

KANSAS RACING AND GAMING COMMISSION

MINUTES – JULY 19, 2019

CALL TO ORDER
(A.)

Chairman Brandon Jones called the July 19, 2019 meeting to order at 10:00 a.m. The meeting was held in Auditorium A of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners David Moses, Larry Turnquist, and Dave Myres were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Electronic Security and I.T. Dennis Bachman, Director of Electronic Gaming Roger Bailey, Director of Security Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

MOTION, APPROVE
AGENDA
(B.)

Commissioner Turnquist (Myres) moved to approve the agenda. Motion carried unanimously.

MOTION, APPROVE
JUNE 21, 2019
MEETING MINUTES
(C.1.)

Commissioner Myres (Turnquist) moved to approve the minutes of the June 21, 2019 meeting. Motion carried unanimously.

MOTION, APPROVE
CONSENT AGENDA
(D.)

Commissioner Turnquist (Myres) moved to approve the consent agenda. Motion carried unanimously.

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

Diane Giardine, General Manager, reported:

- June 2019 revenue numbers compared to June 2018:
 - Total gaming revenue decreased 4.29%
 - Total slot revenue decreased 3.53%
 - Table games revenue decreased 11.20%
- Past Promotions and Events:
 - \$50,000 Lucky Roll
 - Father's Day Baseball Ticket Giveaway
 - Second Chance Slow Cooker Giveaway
 - Starship and the Romantics, June 15th
 - Virlan Garcia, June 28th
- Upcoming Promotions and Events:
 - Ram Truck Giveaway and Dodge City Days, July 26th through August 4th

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

- Trace Adkins, July 27th
- Longhorn Cattle Drive, August 3rd
- Doobie Brothers, September 28th
- Mannheim Steamroller, November 25th
- Semi-Annual Responsible Gambling Report (January 1, 2019 – June 30, 2019):
 - During reporting period – 75 new hires
 - All new hires received TIPs (responsible alcohol) and responsible gambling training
 - As of June 30th – 262 active employees
 - Refused 2 VEPs entry to casino floor
 - Removed 12 VEPs from casino floor
 - Refused entry to 18 patrons appearing intoxicated
 - Removed 103 patrons from casino floor for appearing intoxicated
 - Refused 221 minors entry to casino floor
 - Removed no minors from casino floor
 - Refused entry to 371 patrons for not having an ID
 - Refused entry to 210 patrons for having an invalid ID

Jeff Babinski, General Manager, reported:

- June 2019 revenue numbers compared to June 2018:
 - Admissions up 3.0%
 - Total gross gaming revenue up 7.1%
 - Slot coin-in up 6.1%
 - Slot hold down 0.15 points
 - Table games drop up 1.4%
 - Table games hold up 5.19 points
 - Poker room revenue down 13.4%
- Past Events and Promotions:
 - Be Connected Rewards Tier Drawings
 - Gift Giveaways Every Saturday in June
 - Backyard BBQ Giveaway, June 16th
 - Asian Variety Show and Fashion Show, July 13th
- Upcoming Events and Promotions:
 - Wichita Flea Market, July 21st
 - EFC, August 3rd
 - KEMSA, August 7th to August 11th
 - Wichita Flea Market, August 24th
- Semi-Annual Responsible Gambling Report (January 1, 2019 – June 30, 2019):

- During reporting period – 126 new hires
- All new hires received responsible gambling and alcohol awareness training
- As of June 30th – 803 active employees
- Refused 1 VEP entry to casino floor
- Removed 6 VEPs from casino floor
- Refused entry to 158 patrons appearing intoxicated
- Removed 308 patrons from casino floor for appearing intoxicated
- Refused 195 minors entry to casino floor
- Removed 2 minors from casino floor
- Refused entry to 532 patrons for not having an ID
- Refused entry to 409 patrons for having an invalid ID

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

Rick Skinner, Vice President and General Manager, reported:

- June 2019 revenue numbers compared to June 2018:
 - Admissions down 2.4%
 - Total gaming revenue was \$12.3 million, a decrease of 2.3%
 - Table games revenue was \$1.3 million, a decrease of 12.0%
 - Slot revenue was \$11 million, a decrease of 1.0%
- Past Events and Promotions:
 - VIP Mystery Drum, June 22nd
 - U-Pick, U-Pull, U-Win and Final Friday on the Patio, June 28th
 - Cooler Giveaway, July 4th
 - Lucky Ladies, July 12th
- Upcoming Events and Promotions:
 - Winners Party, July 20th
 - \$100,000 Progressive Drum, Thursdays in August
 - Fridays in August - Drop & Win
- Semi-Annual Responsible Gambling Report (January 1, 2019 – June 30, 2019):
 - During reporting period – 131 new hires
 - All new hires received responsible gambling training
 - New hires in positions requiring TIPs (responsible alcohol) training - 89
 - As of June 30th – 656 active employees
 - Removed 11 VEPs from casino floor

- Refused entry or removed from property 357 patrons appearing intoxicated
- Refused 219 minors entry to casino floor
- Removed 1 minor from casino floor

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

Doug Fisher, General Manager, reported:

- June 2019 revenue numbers compared to June 2018:
 - Admissions decreased 8.0%
 - Net slot revenue increased 8.3%
 - Net table games win decreased 15.2%
 - Net gaming revenue increased 6.2%
- Past Events and Promotions:
 - Jim Wand, June 22nd
 - Bank Account Bonanza, June 29th
 - Friday and Saturdays in June - Sizzling Summer Hot Seats
 - Wednesdays in June – Camp 49 Events
 - Fridays in June – Slot Tournaments
 - Fourth of July Celebration – free slot pulls, hot dogs, and t-shirts, July 3rd and 4th
 - xWE Professional Wrestling, July 6th
 - 38 Special Rock Group, July 12th
 - Invitational Blackjack Tournament, July 13th
- Upcoming Events and Promotions:
 - Colt Ford, July 26th
 - “Raise the Ruff” Benefit Concert for Southeast Kansas Humane Society, July 27th
 - Chase Bryant, August 16th
 - Craig Campbell, August 24th
- Semi-Annual Responsible Gambling Report (January 1, 2019 – June 30, 2019):
 - During reporting period – 91 new hires
 - All new hires received responsible gambling training
 - As of June 30th – 243 active employees
 - Removed 3 VEPs from casino floor
 - Refused entry to 21 patrons appearing intoxicated
 - Removed 46 patrons from casino floor for appearing intoxicated
 - Refused 157 minors entry to casino floor
 - Removed 3 minors from casino floor
 - Refused entry to 876 patrons for not having an ID
 - Refused entry to 346 patrons for having an invalid ID

COMMISSION ITEMS –
OLD BUSINESS
(F.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS
(G.)

Roger Bailey, Director of Electronic Gaming, presented on new procedures and regulations to expedite the adoption of current EGM standards. Judith Taylor, General Counsel, answered questions from the commission.

MOTION – APPROVE
AMENDED REGULATION
K.A.R. 112-105-1(b)
(G.)

Commissioner Moses (Turnquist) moved to approve the proposed regulations K.A.R. 112-109-1, 112-109-2, 112-109-3, along with amendments to other regulations needed to properly reference the new Article 109 regulations, and forward the new regulations and amendments to the Department of Administration to begin the regulatory change process. Staff is authorized to make non-substantive changes to any of these regulations prior to submission to the DOA, if necessary.

PUBLIC COMMENTS
(H.)

There were no public comments.

STAFF REPORTS
(I.1.a. and I.2)

Sarah Lynch-Chaput, Paralegal, reported on the Voluntary Exclusion Program statistics for the month of June 2019.

Executive Director Brownlee reported:

- On July 22, 2019, a confirmation hearing will take place that will include Kala Loomis, appointed to Executive Director of the State Gaming Agency, and Kelly Kultala (D), appointed KRGC commissioner for the 3rd congressional district.
- Sports wagering is now active in Arkansas.
- The new Guymon, Oklahoma casino that is expected to have some impact on Boot Hill Casino is still not open. There are no indications when it may open.
- Nebraska does not currently have casino gambling, but a petition drive has started to force the issue on the ballot.
- Wyandotte County is appealing a tax issue with Hollywood Casino to the Kansas Supreme Court. The Kansas Board of Tax Appeals and Kansas Court of

Appeals have largely sided with Hollywood Casino on this issue.

- In May of this year, New Jersey overtook Nevada as the state with the most gaming revenue for the month.
- All of the KRGK regulated casinos have agreements to fund local and regional programs in addition to their statutory funding to state and local government. It was recently reported that in the last ten years, Boot Hill Casino donations have provided grant funding in twenty-three Southwest Kansas counties in the amount of over seventeen million dollars.
- The August commission meeting was cancelled. The next commission meeting will take place on September 13, 2019 at 10:00 a.m. in Topeka. The October 18, 2019 commission meeting will take place at Hollywood Casino at 9:00 a.m.

MOTION, EXECUTIVE
SESSION; ATTORNEY-
CLIENT PRIVILEGE AND
BACKGROUND REPORTS
(K.1 AND K.2)

Commissioner Myres (Turnquist) moved that the Commission go into executive session for the purpose of (1) confidential attorney-client privileged communications; and (2) reviewing the list of confidential backgrounds for licensing. Those included in the executive session were the commissioners, executive director, and general counsel for attorney-client privilege; and the commissioners, executive director, general counsel, and director of security for reviewing the list of confidential backgrounds for licensing. The total time for the executive session was anticipated to be twenty minutes until 11:10 a.m. 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. The motion carried unanimously and the meeting was adjourned to executive session at 10:50 a.m.

RECONVENE

The commission meeting returned to open session at 11:10 a.m. with all members present.

MOTIONS ON LICENSE
APPLICATIONS
(L.)

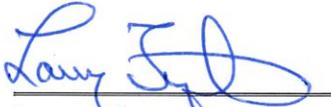
Commissioner Turnquist (Myres) moved to *deny* two license applications, *conditionally approve* two license applications, and *approve* the remaining 231 license applications from the July 19,

2019 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN
(M.)

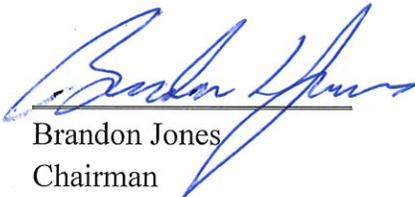
Commissioner Moses (Myres) moved to adjourn the meeting. Motion carried unanimously. The meeting was adjourned at 11:12 a.m.

SUBMITTED BY:



Larry Furnquist
Secretary

APPROVED BY:



Brandon Jones
Chairman