

KANSAS RACING AND GAMING COMMISSION

MINUTES – AUGUST 11, 2023

CALL TO ORDER

(A.)

Chairman David Moses called the August 11, 2023, meeting to order at 10:00 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.

Chairman Moses congratulated Commissioner Turnquist on his reappointment to the Kansas and Racing Gaming Commission.

**MOTION, APPROVE
AGENDA**

(B.)

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

**MOTION, APPROVE
JUNE 16, 2023
MEETING MINUTES**

(C.1)

Commissioner Spalding (Turnquist) moved to approve the minutes of the June 16, 2023, meeting. Motion carried 4-0.

**MOTION, APPROVE
JULY 11, 2023
MEETING MINUTES**

(C.2)

Commissioner Turnquist (Jones) moved to approve the minutes of the July 11, 2023, meeting. Motion carried 4-0.

**MOTION, APPROVE
JULY 12, 2023
MEETING MINUTES**

(C.3)

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

**MOTION, APPROVE
JULY 13, 2023
MEETING MINUTES**

(C.4)

Commissioner Spalding (Turnquist) moved to approve the minutes of the July 13, 2023, meeting. Motion carried 4-0.

**MOTION, APPROVE
CONSENT AGENDA**

(D.)

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

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

Diane Giardine, General Manager, reported:

- June 2023 revenue numbers compared to June 2022:
 - Total gaming revenue increase 0.65%
 - Total slot revenue down 0.38%
 - Table games revenue up 9.53%
- July 2023 revenue numbers compared to July 2022:
 - Total gaming revenue decrease 12.09%
 - Total slot revenue down 12.89%
 - Table games revenue down 5.62%
- June 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$8,010.59
 - Down 80.55% from May 2023
 - Handle was down 70% from May 2023
 - The Retail Sportsbook held about 10%
 - Digital Sportsbook Revenue: \$1,301,342.37
 - Down 66.93% from May 2023
 - Handle was down 12% from May 2023
 - The Digital Sportsbook held about 3%
- July 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$21,674.17
 - Up 170.57% from June 2023
 - Handle was up 39% from June 2023
 - The Retail Sportsbook held 23%
 - Digital Sportsbook Revenue: \$3,212,849.47
 - Up 146.89% from June 2023
 - Handle was down 16% from June 2023
 - The Digital Sportsbook held about 6%
- General Manager Giardine explained that a loss in revenue was anticipated for June due to local agricultural practices. However, due to the amount of rain in western Kansas those practices were delayed until July. This is causing revenue to be shifted; August revenue numbers are up so far. 2023 Dodge City Days revenue is up compared to the 2022 revenue.
- June 2023 Sports Wagering
 - Largest Events
 - Nuggets vs Heat
 - Dodgers vs Giants
 - Top Sports
 - 47% of handle was on MLB events.
 - 28% of handle was on NBA events.
 - 3% of handle was on UFC events.
- July 2023 Sports Wagering

- Largest Events
 - Poirier vs Gaethje
 - Cubs vs Cardinals
 - Spence vs Crawford
- Top Sports
 - 63% of handle was on MLB events.
 - 10.5% of handle was on UFC events.
 - 9% of handle was on the Women's World Cup.
- General Manager Giardine said that they are excited for football season, and that they were about to launch their advertising.
- Past Events and Promotions:
 - Weekly Kiosk Games
 - June Headline Promotion: \$100K Homerun Hotseat
 - Great Summer Grill Giveaway
 - Ranger Palooza
 - Stars & Stripes Slot Tournament
 - Free Hotdogs on July 4th
 - Weekly Food and Beverage Specials
 - VIP Promotions
 - Promotions for United Wireless Arena Events
 - Josh Turner – June 2
 - Chris Young (Dodge City Days Concert) – July 29
 - Sold 2,200 tickets, last year sold 3,200. Area construction caused many hotel rooms to be unavailable. General Manager Giardine believes this was a contributing factor to the reduction in ticket sales.
 - Longhorn Cattle Drive & Rodeo Sponsorship
- Upcoming Entertainment & Events
 - Ian Munsick – August 24
 - Randy Houser – September 15
 - Beach Boys – September 29
 - La India Yuridia – October 7
- Semi-Annual Responsible Gambling Report
 - As of June 30, 2023, 266 active employees
 - Between January 1st and June 30th, there were 68 new hires.
 - All 68 new employees completed TIPS training.
 - 9 existing employees recertified TIPS license.
 - All active employees are scheduled to complete annual refresher training for TIPS/Responsible Alcohol Service by the 4th Quarter of 2023.
 - BHCML, LLC has 3 certified TIPS Trainers on property.

- All 68 new hires have taken Responsible Gaming training during the reporting period.
- Commissioner Turnquist asked if the number of new hires is typical for a six-month period and how is overall employment. General Manager Giardine replied that the new hire figure is a little elevated, since COVID turnover has increased. Previously, turnover was roughly 25% but during COVID that figure rose to about 40%-45%; however, it is now lowering. Currently, turnover is at about 35%. General Manager Giardine expressed that she does want a lower turnover rate. She went on to explain that the total number of employees, 266, is at operating capacity and that the facility does not want to hire too many more employees.
- Chairman Moses asked if the current turnover rate, 35%, is high for the industry. General Manager Giardine explained that the rate is typical for the industry but that the facility was once down to 25%. Chairman Moses asked if there any significant contributing factors that the general manager could point to. General Manager Giardine responded that she believes local competition in the employment market is a significant factor, pointing to the hiring bonuses offered by the meat and packaging plants during COVID and pay increases at the local school district.
- All active employees are scheduled to complete annual refresher training for Responsible Gaming by the 4th Quarter of 2023.
- 0 VEPs refused entry.
- 4 VEPs removed from casino floor.
- 0 intoxicated patrons were refused entry.
- 19 intoxicated patrons were removed from the casino.
- 140 minors refused entry to the casino.
- 1 minor removed from the casino floor.
- 402 patrons refused entry to the casino for not having an ID.
- 269 patrons refused entry to the casino for not having a valid ID.
- Chairman Moses asked how the numbers in the security report compare to the numbers of the previous Responsible Gaming report. General Manager Giardine said that the numbers are very similar except for patrons refused entry for ID related concerns. Those numbers have roughly doubled in a six-month period. There has been a change in process at Boot Hill Casino; anyone appearing under the age of 60 will be required to present ID. The security podium was moved up to the front by the doors. This has come as a result of the facility failing

an Alcohol and Beverage Control sting, where a minor was allowed entry into the casino and was served alcohol, and six-months later the facility self-reported that another minor was allowed entry to the casino and served alcohol. Along with the precautions previously listed, the facility has done extensive training, taken disciplinary action across the board, and changed procedures. Alcohol and Beverage Control did attempt a sting yesterday and the facility successfully stopped the minor.

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

Doug Lang, General Manager, reported:

- June 2023 revenue numbers compared to June 2022:
 - Total gross gaming revenue up 5.6%
 - Total slot revenue up 10.1%
 - Table games revenue down 13.2%
 - General Manager Lang noted that table drop was good, but the hold was low.
- July 2023 revenue numbers compared to July 2022:
 - Total gross gaming revenue down 8.5%
 - Total slot revenue down 5.7%
 - Table games revenue down 21.1%
- June 2023 Sports Wagering revenue
 - Retail Sportsbook Revenue \$73,800.00.
 - Down from May 2023's revenue of \$130,100.00.
 - Digital Sportsbook Revenue: \$1,972,000.00
 - Down from May 2023's revenue of \$3,560,000.00.
- July 2023 Sports Wagering revenue
 - Retail Sportsbook Revenue -\$18,100.00.
 - Down from Junes 2023's revenue of \$73,800.00.
 - Digital Sportsbook Revenue: \$2,240,000.00
 - Up from June 2023's revenue of \$1,972,000.00.
- June 2023 Sports Wagering
 - \$26.2 million was wagered on FanDuel online.
 - \$695k was wagered in person at FanDuel retail. Of this #, 410k was bet over the counter and \$285k was bet on the kiosks.
 - There was a total of 5,354 bets made in person at FanDuel retail.
 - The largest wager in retail was a \$33,500 single bet. It was a wager on June 22 on the Tampa Bay Rays ML over the Kansas City Royals. It was a losing wager as the Royals won the game.
 - The Retail Sportsbook had a decrease in handle of 16% from May. (\$695k in June vs. \$828k in May)

- We had 1 PPV UFC Fight in the month on June 10. There was \$6,677 bet on this fight and 130 bets made.
- July 2023 Sports Wagering
 - \$22.7 million was wagered on FanDuel online.
 - \$370k was wagered in person at FanDuel retail. Of this #, \$130k was bet over the counter and \$240k was bet on the kiosks.
 - There was a total of 4,303 bets made in person at FanDuel retail.
 - The largest wager in retail was a \$10,000 single bet. It was a wager on the Cleveland Guardians ML over the Kansas City Royals on 07/26. The wager was a winner and paid out \$15,000.
 - The Retail Sportsbook had a decrease in handle of almost 47% from June. (\$370k in July vs. \$695k in June)
 - We had 1 PPV UFC Fight in the month on June 29. There was \$7,737 bet on this fight and 257 bets made.
 - The boxing fight on June 29 created a good handle. We had a handle of \$17,530 and 133 bets made even though we did not show the fight.
- Upcoming Events and Promotions:
 - Double Down | Friday and Saturdays
 - Santana 2-in-1 Earbud Giveaway | Friday, July 7 | 4p-9p
 - Rachael Ray Chill Out Giveaway | Friday, August 4 | 4p-9p
 - Tahari set of 4 Glasses Giveaway | Friday, August 14 | 4p-9p
 - LIVUP Portable Mini Fridge Giveaway | Friday, August 18 | 4p-9p
 - Brookstone Robot Vac Giveaway | Friday, August 25 | 4p-9p
 - Table Games and Slot Hot Seats | Every Saturday in August one table game player and one slot player will each win \$500 in Free Bet/Slot Play every 30 minutes | 6p-10p
 - Host Parties | Saturday, August 5, 12, and 26 | \$10,000 in prizes given away each Saturday | Host Invite | 6p-7:30p
- Upcoming Entertainment & Events:
 - KEMSA Conference | Arena | August 9-12
 - Wesley Hospital Awards Banquet | Arena | August 25
 - General Manager Lang reported that a number of bigger acts will be coming to the Kansas Star next year.
- Semi-Annual Responsible Gambling Report
 - As of June 30, 2023, Kansas Star Casino had 581 active team members.
 - Between January 1st and June 30th, there were 156 new hires.
 - General Manager Lang noted that the turnover rate for 2022 was around 47% that is down to 33% for the first half of 2023.
 - All 156 new employees completed Responsible Gaming and Alcohol Awareness training.

- In addition, all Front of House Food and Beverage managers and team members that participate in the serving of alcoholic beverages, all security staff, all valet staff, slot flooperson and above, table games dealers and above, surveillance staff, and all directors undergo ServSafe training.
- 89 team members took and passed the ServSafe training, 0 team members failed.
- All Kansas Star Casino team members undergo annual refresher training in Responsible Gaming\
- The total amount spent on responsible gaming materials was \$1,118.95.
- Kansas Star has 3 Responsible Gaming Trainers on property.
- Underage individuals denied gaming floor access: 120
- People denied access for not having ID: 513
- People denied for invalid ID: 327
- Intoxicated individuals denied gaming floor access: 75
- VEPs denied access to the gaming floor: 6
- VEPs removed and turned over to KRGC and Mulvane PD: 15
- Intoxicated individuals ejected from the casino: 148.
- Minors ejected from the casino: 3.
- People removed for a variety of reasons: 92.
- People excluded for a variety of reasons: 20.
- During the first half of 2023, there were 647,674 guests who entered the casino floor.
 - Chairman Moses asked for clarification on whether this figure includes individuals who are attending events or if this is only individuals who enter the gaming floor. General Manager Lang clarified that the figure reflects only the entries to the gaming floor.
- Security team members checked 79,981 IDs.
- In addition, 51 ID checks took place on the gaming floor in situations involving suspected minors.
- Several other ongoing efforts are noteworthy as the Kansas Star Casino is an active member and participant in the Kansas Coalition on Problem Gambling, Problem Gambling Program Committee, and the South-Central Task Force on Problem Gambling.
 - Chairman Moses asked how the numbers reported today compare to the last Responsible Gaming report given. General Manager Lang responded that the turnover statistics are great but that he would need to review the previous report to fully answer the question.

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

Al Thompson, Vice President of Casino Operations, reported:

- June 2023 admissions were up 4% compared to June 2022
- June 2023 revenue numbers compared to June 2022:
 - Total gross gaming revenue increased 8.8%
 - Slot revenue increased 7.3%
 - Table games revenue increased 21.5%
- June 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$254,056.00.
 - Down 35.2% compared to May 2023
 - Digital Sportsbook Taxable Revenue: \$289,402.00.
 - Down 47.8% compared to May 2023
 - \$42,000.00 was wagered on the KC Royals, the facility held about 38%
 - Top Wagered Sports
 - MLB
 - NBA Finals
 - NHL Finals
- July 2023 admissions were down 5.5% compared to July 2022
- July 2023 revenue numbers compared to July 2022:
 - Total gross gaming revenue increased 1.7%
 - Slot revenue decreased 0.31%
 - Table games revenue increased 20.5%
- July 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$321,251.00.
 - Up 26.4% compared to June 2023
 - Retail Sportsbook handle was \$1.8 million, the facility held 18.9%.
 - Construction on the permanent sportsbook should begin in September and be completed by the end of the year.
 - Digital Sportsbook Taxable Revenue: \$493,943.00.
 - Up 70.7% compared to June 2023
 - Digital Sportsbook handle was \$3.7 million, down about 15% from June 2023.
- Recent/Upcoming Events and Promotions:
 - June 23 – Lucky Ladies
 - June 30 – Suite Seats for Swifties
 - With a contingency that the winner must go to the concert and cannot re-sell the tickets.
 - July 1 – Christmas in July
 - August 1 – Kickoff to Football
 - August 3 - \$25K PENN Play Paradise

- August 4 – Lucky Duckies
- August 12 – Gift Card Gamble
- August 31 – PENN Play Party
- September 1 - \$25K Crazy 8's
- September 8 – Race Weekend Punch Board
- September 9 – Day of Winners
- September 10 – Hollywood Casino 400 NASCAR Sprint Cup Race
- Chairman Moses asked for additional information regarding a transaction reported in the news involving Penn Entertainment, ESPN, and Barstool Sportsbook. VP of Casino Operations Thompson explained that Penn Entertainment was in agreement with Barstool for the last three years and have since split ways. Penn Entertainment has entered a partnership with ESPN to use their sports wagering platform, ESPN BET. Chairman Moses followed up by asking about any exclusivity this agreement may have. VP of Casino Operations Thompson said that he was not able to answer that question, but as the partnership moves further down the line and gets more clarity, he will be sure to answer that.
- Semi-Annual Responsible Gambling Report
 - As of June 30, 2023, 460 active employees
 - Between January 1st and June 30th, there were 68 new hires.
 - All 68 new employees completed responsible gaming training.
 - Of those new hires, 34 were hired into positions which require additional training to understand the proper procedures for responsible alcohol service. All of those employees successfully completed the TiPS training.
 - 12 existing employees successfully completes refresher TiPS training.
 - 12 VEPs removed from casino floor.
 - 194 intoxicated patrons were refused entry or removed from the casino floor.
- Commissioner Spalding asked for clarification on the circumstances the facility considers when determining to remove an intoxicated patron. VP of Casino Operations Thompson explained that staff are trained to notice how patrons are handling their chips, the patron's noise level, and their ability to control their movements. The facilities procedure is to have two supervisor or managers to observe the patron, both agree the patron is intoxicated, and they will approach and walk the individual out.
- 37 minors refused entry to the casino.
- 2 minors removed from the casino floor.

- Chairman Moses asked how the numbers reported today compare to the last Responsible Gaming report given. VP of Casino Operations Thompson said that he spoke with Compliance Manager Dave Rice and was told that the figures are pretty consistent with a slight increase on the hiring/labor side.

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

Jeff McKain, General Manager, reported:

- June 2023 admissions down 3% compared to July 2022
- June 2023 revenue numbers compared to June 2022:
 - Coin in down 3.2%
 - Table games drop up 38.9%
 - Net gaming revenue was flat.
 - Retail Sportsbook Revenue was down about 75% from May 2023's revenue.
 - Digital Sportsbook Revenue down 7% from May 2023's revenue.
- July 2023 admissions down 9.4% compared to July 2022
- June 2023 revenue numbers compared to June 2022:
 - Coin in down 11.2%
 - Table games drop up 43.1%
 - Net gaming revenue down 8.7%
 - Retail Sportsbook Revenue down 118% from May 2023's revenue.
 - Digital Sportsbook Revenue up 34.3% from May 2023's revenue.
- Events and Promotions:
 - July
 - Casino Hot Seats every Monday and Tuesday.
 - Camp 49 promotions every Wednesday.
 - Table Games Rollin in the Dough promotion every Friday.
 - Casino Gifts every Saturday.
 - Battle in the Mine promotion every Saturday.
 - Cash is King promotion Saturday the 29th.
 - Russell Dickerson concert on the 21st.
 - August
 - Casino Hot Seats every Monday and Tuesday.
 - Camp 49 promotions every Wednesday.
 - Table Games Card Shark promotion every Friday.
 - Casino Gifts every Saturday.
 - Strike it Rich promotion every Saturday.
 - Cash is King promotion Saturday the 26th.
 - Concerts include Priscilla Block on the 4th, Pam Tillis on the 12th and Mike and the Moonpies on the 25th.
 - Tech N9ne concert on September 9th

- Hairball concert October 7th
- COVID-19
 - 0 positive case in June, 0 in July.
- Semi-Annual Responsible Gambling Report
 - As of July 1, 2023, 195 active employees
 - Between January 1st and June 30th, there were 51 new hires.
 - Currently there are 2 inactive (on leave) team members.
 - 23 new hires received the required alcohol training certification.
 - 26 team members have been re-certified.
 - 0 team members are pending certification.
 - All team members have received Responsible Gaming training in 2023. Annual training for Responsible Gambling was given in March. Roberta Sellers, Compliance Office, teaches the initial Responsible Gambling training for all new team members during our weekly new hire orientations. She also represents KCC at the monthly meetings for the Southeast Kansas (SEKS) Problem Gambling Task Force.
 - Kansas Crossing participated in Responsible Gambling Education Week in March 2023. KCC had activities to improve team member knowledge and stress the importance of Responsible Gambling for the casino and the community. KCC team members wore Responsible Gambling Awareness buttons and had a Responsible Gaming related quiz for team members.
 - 1 VEP refused entry or removed from casino floor.
 - 28 intoxicated patrons were refused entry.
 - 16 intoxicated patrons were removed from the casino.
 - 74 minors refused entry to the casino.
 - 1 minor was ejected from the casino floor.
 - 408 patrons refused entry to the casino for not having an ID.
 - Chairman Moses stated that he believes the figures for patrons refused entry for not having an ID and minors refused entry in proportion to the total number of patrons are larger than compared to the other lottery gaming facilities, and asked for some explanation as to why that may be. General Manager McKain stated with levity that he believes that all of the casinos are doing a good job, but Kansas Star must just be doing better.
 - 70 patrons refused entry to the casino for invalid ID.
 - Chairman Moses asked how the numbers reported today compare to the last Responsible Gaming report given. General Manager McKain responded that he believes that numbers are slightly up, mostly in the F&B department.

EXPECTED FACILITY
LICENSEE
REPORTS/ITEMS;
GOLDEN CIRCLE
(E.5.a.)

R. Scott Beeler, Representative of Golden Circle, reported:

- Phil Ruffin Jr., Ruffin Companies Senior Vice President and the potential interim general manager for Golden Circle, and Jason Watkins with Watkins Public Strategies accompanied Mr. Beeler.
- Chairman Moses asked if the board for Wichita GC Charities, Inc. had their initial board meeting. Mr. Ruffin Jr. explained that the meeting is scheduled for the upcoming Monday at 1:00pm. Mr. Beeler indicated that he could speak more on this question.
- Chairman Moses asked if Jeff Longwell or a representative of the non-profit will present on matters regarding Wichita GC Charities, Inc. Mr. Beeler replied that he imagines that he and the individuals appearing today will present on a regular basis and that representatives from Wichita GC Charities, Inc. could appear for major events or something of that nature. Mr. Beeler explained that the board members are volunteers and would not get paid for their time presenting to the commission.
- Chairman Moses noted that Commissioner Turnquist legitimately inquired into the make-up, number, and demographics of the board's membership, he then asked if the board for the Wichita GC Charities, Inc. has had any discussion and/or expansion of the board or is that likely to occur Monday. Mr. Beeler responded that both were correct, going on to explain that there has been discussion already with board chair Jeff Longwell. Mr. Beeler said he anticipates that during the Monday meeting the charity board will discuss how they would like to expand, and not necessarily which nominees should be considered.
- Chairman Moses asked that Mr. Beeler speak towards the issue of live horse racing and how it will be impacted by the license previously granted and the anticipated licenses. Mr. Beeler responded that, as he had said during the meetings in Wichita, this facility will not have live dog racing. Mr. Beeler reiterated that the facility does not have enough land to have a horse track and this issue is compounded with the addition of the amphitheater. Mr. Beeler went on to say that the state constitution and any prohibitions in it speak solely to off-track betting on live races which is not what is happening; historical horse racing (HHR) is its own animal, it's been approved as parimutuel by the Kansas Legislature and is so stated in the statue. Chairman Moses followed-up by asking Mr. Beeler if he would be available for additional questions after the public comment period. Mr. Beeler said he would.

- Chairman Moses recalled that the legislation specifically prohibits live dog racing but that he was not sure it mentioned horse racing. Chairman Moses asked Mr. Beeler if he recalled whether the legislation mentions horse racing. Mr. Beeler responded stating that it does say dog racing in the bill. Chairman Moses clarified that the legislation is silent in terms of a prohibition on horse racing. Mr. Beeler agreed that was correct.
- Chairman Moses noted that the facility plans to offer wagering on simulcast horse races. Chairman Moses asked how this does not conflict with what Mr. Beeler stated previously regarding off-track betting. Mr. Beeler responded that simulcast has been legal in Kansas since the 1980s.
- Emphasized that Phil Ruffin Jr. encouraged his father to meet with industry advisors on whether an amphitheater was a sound business venture and ultimately convinced his father to include an amphitheater in the Golden Circle project.
- The Park City annexation of the expected historical horse racing facility was approved.
- A management contract has been drafted and will be reviewed by Wichita GC Charities, Inc. on Monday. Mr. Beeler anticipates providing the contract to the commission for review once the charity has approved the contract.
- Commissioner Spalding asked if the commission would receive a draft of the management contract. Mr. Beeler explained that once approved by the charity the contract will be submitted to the agency's executive director and general counsel for review. Mr. Beeler noted that Phil Ruffin Sr. had indicated the facility will open in fourteen months from today, that is more likely going to be fourteen months from when the contract is approved by the commission.

Phil Ruffin Jr. reported:

- After discussion, the Golden Circle project will now include an amphitheater. The amphitheater will have a 5000-seat capacity. A construction contract was recently agreed to with the Law construction company.
- Chairman Moses thanked Phil Ruffin Sr. for listening to the commission's questions and by responding with the amphitheater. Chairman Moses asked how the capacity of the proposed amphitheater compares to the existing amphitheater in Andover. Phil Ruffin Jr. responded that he believes the proposed amphitheater is twice the size and that the existing amphitheater has a capacity of 2,000.

- Chairman Moses asked if there had been any noticeable construction started at the location. Phil Ruffin Jr. reported that a large portion of the building's south facing efface had fallen off during a storm but that repairs were already underway and possibly completed.
- Chairman Moses asked if Park City's election to enact a new sales tax will impact the project's infrastructure. Phil Ruffin Jr. said that he does not believe so, noting that 1% tax is nominal.
- There will be a meeting Wednesday in Las Vegas with the architectural team and Gilley's corporate staff to discuss architectural design and corporate templates to ensure authenticity.
- Determined a potential Director of Operations, Raymond Silva, and will be providing the background and license application to staff. Mr. Silva has an extensive history working in the industry and Mr. Ruffin Sr. believes he will be a great boon to the Golden Circle team.
- Commissioner Jones asked if there is a projected opening date. Mr. Ruffin Jr. responded that it will be a 14-month construction project, beginning today. Supply chain issues may cause this timeline to fluctuate. The goal is to open in time for the Super Bowl in 2025.
- Gilley's corporate requested that the Gilley's be moved from the East to the West side of the building for highway exposure. The amphitheater will also increase the cost of this project substantially. An estimate for the cost will be available once the architectural renderings are complete and the project moves to the A.1.a phase of construction. The building is being expanded to provide a VIP area for viewing of the amphitheater, this will also allow the walkways to be expanded.

COMMISSION ITEMS –
OLD BUSINESS (F.)

There was no old business.

COMMISSION ITEMS –
NEW BUSINESS; (G.)

There was no new business.

PUBLIC COMMENTS
(H.)

Jeff Rutland, Kansas Quarter Horse Racing Association, Kansas Horsemen's Association, and Kansas Thoroughbred Association board member, provided a history of horse racing in Kansas, the Kansas expanded lottery act (KELA), and parimutuel wagering. He expressed his opinion that a shortened version of a horse race on a screen was not a valid substitute for live racing. His position is that under current law, a HHR facility should not be allowed to operate without conducting live horse races.

STAFF REPORTS
(I.1., I.2., and I.3.)

Garrett Rogers, Paralegal, reported on the Voluntary Exclusion Program statistics for the months of June and July 2023 and the Quarterly Illegal Gambling report for the second quarter of 2023.

- Chairman Moses recalled the South-Central Problem Gambling Taskforce presentation during the three-day July meeting and asked if any more information regarding the problem gambling prevalence study was available. Mr. Rogers responded that the last problem gambling prevalence study was conducted in 2017, it was administered by Greenbush, and was commissioned by the Kansas Department for Aging and Disability Services. Whether funds from the Problem Gambling and Other Addictions Grant fund were used to pay for the study is still being reviewed.
- Chairman Moses noted that just this week the Wichita City Council passed a new ordinance regarding illegal gaming devices in the city of Wichita. Chairman Moses asked if KRGC had any input into that decision. Mr. Rogers responded that he is unaware of whether the KRGC was involved. Chairman Moses stated that this may be a better question for Government Relations Manager Randy Evans and that it may be premature, and that material information could be shared with the commissioners at the September meeting. Mr. Rogers responded that KRGC staff would look into the issue.

Director of Sports Wagering and Licensing DJ Lopez reported:

- From September 1, 2022, to present across all six sports wagering platforms operating in Kansas:
 - Total open accounts: 563,768
 - Chairman Moses asked if this figure is for unique individuals or if a person with multiple accounts would be counted multiple times. Director Lopez confirmed that if an individual has an account with multiple sports wagering platforms, each of their accounts are tallied.
 - Total accounts that have an address in Missouri, Oklahoma, Nebraska, or Colorado that placed a wager in Kansas: 96,581
 - This accounts for 17% of all open accounts.
 - Commissioner Turnquist asked for confirmation that the 96,581 out-of-state accounts are included in the total open accounts figure of 563,768. Director Lopez confirmed that was correct.
 - Currently Draft Kings and FanDuel are number one and number two respectively in market share of Kansas.
 - Draft Kings at 39%
 - FanDuel at 36%

Executive Director Brownlee reported:

- Staff joins Chairman Moses in congratulating Commissioner Turnquist on his reappointment.
- Staff welcomes the Golden Circle group to the monthly meetings. Since KRGC is a racing and gaming agency. The agency does appreciate getting back into the parimutuel act side of the agency.
- KRGC met with representatives of the Golden Circle group this past week to talk about the next steps going forward, how we plan to operate, and that through the buildout process Randy Evans will be the KRGC contact person.
- Director of Security Roger Bailey will be the Director of Historical Horse Racing. His duties really do not get started up in earnest until the facility is operating. Currently, Roger oversees all of the field operations as well as electronic gaming machines.
- Clark and Kreg Stewart have resigned their positions on the Butler National board of directors. Butler National is the parent company for Boot Hill Casino. KRGC staff wishes them well in the future and appreciate the working relationship with them since the Expanded Lottery Act passed.
- Penn Gaming has entered a deal to rebrand their sports wagering operation with ESPN. Along with that, Hollywood casino is in the process of redesigning their retail sports wagering sight.
- KRGC submitted a request to Governor Kelly requesting funds from the White Collar Crime fund. It is KRGC's intent to use some of that funding to expand illegal gambling investigation operations. KRGC has not yet received a response from the Governor's Office.
- The next commission meeting is scheduled for September 8, 2023, at 10:00am in Topeka, KS. During that meeting next year's budget will be presented and needs to be approved by the commission before being submitted to the Governor's Office for approval.

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

Commissioner Jones (Spalding) 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 sports wagering and licensing. The total time for the executive session was anticipated to be fifteen (15) minutes until 12:10 p.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 11:55 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 12:10 p.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Spalding present.

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

Commissioner Spalding (Turnquist) 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 twenty (20) minutes until 12:30 p.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 12:10 p.m.

RECONVENE
(J.4.)

The commission meeting returned to open session at 12:31 p.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Spalding present.

Chairman Moses noted that the executive session did end at 12:30p.m. but logistical hurdles stalled the return to open session.

Chairman Moses asked for General Counsel Judith Taylor to address the issue Mr. Rutland raised during Public Comments. General Counsel Taylor stated Mr. Rutland suggested that the agency do something different than what it did; however, there is case law that says that when the legislature passes a bill and it becomes codified as statute, state agencies are required to follow that legislation, and that legislation is not subject to the agency's interpretation. The agency must follow the law and did follow the law.

MOTIONS ON LICENSE
APPLICATIONS
(K.1)

Commissioner Turnquist (Jones) moved to *deny one* license application and *approve the remaining 347* license applications from the August 11, 2023, list of background reports referred to the commission for action. The motion carried 4-0.

OTHER BUSINESS
(L.)

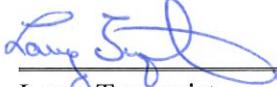
There were no other items for discussion or motion.

ADJOURNMENT
(M.)

Chairman Moses stated that the September 8, 2023, commission meeting will begin at 10:00 a.m. for an in-person meeting at the Eisenhower State Office Building in Topeka, Kansas.

Commissioner Jones (Spalding) moved to adjourn the meeting. Motion passed 4-0. The meeting was adjourned at 12:34 p.m.

SUBMITTED BY:



Larry Turnquist
Secretary

APPROVED BY:



David Moses
Chairman