

KANSAS RACING AND GAMING COMMISSION

MINUTES – JUNE 16, 2023

CALL TO ORDER (A.)

Chairman David Moses called the June 16, 2023, meeting to order at 9:00 a.m. The meeting was held at the Eisenhower State Office Building in Topeka, Kansas. Notice of this meeting was given to the public via the KRGC and Public Square websites. Commissioners Brandon Jones, Larry Turnquist, and Sheryl Spalding were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Sports Wagering and Licensing DJ Lopez, Director of IT&C-s Dennis Bachman, and other staff.

MOTION, APPROVE AGENDA (B.)

Commissioner Spalding (Jones) moved to approve the agenda. Motion carried 4-0.

MOTION, APPROVE May 12, 2023 MEETING MINUTES (C.)

Commissioner Turnquist (Jones) moved to approve the minutes of the May 12, 2023, meeting. Motion carried 4-0.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Jones (Turnquist) moved to approve the consent agenda (five items). Motion carried 4-0.

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

Diane Giardine, General Manager, reported:

- May 2023 revenue numbers compared to May 2022:
 - Total gaming revenue decrease 3.57%
 - General Manager Giardine noted that May and June are typically the hardest months. Graduations and vacations negatively influence the casino's revenue in May. In June, agricultural labor demand reduces casino revenue.
 - Total slot revenue down 3.36%
 - Table games revenue down 5.45%
- May 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$41,195.00
 - Up 289.16% from April 2023
 - Handle was down 69%
 - The facility held 18.5%
 - Highest revenue month since opening the retail sportsbook.
 - Digital Sportsbook Revenue: \$4,323,325.00
 - Up 9.87% from April 2023
 - Handle was down 9.6%

- The digital sportsbook held about 9%
- May 2023 Sports Wagering
 - Top Sports
 - MLB was 61% of handle.
 - NBA was 25.3% of handle.
 - NHL was 5.7% of handle.
- June 2023 Sports Wagering
 - Largest event was Nuggets vs Heat.
 - There was a \$2 four-team parlay wager placed in December that paid \$4,210.00.
 - Top Sports
 - NBA was 42% of handle.
 - MLB was 40% of handle.
 - NHL was 4.4% of handle.
 - UFC was 4% of handle.
 - The facility has begun showing UFC fights in the retail book.
- Events and Promotions:
 - Golf Cart Giveaway – May 27th
 - Hosted the facility's first boxing match, Canelo v Ryder, in May
 - Memorial Day Free Play Frenzy
 - Hired a new Executive Chef
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Promotions
 - \$100,000 Home Run Hot Seats
 - Stars & Stripes Slot Tournament
 - VIP Promotions
 - Promotions for United Wireless Arena Events
- Upcoming Entertainment & Events
 - Night Ranger – May 12
 - Josh Turner – June 2
 - Chris Young (Dodge City Days Concert) – July 29
 - Randy Houser – September 15
 - Beach Boys – September 29
 - Chairman Moses asked if this group is a cover band or the original Beach Boys. Facility Manager Giardine confirmed that they are the original Beach Boys.
 - La India Yuridia – October 7

LOTTERY GAMING
FACILITY

Alli Kuplen, Director of Operations, reported:

- May 2023 revenue numbers compared to May 2022:

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

- Total gross gaming revenue down 4.3%
- Total slot revenue down 1.78%
- Table games revenue down 23.14%
- May 2023 Sports Wagering revenue
 - Retail Sportsbook Revenue \$130,100.00.
 - Up from April 2023's revenue of \$127,000.00.
 - Digital Sportsbook Revenue: \$3,561,000.00
 - Down from April 2023's revenue of \$5,397,400.00.
- May 2023 Sports Wagering
 - \$35.3 million was wagered on FanDuel online.
 - \$828k was wagered in person at FanDuel retail. Of this #, 441k was bet over the counter and
 - \$387k was bet on the kiosks.
 - There was a total of 6,839 bets made in person at FanDuel retail.
 - The largest wager in retail was a \$10,000 single bet. It was a wager on May 27 for the Philadelphia
 - Phillies/Atlanta Braves to go under 9 runs. The final score was 2-1 so the wager was a winner and paid out \$18,196.72.
 - The Retail Sportsbook had a decrease in handle of almost 37% from April. (\$828k in May vs. \$1.30 million in April)
 - There was a PPV UFC Fight on May 6. There was \$10,377 bet on this fight and 93 bets made.
- Upcoming Events and Promotions:
 - Double Down | Friday and Saturdays
 - VIP Blazing Hot Seats | 30 people win \$250 in Boyd Rewards | Thursday, June 8 & 22
 - Brookstone Sound Bar Giveaway | Friday, June 16 | 2p-9p
 - Polaroid 2 pack Wireless Chargers Giveaway | Friday, June 23 | 2p-9p
 - Presto Traveling Food Warmer Giveaway | Friday, June 30 | 2p-9p
 - VIP Slot Pull | Saturday, June 17 | Guests receive one pull on a selected \$25 Slot machine in the High Limit Room | Titanium guests receive an additional \$25 pull | 6p-9p.
 - Table Games Baccarat Hot Seats | Saturday, July 1 | 6p-11p
 - Slots & Table Games \$55K Summer Extravaganza | Saturday's July 8, 15 and 22 | 6p-10p | Final drawing July 29 | 7p-10p | \$2000 given out each hour July 8, 15 & 22 | \$25,000 total given out July 29
- Upcoming Entertainment & Events:
 - Kansas High School Rodeo | Arena | End of May
 - Wichita Flea Market | Arena | June 24 9a-5p | June 25 10a-4p | \$3 per day or \$5 weekend pass
 - Rodney Carrington | Arena | July 15 8p

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

Lydia Garvey, General Manager, reported:

- Admissions were down 2.3% compared to May 2022
- May 2023 revenue numbers compared to May 2022:
 - Total gross gaming revenue decrease 2.4%
 - Slot revenue down 0.04%
 - Table games revenue down 21.1%
- May 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$391,796.00.
 - Down 7.6% compared to April 2023
 - Chairman Moses asked if the facility collects data on the number of patrons from Missouri or Nebraska that come to sports wager. General Manager Garvey explained that they do collect that data, however the facility is only able to collect data on rated play; play that utilizes the rewards card. Roughly 48% of play is rated play. General Manager Garvey said she believes that roughly 60% of rated play is from patrons residing in Missouri but could not provide a statistic for Nebraskan patrons.
 - Platform Sportsbook Taxable Revenue: \$554,404.00.
 - Up 118% compared to April 2023
 - Retail Top Sports
 - NBA was 47% of handle.
 - All retail top events were NBA playoff games.
 - MLB was 37% of handle.
 - Digital Sports Book Top Events
 - NBA Playoffs
 - The greatest number of wagers were on the PGA Championship Tournament
 - Handle continues to exceed projections.
- Recent/Upcoming Events and Promotions:
 - May 5, 12, 19, 26 – \$100K Rollin' Riches
 - May 17 – Penn Play Launch Penn Cash Giveaway
 - May 20 – Cool Cash Giveaway
 - May 28 – Red Hot Summer Kickoff
 - June 1 through June 4 – Penn Play Millionaire Maker Slot Tournament
 - June 2 – \$25K PENN Play Giveaway
 - June 3, 10, 17, 24 Red Hot Summer Drawings
 - June 9 – Elite Tier Appreciation Drawing
 - June 16 – Preferred Tier Appreciation Drawing
 - June 23 – Lucky Ladies
 - Monarchs Post Game Parlay – 12 games in June

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

- Park Eat Play Sporting KC – 3 matches in June.
- July 1 – Seats for Swifties

Jeff McKain, General Manager, reported:

- Admissions up 3.5% compared to May 2022
- May 2023 revenue numbers compared to May 2022:
 - Coin in down 7.9%
 - Table games drop up 33.6%
 - Net gaming revenue up 2%
 - Retail Sportsbook Revenue: \$106,328.00
 - This is up from April 2023's revenue of \$19,302.00.
 - May 17th was the grand opening of the Caesars Retail Sportsbook
 - Chairman Moses asked if the facility collects data on the number of patrons from Missouri or Nebraska that come to sports wager. General Manager McKain said they do collect data on rated play, similar to what General Manager Garvey detailed, but that he would need to provide the numbers at a later date.
 - Digital Sportsbook Revenue: \$893,542.00
 - This is down from April 2023's revenue of \$1,694,588.00.
- Retail Sportsbook Top Sports
 - NBA was 59% of handle.
 - MLB was 26% of handle.
- Events and Promotions:
 - May
 - Casino Hot Seats Monday thru Friday.
 - Camp 49 promotions every Wednesday.
 - Table Games Pick and Win promotion every Friday.
 - Casino Gifts every Saturday.
 - Cash Drop promotion every Saturday.
 - Cash is King promotion Saturday the 29th.
 - May concerts included The Sound and the Fury on the 5th, Conner Smith on the 19th, and Micky and the Motorcars on the 27th.
 - June
 - Casino Hot Seats Monday thru Friday.
 - Camp 49 promotional specials on Wednesday.
 - Table Games Smash and Grab promotions every Friday.
 - Casino gift day every Saturday.
 - Cash Climb promotion every Friday.
 - Cash is King month end promotion on Saturday the 25th.

- June concerts are Aaron Tippin on the 3rd, Three Dog Night on the 10th, and Buckcherry on the 17th.

- Chairman Moses asked if it was the original Three Dog Night playing. General Manager McKain confirmed that it was the original band.

COVID-19

- 0 positive case in May, 0 so far in June.

COMMISSION ITEMS – OLD BUSINESS (F.)

There was no old business.

COMMISSION ITEMS – NEW BUSINESS; (G.)

There was no new business.

PUBLIC COMMENTS (H.)

There were no public comments.

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

Garrett Rogers, Paralegal, reported on the Voluntary Exclusion Program statistics for the month of May 2023:

Executive Director Brownlee reported:

- Flint Hills Entertainment Group has removed their historical horse racing (HHR) application from consideration.
- The HHR Meeting is at the Drury Inn from July 11 - 13.
- American Gaming association reported that there were 466 commercial casinos and 515 tribal casinos. Kansas City gaming market is ranked as the 13th largest market in the United States. There are only six states in the United States that do not have casino gambling. Total gross gaming revenue up 15.5% in the first quarter of 2023, Kansas gaming revenue is up 40%. Director Brownlee noted that this large figure is likely due to the recent adoption of sports wagering. Only four states have no gain in gaming revenue from the previous report. There are currently 33 states that have sports wagering. There are four that have approved it but do not have it available yet.
- The next commission meeting is scheduled to follow the heels of the HHR meeting. Executive Director Brownlee suggested that the commission skip the July meeting. Chairman Moses agreed that the July meeting should be skipped and suggested that August meeting be moved forward a week. After discussion, all commissioners agreed to moving the August 18th meeting to the 11th.

- Chairman Moses asked if the organizational license determination has a required deadline. Executive Director Brownlee answered that the determination is not required to be made by a specific date.

MOTION, EXECUTIVE SESSION;
CONFIDENTIAL BACKGROUND REPORTS
(J.1.)

Commissioner Spalding (Jones) moved that the Commission go into executive session for the purpose of reviewing confidential background reports presented today by the commission's security division. In addition to the commissioners, the confidential background reports portion included the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be fifteen (15) minutes until 9:46 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 4-0, and the meeting was adjourned to executive session at 9:31 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 9:46 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Spalding present.

MOTION, EXECUTIVE SESSION; ATTORNEY-CLIENT PRIVILEGE
(J.3.)

Commissioner Jones (Spalding) moved that the Commission go into executive session for the purpose of consulting with the agency's attorney on attorney-client privileged communications. In addition to the commissioners, the attorney-client privileged communications will include the executive director, general counsel. After discussion, the total time for the executive session was anticipated to be forty-five (45) minutes until 10:35 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 4-0, and the meeting was adjourned to executive session at 9:50 a.m.

RECONVENE
(J.4.)

The commission meeting returned to open session at 10:35 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Spalding present.

MOTIONS ON LICENSE APPLICATIONS

Commissioner Turnquist (Spalding) moved to *deny four* license applications, *conditionally approve one* license application, *table one* license application,

(K.1)

and approve the remaining 174 license applications from the June 16, 2023, list of background reports referred to the commission for action. The motion carried 4-0.

OTHER BUSINESS

ADJOURNMENT
(L.)

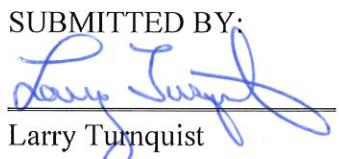
A blind draw was held to determine the presentation order of the two HHR organization license applicants. A box containing two slips of paper, the name of one applicant written on each, was prepared by the Executive Director. As both applicants expressed a desire to present first, the pulled name would be allowed to present first. The remaining applicant would have their choice to present first or second for closing arguments. Chairman Moses conducted the drawing and pulled the slip containing Diamond Joe's name.

Chairman Moses confirmed Diamond Joe would be presenting first and Golden Circle will be given the option of going first or second in their closing arguments. Executive Director Brownlee pulled out the remaining slip and showed it had Golden Circle written on it.

Chairman Moses stated that the presentations by the applicants for a HHR license and the awarding of one license will be held July 11th through 13th with the understanding that the decision to award the license is not required to be made at the conclusion of the hearing on July 13th. This will be held at the Drury Inn Broadview Conference Center, 400 W Douglas Ave, Wichita, KS.

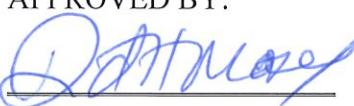
Chairman Moses stated that the August 11, 2023, commission meeting will begin at 10:00 a.m. for an in-person meeting at the Eisenhower State Office Building in Topeka, Kansas.

SUBMITTED BY:


Larry Turnquist
Secretary

Commissioner Spalding (Jones) moved to adjourn the meeting. Motion passed 4-0. The meeting was adjourned at 10:41 a.m.

APPROVED BY:


David Moses
Chairman