

KANSAS RACING AND GAMING COMMISSION

MINUTES – NOVEMBER 17, 2023

CALL TO ORDER

(A.)

Chairman David Moses called the November 17, 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 Larry Turnquist, and Sheryl Spalding were also present. Commissioner Jones had a previous commitment and was unable to attend. 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, Director of Security Roger Bailey, Government Relations Manager Randy Evans, and other staff.

MOTION, APPROVE AGENDA

(B.)

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

MOTION, APPROVE OCTOBER 13, 2023 MEETING MINUTES

(C.)

Commissioner Turnquist (Spalding) moved to approve the minutes of the October 13, 2023 meeting. Motion carried 3-0. Commissioner Jones abstained from voting as he was absent from the October meeting.

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.)

Ryan Deutsch, Assistant General Manager, reported:

- October 2023 revenue numbers compared to October 2022:
 - Total gaming revenue decreased 9.47%
 - Total slot revenue was down 8.24%
 - Table games revenue was down 20.42%
 - Commissioner Spalding noted that casino gaming revenue is down, but the facility's total revenue was up. Commissioner Spalding asked if this is attributable to sports wagering. Assistant General Manager Deutsch responded that legacy gaming revenue has been down, but that total revenue is up primarily due to the sportsbooks.
 - Commissioner Jones asked Assistant General Manager Deutsch to confirm that Draft Kings is their contracted platform. Assistant General Manager Deutsch confirmed that was accurate.
- October 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$20,857.00
 - Down 15.70% from October 2022
 - Digital Sportsbook Revenue: \$7,269,130.00
 - Up 64.30% from October 2022

- Upcoming Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Promotions
 - Big Draw
 - VIP Promotions
 - Polaris Ranger Giveaway – November 19
 - Promotions for United Wireless Arena Events
 - Sportsbook Promotions
 - Charity Match Hot Seat
 - Holiday Donation Drive
- Upcoming Entertainment & Events
 - Tournament of Champions – January 18-20
 - Commissioner Jones asked for elaboration on the Tournament of Champions. Assistant General Manager Deutsch explained that Dodge City High School coordinates a mid-season tournament.
 - SPIAA Basketball Tournament – January 22 – 27
 - Commissioner Jones asked for elaboration on the SPIAA Basketball Tournament. Assistant General Manager Deutsch explained it is a similar mid-season tournament event, but is targeted towards the smaller communities around Dodge City.
 - The Greatest Love – Whitney Houston Tribute – February 9
 - KSHSAA State Basketball – March 4 – 9
 - Commissioner Jones asked what the classification of the KSHSAA tournament is. Assistant General Manager Deutsch responded that he believes it is 1A.
 - Harlem Globetrotters – March 21

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

Doug Lang, General Manager, reported:

- October 2023 revenue numbers compared to October 2022:
 - Total gross gaming revenue was up 0.05%
 - Total slot revenue down 2.32%
 - Table games revenue up 11.25%
 - Chairman Moses asked if General Manager Lang could speak towards the impact the opening of the CrossWinds Casino has had on revenue. General Manager Lang responded that the CrossWinds expansion was finished in 2021. General Manager Lang noted that there is some noise in the data due to COVID, but that there has been about a 10% loss in revenue with the transition
- October 2023 Sports Wagering revenue
 - Retail Sportsbook Revenue \$206,500.00.
 - Up from October 2022's revenue of \$184,500.00.
 - Digital Sportsbook Revenue: \$4,870,000.00
 - Up from October 2022's revenue of \$2,783,000.00.
- October 2023 Sports Wagering
 - \$67.46 million was wagered on FanDuel online.

- Up from October 2022's revenue of \$2,783,000.00.
- October 2023 Sports Wagering
 - \$67.46 million was wagered on FanDuel online.
 - \$1.36 million was wagered in person at FanDuel retail. Of this #, \$743k was bet over the counter and 22k was bet on the kiosks.
 - The \$1.36 million wagered in person was a \$23k increase over August.
 - There was a total of 14,866 bets made in person at FanDuel retail.
 - The largest wager in retail was a \$12,500 straight wager. It was a single bet on Michigan -27.5 over Indiana in college football on October 12. The wager was a winner and paid out \$17,250..
 - The largest payout in retail was a \$5,000 Same Game Parlay with 8 legs. This winning wager paid out \$56,466.
 - Our largest customer in retail wagered \$142,355 for the month of October.
 - Football continues to carry the torch for overall handle. We are currently up 32.1% Year over Year.
 - Sports wagering percentages for the month of August are as follows...Football 84%, Basketball 7%, Baseball 5%, Hockey 3%, Tennis <1%, MMA <1%, Golf <1%.
- Upcoming Events and Promotions:
 - Double Down | Friday and Saturdays
 - Sit and Go Slot Tournaments | Thursday, November 2, 16 & 30 | 5p-8p
 - Bakeware Gift Giveaway | Friday, November 3 | 4p-9p
 - Table Games and Slot Hot Seats | Every Saturday in November | 5:30p-10p
 - Murder Mystery Dinner and Show | Saturday, November 4 | 5pm
 - Tahari Knife Block Set | Friday, November 10 | 4p-9p
 - Griddle Giveaway | Friday, November 17 | 4p-9p
 - VIP Silent Auction | Friday, November 24 | 5pm-8pm
 - Sunday Bonus Offer | Sunday, November 5 & 19
- Upcoming Entertainment & Events:
 - Aaron Lewis Concert | Arena | Friday, November 3 | 8pm
 - Kansas Sheriffs Association Convention | Arena | Monday, Nov. 6-8
 - National Final Steer Roping | Arena | Friday, November 17 - 18 | 7:30pm
 - Commissioner Jones asked if dirt is brought into the arena for the event. General Manager Lang confirmed that the facility does bring in dirt. Commissioner Jones followed-up asking if the facility schedules a stretch of events that would require the dirt. General Manager Lang responded that unfortunately there have been events that require the dirt to be removed and brought back, however the dirt is stored on property so it is an easier transition than it has been in the past.

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

- October 2023 admissions were down 8.4% compared to October 2022
- October 2023 revenue numbers compared to October 2022:
 - Total gross gaming revenue increased 1%
 - Slot revenue increased 2%
 - Table games revenue decreased 6.3%
- October 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$951,869.00
 - Up 207.5% compared to October 2022
 - Handle was down 3% to the prior year but the facility held 15% instead of only 5% which drove the increase in revenue.
 - The temporary location of the retail sportsbook is under construction with significant improvements being to the A/V product, seating areas, as well as the installation of a permanent bar and a quick serve restaurant. Construction is scheduled to be completed just before December 25th. In the interim, the facility is using their buffet area.
 - Chairman Moses
 - Chairman Moses noted that Monday there would be a Chiefs home game and asked if the facility was planning anything around the event. General Manager Garvey explained that they would prepare from a staffing stand point, but that the facility typically sees a decrease in business during the Chiefs games, especially at-home games.
 - Retail Sportsbook: Top Sports
 - 78% of handle was College Football
 - 47% of handle was NFL
 - 31% of handle was NCAA
 - 10% of handle was MLB
 - Digital Sportsbook Taxable Revenue: \$484,364.00
 - Down 27.7% compared to October 2022
 - The decrease in revenue was primarily driven by a 25% decrease in handle to prior year.
 - 68% of handle was on Football
 - On November 14th, the Barstool Sportsbook brand was retired and relaunched under the brand ESPN Bet.
- Recent/Upcoming Events and Promotions:
 - October 28 – Trick or Treat for Free Slotplay
 - October 30 – Sportsbook Scratchers
 - November 5 – Givin' Thanks Football Giveaway
 - November 11 – Turkey Hi-Lo
 - November 18 – Seasons Snuggles
 - November – November Pie Giveaway
 - November 24 – Win This Ride
 - December 1 – Merry Matchmas
 - December 7 – Present Palooza

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

Jeff McKain, General Manager, reported:

- October 2023 admissions down 7.5% compared to October 2022
- October 2023 revenue numbers compared to October 2022:
 - Coin in down 8%
 - Table games drop down 2.8%
 - Net gaming revenue was down 10%.
 - Chairman Moses asked what the revenue decrease could be primarily attributed to. General Manager McKain responded that the success in 2022 and the current economy are the driving forces.
 - Chairman Moses asked if there is any correlation between hunting seasons and admissions. General Manager McKain confirmed that hunting season, crop harvest, and the late August lake trips all depress revenue.
- October 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$35,592.00
 - Up 39.4% compared to September 2023
 - 84% of handle was Football
 - Largest winning wager was an eight-leg parlay with \$300 wagered paying out \$6,261.00
 - Digital Sportsbook Taxable Revenue: \$1,236,620.00.
 - Up 394% compared to October 2022
 - Commissioner Jones asked if the facility is still contracted with three sports wagering platforms. General Manager McKain confirmed they are still contracted with Bet MGM, Caesars, and Points Bet which is transitioning to Fanatics. Commissioner Jones asked if one of those three were the facilities retail sportsbook. General Manager McKain confirmed that Caesars is the retail sportsbook platform.
- Events and Promotions:
 - October
 - Casino Hot Seats every Monday and Tuesday.
 - *Camp 49* promotions every Wednesday.
 - Table Games *Monster Smash* promotion on Fridays.
 - VIP event on Friday the 20th.
 - Casino Gifts every Saturday.
 - *Cash is King* promotion Saturday the 28th.
 - Hairball outdoor concert on Saturday 7th.
 - November
 - Casino Hot Seats every Monday and Tuesday.
 - *Camp 49* promotions every Wednesday.
 - *Card Shark* promotion on Fridays.

- VIP event on Friday the 17th.
- Casino gifts every Saturday.
- *Cash is King* promotion Saturday the 25th.
- COVID-19
 - One positive case in October and zero so far in November.

HISTORICAL HORSE
RACING FACILITY
LICENSEE
REPORTS/ITEMS;
GOLDEN CIRCLE
(E.5.a.)

Jason Watkins, Golden Circle Representative, reported:

- Explained that an internal miscommunication caused no representative to be present for the October meeting.
- The contract between Wichita GC Charities and Golden Circle has been submitted for KRGC staff review.
- The Wichita GC Charities are now accepting resumes from individuals interested in serving on the board. The board has expressed an intention to diversify the board with their appointments.
- The next meeting of the Wichita GC Charities is scheduled for January.
- Golden Circle staff have been meeting with various consultants, manufactures, and providers of HHR machines.
- Regarding construction, Mr. Watkins believes the design has been finalized. 20,000 square feet will be added to the first floor to ensure there is enough room for HHR machines and for patrons to move comfortably. Twenty-five machines will be moved from the first floor to another floor.
- Demolition is now underway. Foundational work should begin within the next couple of weeks.
- Commissioner Spalding asked if the HHR machines must meet a regulatory or statutory criteria. Executive Director Brownlee explained that all the HHR machines must be approved by KRGC before they are allowed to operate. Commissioner Spalding asked if regulations differed by state to the extent that machines built in certain jurisdictions should not be considered. Executive Director Brownlee responded that he is not aware of any leading HHR machine manufacturers that are producing a machine that would be objectionable.
- Commissioner Turnquist asked if overall the project is moving forward at the pace that was anticipated. Mr. Watkins responded that he believes that it is close, but there are many decisions that impact the schedule.
- Commissioner Turnquist asked what the relationship with local entities looks like. Mr. Watkins replied that the property was successfully annexed by Park City. Mr. Watkins says that he is encouraged by the progress the facility is making in the community and that the community is making.
- Chairman Moses asked if there was any update on the General Manager search. Mr. Watkins responded that there is an individual that has been selected as a candidate, but the employment contract

will not be drawn until closer to the opening date.

- Chairman Moses asked whether the 14-month timetable has started and whether the facility is still projecting a completion date that is consistent with that timetable. Mr. Watkins confirmed that the timetable has begun. Mr. Watkins stated that the ultimate goal is to be open in time for the Super Bowl in 2025 and that the project is on track to hit that goal, but would not be surprised if something changes.

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 both the Voluntary Exclusion Program and Sports Wagering Exclusion Program statistics for the month of October 2023.

Executive Director Brownlee reported:

- The next commission is scheduled for December 15, 2023, at 10:00am in Topeka, KS.

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, director of sports wagering and licensing, Todd Allen Financial Investigator, Cory Miller Enforcement Agent, and Darin Altenburg Enforcement Agent Supervisor. The total time for the executive session was anticipated to be eighteen (18) minutes until 10:56 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 10:38 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 11:00 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Spalding present.

Chairman Moses noted that the executive session did end at 10:56a.m but returning to open session was delayed a few minutes as people returned to their seats.

MOTION, EXECUTIVE
SESSION;
CONFIDENTIAL
BACKGROUND
REPORTS
(J.3.)

Commissioner Jones (Turnquist) 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, director of sports wagering and licensing, Todd Allen Financial Investigator, Cory Miller Enforcement Agent, and Darin Altenburg Enforcement Agent Supervisor. The total time for the executive session was anticipated to be eleven (11) 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 4-0, and the meeting was adjourned to executive session at 10:59 a.m.

RECONVENE
(J.4.)

The commission meeting returned to open session at 11:10 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Spalding present.

MOTION, EXECUTIVE
SESSION; ATTORNEY-
CLIENT PRIVILEGE
(K.1)

Commissioner Spalding (Jones) 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, and enforcement attorney James Bain upon request. After discussion, the total time for the executive session was anticipated to be seventy-five (75) minutes until 12:27 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 11:12 a.m.

RECONVENE

The commission meeting returned to open session at 12:27 p.m. with

(K.2.) Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Spalding present.

MOTIONS ON
LICENSE
APPLICATIONS
(L.)

Chairman Moses noted that he must abstain from voting on one of the 192 license applicants, the applicant's name is Peter Grant.

Commissioner Turnquist (Spalding) moved to *deny one* license application, *table one* license application, and *approve the remaining 189* license applications from the November 17, 2023, list of background reports referred to the commission for action. The motion carried 4-0. Chairman Moses abstained from the vote for Peter Grant. The motion carried 3-0.

OTHER BUSINESS
(M.)

There were no other items for discussion or motion.

ADJOURNMENT
(N.)

Chairman Moses stated that the December 15, 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 Spalding (Jones) moved to adjourn the meeting. Motion passed 4-0. The meeting was adjourned at 12:30 p.m.

SUBMITTED BY:



Larry Turnquist
Secretary

APPROVED BY:



David Moses
Chairman

