \$200.00 fine in lieu of a 2-day suspension ordered
- Kansas Entertainment LLC (d/b/a Hollywood Casino at Kansas Speedway) – 2016-3008, waived right to hearing, paid ordered fine of \$1,000.00

MOTION, EXECUTIVE
SESSIONS
(L.)

Chairman Jones 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 the director of security. The total time for the executive sessions was anticipated to be thirty minutes preceded by a fifteen 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. Commissioner McKinney (Moses) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 11:00 a.m.

RECONVENE

The commission meeting returned to open session at 11:45 a.m. with all members present.

MOTION TO DENY,
CONDITIONALLY
APPROVE, APPROVE FOR
ONE YEAR, DENY
REQUEST FOR

Commissioner McKinney (Moses) moved to *deny* one license application, *conditionally approve* one license application, *approve for one year* one license application, *deny request for reconsideration* one license application and *approve* the remaining 139 license applications

RECONSIDERATION AND
APPROVE LICENSE
APPLICATIONS
(M.)

from the May 13, 2016 list of background reports referred to the
commission for action. Motion carried unanimously.

ADJOURN
(N.)

Chairman Jones declared the meeting adjourned at 11:47 a.m.

SUBMITTED BY:

David Moses
Commissioner

APPROVED BY:

Brandon Jones
Chairman