

KANSAS RACING AND GAMING COMMISSION

MINUTES – FEBRUARY 16, 2024

CALL TO ORDER (A.)

Chairman David Moses called the February 16, 2024, 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 Mike Fleming were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Government Relations Manager Randy Evans, and other staff.

Chairman Moses recognized Commissioner Spalding for her efforts and contributions while serving the commission.

Chairman Moses welcomed Commissioner Mike Fleming to the Racing and Gaming Commission.

MOTION, APPROVE AGENDA (B.)

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

MOTION, APPROVE DECEMBER 15, 2023 MEETING MINUTES (C.)

Commissioner Jones (Turnquist) moved to approve the minutes of the December 15, 2023 meeting. Motion carried 3-0.

Commissioner Fleming abstained from voting as he was not present at the December 2023 meeting.

MOTION, APPROVE CONSENT AGENDA (D.)

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

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

Diane Giardine, General Manager, reported:

- December 2023 revenue numbers compared to December 2022:
 - Total gaming revenue increased 7.20%
 - Total slot revenue was up 11.89%
 - Table games revenue was down 20.52%
- General Manager Giardine noted that the large drop in table games revenue was due to the previous year having the highest table games revenue and highest hold on record for table games.
- Commissioner Fleming stated that he had missed it earlier in the meeting and asked why table games were down 20% in December. General Manager Giardine responded that it was because December of 2022 had the highest table games revenue ever. Commissioner Fleming followed up asking why December of 2022 was so high.

- General Manager Giardine responded that it was because the facility was fully staffed allowing them to open every table game and stay open longer.
- Commissioner Moses asked if it was also inflated by the ending of COVID and lifting of restrictions. General Manager Giardine responded that during COVID employees of the local meat packing plants were infused with extra money and that is beginning to run out. The facility is seeing softening in table game drop.
 - December 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$61,756.00
 - Up 103.93% from December 2022.
 - Handle was up 39%
 - Hold was up 46%
 - This is a new revenue record for the retail sportsbook.
 - Digital Sportsbook Revenue: \$8,549,700.00
 - Up 50.36% from December 2022
 - Handle was up 59%
 - Hold was down 5.5%
 - This is a new revenue record for the digital sportsbook.
 - December Top Sports
 - NFL was 46% of handle
 - College Basketball was 18.7% of handle
 - College Football was 11.8% of handle
 - Upcoming Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Promotions
 - Frosty's Fortune Hot Seats
 - VIP Promotions
 - Sportsbook Promotions
 - Upcoming Entertainment & Events
 - Tournament of Champions – January 18-20
 - SPIAA Basketball Tournament – January 22 – 27
 - The Greatest Love – Whitney Houston Tribute – February 9
 - KSHSAA State Basketball – March 4 – 9
 - Harlem Globetrotters – March 21
 - Roots & Boots – April 13
 - January 2024 revenue numbers compared to January 2023:
 - Total gaming revenue down 3.54%
 - Total slot revenue was down 2.91%
 - Table games revenue was down 8.19%
 - General Manager Giardine noted that there were two snowy weekends in January which depressed revenue.
 - January 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$53,732.14
 - Up 442.72% from January 2023.
 - Handle was down 30%

- Hold was up 620%
 - General Manager Giardine noted that the facility took a loss in January 2023 and that is why the increases are so drastic.
- Digital Sportsbook Revenue: \$5,431,706.00
 - Up 132.79% from January 2023.
 - Handle was up 23%
 - Hold was up 87%
- January Top Sports
 - NFL was 47.6% of handle
 - College Basketball was 22% of handle
 - NBA was 15.8% of handle
- Super Bowl 2024
 - Retail revenue was down 75%, losing \$35K on Super Bowl Sunday.
 - Average retail bet was up 26%.
 - Total Super Bowl retail bets were up 16% year-over-year.
 - Total retail bets on Super Bowl day were up 43%.
 - Digital Revenue was down 20% year-over-year.
 - Chairman Moses asked if this would be reflected in next month's report. General Manager Giardine confirmed it would be and that the platform is hopeful they will be able to recoup all the losses by month's end.
 - Handle was up 22% on the digital sportsbook.
 - The loss was mitigated by several parlays failing due to wagering on Travis Kelce to score a touchdown.
 - There was a retail money-line bet on the Chiefs that won and paid out \$20K.
 - On the digital sportsbook, there was a futures wager of \$4,225 for the Chiefs to win the Super Bowl that paid out \$44,362.50
 - There was \$250 same-game eight-leg parlay that won and paid out \$14K
 - 85% of money-line bets were on the Chiefs
 - 88% of the spread bets were on the Chiefs.
- Upcoming Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Promotions
 - VIP Promotions
 - \$20K Blackjack Tournament
 - Sportsbook Promotions
 - \$10K Punch-Out Board
 - Final Friday Slot Tournaments
- Upcoming Entertainment & Events
 - The Greatest Love – Whitney Houston Tribute – February 9
 - Justin Moore – February 10
 - KSHSAA State Basketball – March 4 – 9

- Commissioner Jones asked the division of the event.
General Manager Giardine said that she was not sure at the time but would find out and get back with the commissioner. Later in the meeting, Commissioner Jones confirmed online that it was 2A.
- Harlem Globetrotters – March 21
- Let the Good Times Rock – August 17
- Roots & Boots – NEW DATE November 8
- Semi-Annual Responsible Gambling Report
 - 252 active employees as of December 31, 2023
 - Commissioner Turnquist asked if the number of active employees and new hires is typical for the facility.
General Manager Giardine responded that the numbers are a little high. For active employees, the facility manager would like to be at 220/230 employees. Turnover last year was about 52%. Prior to COVID the facility was running at about 35% turnover, the goal for this year is to get under 45% and hopefully continue the trend into the thirties.
 - 65 hired during the reporting period
 - 64 new hires have taken TIPS testing during the reporting period
 - 25 existing employees have recertified their TIPS testing for another 3-year period
 - 230 active employees completed annual refresher training for TIPS/Responsible Alcohol Service during the 4th Quarter of 2023
 - BHCMC, LLC has two certified TIPS Trainers on property
 - 64 new hires have taken Responsible Gaming during the reporting period
 - 231 active employees completed annual refresher training for Responsible Gaming during the 4th Quarter of 2023
 - BHCR participated in Responsible Gaming Education Month in September 2023
 - 2 VEPs were refused entry to the casino floor
 - 8 VEPs were removed from the casino floor
 - 12 individuals were refused entry because they appeared intoxicated
 - 19 individuals were removed because they appeared intoxicated
 - 161 minors were refused entry to the casino floor
 - Commissioner Turnquist asked if the numbers for individuals refused entry were normal. General Manager Giardine responded that those numbers are higher because in 2022 the facility changed the location of their security podiums

and modified their ID policy to anyone who looks under the age of 60.

- 1 minor was removed from the casino floor
 - General Manager Giardine noted that this was an interesting situation. Local law enforcement had brought a minor trainee to the property. KRGC Agent Harvey informed the officers that the minor trainee could not accompany them into the casino.
- 544 individuals were denied entry for not having an ID
- 356 individuals were denied entry for having an invalid ID

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

Alli Kuplen, General Manager, reported:

- Chairman Moses acknowledged the great job General Manager Kuplen did speaking with local news about the Super Bowl.
- General Manager Kuplen expressed thanks and said goodbye on behalf of former General Manager Doug Lang. Mr. Lang accepted a Senior Vice-President role with some of the eastern properties.
- December 2023 revenue numbers compared to December 2022:
 - Total gross gaming revenue was up 5.1%
 - Total slot revenue up 4.8%
 - Table games revenue up 8.7%
- December 2023 Sports Wagering revenue
 - Retail Sportsbook Revenue \$325,000.00.
 - Down from December 2022's revenue of \$356,000.00.
 - Digital Sportsbook Revenue: \$8,200,000.00
 - Up from December 2022's revenue of \$2,200,000.00.
- December 2023 Sports Wagering
 - \$86.5 million was wagered on FanDuel online. This was up over \$6 million from November.
 - \$1.7 million was wagered in person at FanDuel retail. This was almost exactly the same as we had wagered in retail in November. Of this \$, \$654k was bet over the counter and \$1.1 million was bet on the kiosks.
 - There was a total of 16,568 bets made in person at FanDuel retail. This was an increase of almost 2,000 bets from November.
 - The largest wager in retail was a \$10,000 parlay. The parlay was 11 legs and was all in the NFL. This wager was not a winner.
 - The largest payout in retail was a \$500 Same Game Parlay with 4 legs in the NFL. This winning wager paid out \$14,672.
 - Our largest customer in retail wagered \$223,688 for the month of November.
 - Football continues to carry the torch for overall handle, but basketball is growing.
 - Sports wagering percentages for the month of November are as follows...Football 64%, Basketball
 - 32%, Hockey 3%, Tennis <1%, MMA <1%, Golf <1%, Soccer <1%.

- December Upcoming Events and Promotions:
 - Double Down | Friday and Saturdays
 - VIP Winter Hot Seats | Thursday, January 4 & 18 | 5:30p-10p
 - Winter Sit and Go Slot Tournament | Thursday, January 11 & 25 | 5pm-8pm
 - Sherpa Throw Gift Giveaway | Friday, January 5 | 4p-9p
 - Brookstone Wireless Charger/Alarm Clock Gift Giveaway | Friday, January 12 | 4p-9p
 - Bliss 4-pc Cooling Bed Sheets Gift Giveaway | Friday, January 19 | 4pm-9pm
 - Queen Comforter Quilt Set Gift Giveaway | Friday, January 26 | 4pm-9pm
 - Epic Host Battle Slot Tournaments | Every Saturday in January | 6p-9p
- December Upcoming Entertainment & Events:
 - Wesley Awards Banquet | Arena | Saturday, January 13
 - Kansas Ground Water Conference | Arena | January 19
 - GT Motocross | Arena | Friday and Saturday, January 26-27
 - Maize Battle of the Belt Wrestling | Arena | February 3-4
 - Asian New Year Variety Show | Arena | Saturday, February 10 | 8pm
- January 2024 revenue numbers compared to January 2023:
 - Total gross gaming revenue was down 9.6%
 - Total slot revenue down 7.8%
 - Table games revenue down 18.7%
 - General Manager Kuplen noted that revenue was impacted by January's weather conditions and that January of 2023 was good month for the facility, so the year-to-year comparison looks rough.
- January 2024 Sports Wagering revenue
 - Retail Sportsbook Revenue \$114,000.00.
 - Down from January 2023's revenue of \$145,000.00.
 - Digital Sportsbook Revenue: \$5,200,000.00
 - Up from January 2023's revenue of \$3,600,000.00.
- January 2024 Sports Wagering
 - \$76.9 million was wagered on FanDuel online.
 - \$1.52 million was wagered in person at FanDuel retail. Of this \$, \$744k was bet over the counter and \$783k was bet on the kiosks.
 - There were 15,223 bets made in person at FanDuel retail.
 - The largest wager in retail was a \$15,000 straight wager on the Kansas City Chiefs ML over the Baltimore Ravens. The wager was a winner and paid out \$42,000.
 - Our largest customer in retail wagered \$152,327 for January. This customer won \$16k in the month.
 - Football continues to carry the torch for overall handle, but basketball is growing.

- Sports wagering percentages for the month of January are as follows...Football 54%, Basketball 41%, Hockey 3%, Tennis <1%, MMA <1%, Golf <1%, Soccer <1%.
- January Upcoming Events and Promotions:
 - Double Down | Friday and Saturdays
 - Hot Seats | Thursday, February 8, 15, 22, & 29 | 5:30p-10p
 - Barista Coffee Set Gift Giveaway | Friday, February 2 | 4p-9p
 - 8pc Barista Coffee Set Gift Giveaway | Friday, February 9 | 4p-9p
 - 12 Cup Coffee Maker Gift Giveaway | Friday, February 16 | 4pm-9pm
 - Coffee Bean Grinder Gift Giveaway | Friday, February 23 | 4pm-9pm
 - Host Feud | Every Saturday in February | 6p-9p
- January Upcoming Entertainment & Events:
 - Maize Battle of the Belt Wrestling | Arena | February 3-4
 - Asian New Year Variety Show | Arena | Saturday, February 10 | 8pm
 - Wichita Flea Market | Arena | Saturday, February 16 – Sunday, February 18
- Super Bowl 2024
 - Largest week by handle since opening in the retail book.
 - Most total bets in the retail book since opening.
 - Largest loss in a day since opening in the retail book.
 - Largest wager was a \$15K straight bet on the KC money line which won and paid out \$42K.
 - Many of the largest payouts were on futures bets for KC to win the Super Bowl.
 - The retail sportsbook held -42% and lost \$153K.
- Semi-Annual Responsible Gambling Report
 - During the second half of 2023, Kansas Star Casino processed 111 new team members through new hire orientation, Responsible Gaming, and Alcohol Awareness trainings.
 - In addition to the training given in new hire orientation, all Kansas Star Casino team members undergo annual refresher training in Responsible Gaming.
 - 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 Floor persons and above, Table Games Dealers and above, Surveillance Staff, and all Directors are subject to a more intensive alcohol awareness training program called, ServSafe.
 - In the second half of 2023, 111 team members took the ServSafe training, and 0 team members failed.
 - The Kansas Star Casino has 3 Responsible Gaming Trainers on property.

- As of December 31, 2022, Kansas Star Casino had 607 active team members.
 - Commissioner Turnquist asked if the number of active employees and new hires is typical for the facility. General Manager Kuplen responded that the facility does tend to run around 607 staff and 2023 turnover was in the high forties. General Manager Kuplen noted that this year they are doing a great job with hiring with only four positions open.
- Underage individuals denied gaming floor access: 144
- People denied access for not having ID: 454
- People denied for invAllid ID: 343
- Intoxicated individuals denied gaming floor access: 73
- VEPs denied access to the gaming floor: 16
- There were 245 intoxicated individuals ejected from the casino,
- 15 VEPs were removed and turned over to the KRGC and the Mulvane Police Department
- 5 underage persons were caught and ejected from the casino
- 101 persons were removed and 22 excluded from the casino for a variety of other reasons.
- During the second half of 2023, there were 625,255 guests who entered the casino floor. Security team members checked 78,719 IDs. In addition, 33 ID checks took place on the gaming floor in situations involving suspected minors.
- Chairman Moses noted that General Manager Kuplen had brought a few members of her team and invited her to introduce them. General Manager Kuplen introduced, Director of Compliance Ashley Hagen, Director of IT Angel Carnell, and Director of Table Games Justin Willenbrink.

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

Lydia Garvey, General Manager, reported:

- December 2023 admissions were up 4.5% compared to December 2022
- December 2023 revenue numbers compared to December 2022:
 - Total gross gaming revenue increased 8.7%
 - Slot revenue increased 7.7%
 - Table games revenue increased 16.7%
- December 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$609,778.00
 - Up 56.6% compared to December 2022
 - Handle was down slight, but hold was improved.
 - Retail Sportsbook: Top Sports
 - NFL was 36% of handle
 - College Football was 17% of handle
 - NBA was 25% of handle
 - Digital Sportsbook Taxable Revenue: \$205,942.00

- Handle was up 70% year-over-year.
 - Digital Sportsbook: Top Sports
 - NFL was 37% of handle
 - NBA was 22% of handle
 - College Football was 7.5% of handle
- December Recent/Upcoming Events and Promotions:
 - December 22 – December Pie Giveaway
 - December 29 - \$25K Almost New Years Giveaway
 - December 30 – Pick, Pull, & Win
 - General Manager Garvey noted that this was the highest day for Coin-In since opening day.
 - January 12 - \$100,000 Big Draw
 - January 26 – Hollywood Slot Point Race
 - January 27 – Gas For a Year
 - January 28 – Big Game Getaway
 - February 3 – Race to Daytona 500
- January 2024 admissions were down 16.7% compared to January 2023
- January 2024 revenue numbers compared to January 2023:
 - General Manager Garvey echoed the previous general managers, pointing at poor weather conditions and a well performing January in 2023 for the decreases in year-over-year revenue.
 - Total gross gaming revenue decreased 5.8%
 - Slot revenue decreased 10.5%
 - Table games revenue increased 43.2%
 - Drop was flat, but hold was up year-over-year
- January 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: -\$64,772.84
 - Up 56.6% compared to January 2023
 - Handle was up 20%
 - Retail Sportsbook: Top Sports
 - NFL was 37% of handle
 - NBA was 26% of handle
 - College Basketball was 25% of handle
 - Digital Sportsbook Taxable Revenue: -\$195,333.41
 - Handle was up 60%
 - Digital Sportsbook: Top Sports
 - NFL was 28% of handle
 - NBA was 27% of handle
 - College Basketball was 23% of handle
- January Recent/Upcoming Events and Promotions:
 - January 27 – Gas for a Year
 - January 28 – Big Game Getaway
 - February 3 – Race to Daytona 500
 - February 6 – Build Your Bonus
 - February 8 – PENN Millionaire Promotion
 - PENN Millionaire Slot Tournament – March 22, 2024
 - February 9 – Broken Hearts
 - February 11 – Super Bowl

- February 18 – Daytona 500 Even or Odd Drawings
- Super Bowl 2024
 - Biggest one day loss in the history of the retail sportsbook.
 - The digital sportsbook was a loss, but preformed better than last year.
- Semi-Annual Responsible Gambling Report
 - At the end of the reporting period, Hollywood Casino has a total of 478 employees. During the reporting period, 124 employees were hired.
 - Commissioner Turnquist asked if the number of active employees and new hires is typical for the facility. General Manager Garvey responded that the number of vacant positions has decreased, turnover did decrease in 2023 compared to 2022, anecdotally hiring numbers are up; new orientation trainings have more people in them than previous training sessions.
 - Of those new hires, 39 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. In addition, there were 11 existing employees who successfully completed refresher TiPS training.
 - 72 minors were refused entry to the casino
 - 1 minor gained access to the casino
 - 160 individuals were refused entry because of appearing intoxicated
 - 21 VEPs gained access to the casino
 - PENN Entertainment and Hollywood Casino participated in Responsible Gaming Education Month in September.
 - PENN Entertainment developed a promotion for the general public where they had the opportunity to review some responsible gaming content, take a brief quiz on that content, and be entered into a drawing for a chance to win a cruise for two on Norwegian Cruise Lines.
 - Chairman Moses asked how this promotion was received by the general public. General Manager Garvey responded that there was fair involvement on the property. It was the first year this has been done, so involvement may build over time. Compared to other PENN properties, the engagement was low. General Manager Garvey recalled a few hundred participants.
 - Hollywood Casino posted responsible gaming related signage throughout the casino and back of house areas. In addition, we held drawings and awarded prizes to our team members who completed responsible gaming related quizzes and word searches throughout the month.
- Chairman Moses asked if facility manager staff spoke with the casino employee prior to the HB2622 hearing to see if the concerns raised could be addressed internally. General Manager Garvey responded

that she met with the team member, and he provided general statistics to casinos, smoking in casinos, and the effects of smoking but they did not discuss anything specific to him personally or how those general concerns would result in any change at Hollywood Casino.

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

Jeff McKain, General Manager, reported:

- December 2023 admissions down 1.0% compared to December 2022
- December 2023 revenue numbers compared to December 2022:
 - Coin in down 0.7%
 - Table games drop up 4.3%
 - Net gaming revenue was down 1.4%
- December 2023 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$27,755.00
 - Down 25% compared to November 2023
 - Digital Sportsbook Taxable Revenue: \$3,324,727.00.
 - Down 1.4% compared to December 2022
- Events and Promotions:
 - December
 - *Jingle Bells Smash + Grab* promotions on Mondays
 - *Camp 49* promotions every Wednesday.
 - VIP event on Thursday the 14th.
 - *Cash is King* promotion Saturday the 30th.
 - Casino gifts every Sunday.
 - January
 - Casino Hot Seats every Monday.
 - *Camp 49* promotions every Wednesday
 - *Prize Wheel & Card Shark* promotions on Fridays.
 - VIP event on Friday the 19th.
 - *Players Edge Payouts* month end promotion Saturday the 27th.
 - Casino gifts on Sunday.
- January 2024 admissions down 11.0% compared to January 2023
 - General Manager McKain noted that the weather in January affected revenue much like the other facilities.
- January 2024 revenue numbers compared to January 2023:
 - Coin in down 7.8%
 - Table games drop down 2.9%
 - Net gaming revenue was down 15%
- January 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: -\$11,906.00
 - Down compared to January 2023's loss of -\$10,584

- Largest payout was \$25 9-leg parlay, which paid \$9,200.
 - Largest wager was a \$9,500 4-leg parlay, which did not win.
- Digital Sportsbook Taxable Revenue: \$969,467.00.
 - Down 17% compared to January 2023
- Events and Promotions:
 - January
 - Casino Hot Seats every Monday.
 - *Camp 49* promotions every Wednesday
 - *Prize Wheel & Card Shark* promotions on Fridays.
 - VIP event on Friday the 19th.
 - *Players Edge Payouts* month end promotion Saturday the 27th.
 - Casino gifts on Sunday.
 - February
 - Player Edge hot seats every Monday.
 - *Camp 49* promotions every Wednesday
 - *Rolling in the Dough* tables games promotion on Fridays.
 - *Love is the Spin* on Saturdays.
 - VIP event on Saturday the 16th.
 - *Players Edge Payouts* promotion Saturday the 24th.
 - Casino gifts on Sunday.
- Super Bowl 2024
 - Handle was \$176K on the digital sportsbook.
 - The retail sportsbook had a loss of -\$63,000, up compared to prior year's loss of -\$72,000.
 - The digital sportsbook handle was close to flat, \$3M compared to \$3.2M last year.
 - The digital sportsbook lost \$1M less than prior year.
- Chairman Moses asked how many “competing” casinos are in the immediate area of Kansas Crossing Casino. General Manager McKain responded that Down Stream, Buffalo Run, Indigo Sky, and Quapaw are the four closest casinos. Chairman Moses followed up by asking what the radius from Kansas Crossing was for those casinos. General Manager McKain responded that they were about forty-five minutes, or less, away, adding that Hollywood Casino is two hours away.
- Semi-Annual Responsible Gambling Report
 - 201 active team members as of January 01, 2024
 - Commissioner Turnquist asked if the number of active employees and new hires is typical for the facility. General Manager McKain responded that it is getting better, but turnover is still high; last year it was in the mid-fifties. Like

Hollywood Casino, roughly twice as many people are in the cohort going through new hire orientations. One of the goals for the facility is to increase its retention. A new onboarding program has been created to strengthen the facilities ability to retain employees. Most issues are seen in the Food and Beverage department.

- 1 inactive team member (on leave)
- Out of 125 team members requiring TIPS training:
 - 27 new hires have required certification (hired since 7/1/2023)
 - 0 are pending certification
 - 0 need TIPS Class
 - 2 team members are certified trainers
- All team members received Responsible Gambling training in 2023
- Kansas Crossing participated in Responsible Gambling Education Month in September 2023. KCC had activities to improve team member knowledge and stress the importance of Responsible Gambling for the casino and the community.
- 96 Minors were refused entry attempting to enter the casino floor
- 3 Minor was ejected from the casino floor
- 24 Patrons seemingly impaired were refused entry to the casino floor
- 32 Patrons seemingly impaired were ejected from the casino floor
- 5 VEPs were removed or excluded from the casino floor
- 64 InvAllid IDs were refused entry to the casino floor
- 391 No IDs were refused entry to the casino floor

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

Scott Beeler, Golden Circle Representative, reported:

- Mr. Beeler introduced Courtney Barnaby, a new member of the Golden Circle executive team. Mr. Beeler noted that there should be another person attending, but they were sick; Tim Merrill. Tim Merrill has several decades of experience in the gaming industry, most recently with Maverick gaming in Washington, but in the past has worked with The Venetian and The Palazzo in Las Vegas. Mr. Merrill also has experience with The Venetian's operations in China. Golden Circle is still working out who will hold what titles but wanted to introduce the individuals to the commission.
- The demolition needed for the construction project is nearly complete. The new foundation for Gilley's has been poured. The excavation for the northside building extension is underway. All the design work has been completed and approved by Park City.
- Mr. Ruffin Sr. decided to add 5,000sq.ft. to the building that will be new meeting space. It is there to do player parties monthly, and available to rent for the public.

- Chairman Moses asked if the new meeting space would be intended to be used by the public for private meetings such as homecomings, proms, etc. Mr. Beeler responded that those specific events would not be likely due to the age restrictions of the facility, but that he does not believe that is the intention of the space. Chairman Moses followed up by asking if Mr. Beeler anticipates that space being used more for public meetings and hosting civic groups. Mr. Beeler confirmed that was accurate.
- No new information to report regarding the Golden Circle Charity Board. Tony Porter, the most recent addition to the board, is still moving through the appointment process. The board is considering adding a fifth member, but they are still undergoing the vetting process.
- Commissioner Turnquist asked how Mr. Beeler felt about the overall progress of the project. Mr. Beeler responded that progress has not moved at the pace they had hoped for, there have been some delays, but the good news is that the project has gotten beyond several of those and when you add to the project that adds time as well. All things being equal, Park City has been incredible to work worth. When things get out of your direct control and in the hands of designers, engineers, and architects, their schedules all get involved, the next thing you know you are delayed. So, a little slower than we had hoped.
- Chairman Moses asked if the anticipated opening date was still the same. Mr. Beeler confirmed it was.

COMMISSION ITEMS
– OLD BUSINESS (F.)

There was no old business.

COMMISSION ITEMS
– NEW BUSINESS;
ELECTION OF VICE
CHAIR AND
SECRETARY
(G.)

The Kansas Racing and Gaming Commission is required by state statute K.S.A. 74-8803(i) to annually elect a vice chair and secretary. Commissioner Jones is the current vice chair. Commissioner Turnquist is the current secretary.

Chairman Moses suggested that since there was a new commissioner, the positions remain for another year. Commissioner Fleming said that was a welcomed suggestion.

Chairman Moses (Jones) nominated Commissioner Turnquist as Secretary. The nomination carried unanimously. Chairman Moses (Turnquist) nominated Commissioner Jones as Vice Chair. The nomination carried unanimously.

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 months of December 2023 and January 2024 and the 2023 fourth-quarter illegal gambling report.

- Chairman Moses noted that the increased enrollment into the Sports Wagering Exclusion Program is emblematic of greater consumer education
- Chairman Moses noted that he has seen more public reporting of illegal gaming machines seized in the media and asked if that was a result of something KRGC is doing on the public relations side or greater awareness on the part of the media. Mr. Rogers responded that he could not provide a good answer to that question.

Government Relations Manager Randy Evans reported:

- SB432: Which limits sports wagering advertising on the internet. The legislature is trying to prohibit the targeting of minors, ineligible persons, and problem gamblers. Platforms are able to advertise to persons who are signed onto a platform and have an account. Mr. Evans says that he assumes that to mean while the person is signed onto the platform they can get banners, promos, and pop-ups to take advantage of. The legislation does not affect any marketing or advertising contracts that are in effect on July 1, 2024. Mr. Evans believes that the reason this bill came to be is because there were representatives who had minor children on a video game website who were receiving sports wagering advertisements. Mr. Evans recalls that there was another instance where an individual was on a medical website and was receiving sports wagering advertisements.
 - Chairman Moses asked if there has been a hearing on this bill. Mr. Evans confirmed that there had been one hearing. Chairman Moses followed up by asking if there were both proponents and opponents of the legislation. Mr. Evans confirmed there were. Chairman Moses asked if the committee has voted on the legislation. Mr. Evans responded that they had not.
 - Commissioner Turnquist asked which committee the bill is in. Mr. Evans responded that the bill is in the Senate Federal and State Affairs Committee.
 - Commissioner Fleming asked if Mr. Evans had a sense whether the bill would pass or not. Mr. Evans responded he

thinks that it will because it is prohibiting the targeting of minors and problem gamblers.

- SB458: Concerning the Kansas Civil Asset Forfeiture Act. The bill allows for the person who has their property seized to request a jury trial, changes from forty-five to fourteen days for the seizing agency to file a notice, it increases the burden of proof from preponderance of the evidence to clear and convincing, it allows for the agency to pay attorney's fees if they lose the case, and prohibits a referral or an adoption to the federal government.
 - Chairman Moses asked if there has been a hearing on this bill. Mr. Evans confirmed that there had been one hearing. Chairman Moses asked if it has come out of committee. Mr. Evans responded that they had not. Chairman Moses stated that he was confident there were both proponents and opponents. Mr. Evans confirmed that was accurate. Chairman Moses clarified that normally the KRGC is neutral on legislation and asked Mr. Evans if that is a fair statement. Mr. Evans responded that is true, but on this bill KRGC spoke about how the change to clear and convincing will make forfeitures more difficult because of the commingling of legitimate and illegal proceeds.
- HB2606: Is similar to SB458, the differences are that in the House bill the case can be referred to the federal government, it removes simple possession as a reason to seize, it requires a sworn affidavit before the seizure activity can start, and there is no jury trial.
 - Chairman Moses asked if there has been a hearing on this bill. Mr. Evans confirmed that there had been one hearing. Chairman Moses asked if it has come out of committee. Mr. Evans responded that they had not. Chairman Moses stated that he presumes that if both HB2606 and SB458 come out of committee and pass, they will go to Conference Committee. Mr. Evans confirmed that was accurate.
- HB2219: This allows for an itemized deduction on certain wagering losses for state income tax purposes. Currently you can write-off up to 100% of your losses on your federal taxes to offset any wins you may have. You cannot at this time write-off your gambling losses on your state taxes. Mr. Evans said that he does not believe this will get a lot of traction because the fiscal note reports that Kansans will have \$171M in gambling losses in tax year 2023. Which if they were allowed to right those off, would affect the state revenues in the general fund by almost \$9M.

- Chairman Moses asked if there has been a hearing on this bill. Mr. Evans responded that there has not.
 - Commissioner Turnquist asked which committee the bill is in. Mr. Evans responded that the bill is in the Committee on Taxation.
- SB393: Requires automated expungement of certain records from a person's criminal record to be sealed from public view and limit that disclosure. This bill is in the Judiciary Committee. This legislation really does not affect KRGK because the agency is listed as an exempt, as well as the Lottery and State Gaming.
 - Chairman Moses asked if there has been a hearing on this bill. Mr. Evans responded that there has not.
- HB2599: Regards open records requests, prohibiting charges for electronic copies and limiting the charges an agency can charge for employee time. Mr. Evans said that this legislation does not affect KRGK as the agency does not charge for records requests.
 - Chairman Moses asked if this legislation is one that the Attorney General is supporting. Mr. Evans responded that he believes it is a separate bill. Chairman Moses asked if there has been a hearing on this bill. Mr. Evans responded that there has not.
- HB2622: Amends the Kansas Indoor Clean Air Act to prohibit smoking on the gaming floor of a lottery gaming facility or racetrack gaming facility. Mr. Evans said that the fiscal note for this bill ranges from 4%-30% possible lost revenue. Assuming a 10% loss, this could mean a \$9.5M loss to the state's general fund. A reason listed is that casinos in Missouri, Oklahoma, and tribal casinos would continue to operate without the smoking ban. Mr. Evans reported that the bill has had one hearing and has not been scheduled for another.
 - Chairman Moses thanked Mr. Evans for letting the commissioners know in advance that this bill was having a hearing. Chairman Moses noted that there were representatives from Hollywood, Boot Hill, and Kansas Crossing but no one identified themselves as representing Kansas Star. Chairman Moses asked if KRGK is neutral on the legislation. Mr. Evans confirmed that the agency is neutral. Chairman Moses recalled that at least one legislator was attempting to compromise the issue. Commissioner Jones asked how the issue could be compromised. Chairman Moses responded that the discussion in committee was to provide a smoking area.

- Commissioner Jones said the fiscal note is considering the customers they will lose if they cannot smoke and asked if there was any consideration given to the customers casinos currently lose because they cannot stand smoking, and this may bring those people in. Mr. Evans responded that they did not specifically discuss that, but it is a good point. Mr. Evans recalled when visiting gaming facilities in Kentucky there were non-smoking areas, which were huge gaming floors with smoke filtering systems. Mr. Evans said that it is being assumed that no one will come gamble if they cannot smoke, but he recalls when the casinos switched from coins to ticket-in ticket-out systems opponents said that no one wants to play ticket-in ticket-out. Mr. Evans said that he believes that the legislature will try to work out some kind of compromise.
- Chairman Moses noted that he found the hearing interesting because both sides had good, well thought out, and substantive arguments for their positions. Chairman Moses recalled not thinking much about the issue of third-hand smoke which was brought up during the hearing. Chairman Moses said he also thought it was interesting when presenters talked about how no matter how many filtration systems there are, the casino employees are still at risk due to proximity to the smoker.

Executive Director Brownlee reported:

- Director of Administration, Audit, and Finance Brandi White was unable to attend the meeting, Executive Director Brownlee will provide the Budget Report.
- The bottom line of the KRGC budget has not changed from what Director White previously reported.
- There was a hearing last week on the KRGC budget. The Senate passed the budget out of committee as KRGC requested and as the Governor recommended. In the house committee, there was objection to the funding request for HHR. The proposed budget began being drafted last summer. To build the budget, staff began with the anticipated start date of HHR and worked backwards from there to build the budget for when staff would need hired. As you may recall last December, the opening date for that facility was pushed back considerably. On the house side, the committee thought, rightfully so, that KRGC does not need that money in the 2024 budget because the facility is not going to be open during FY

2024. And that is correct, so KRGC has no issue with that. Again because of the anticipated start date, the house committee did not believe KRGC needed a full year of funding for the 2025 budget. The committee recommended funding six out of the thirteen requested positions. That has been reported and passed out of Appropriation and Ways and Means, it still has not gone to the full floor. Executive Director Brownlee suspects that the budget will end up in a conference committee for the two sides to come together. Even if what ends up passing is the house version, KRGC does not anticipate that will have an overreaching affect on the agency. KRGC is a no-limit fee fund agency which means that basically because the agency's funding does not come from taxpayer money the agency has greater discretion. The Governor's Office's perspective is that because KRGC is a no-limit fee fund if the agency must come up with additional funding, they will support the agency's endeavor.

- Chairman Moses said that he watched the budget hearing testimony, and that Brandi did a wonderful job. She was able to maneuver through the challenges presented by the legislators when asking about the need for the HHR funding and is proud to have her as part of our team.
- On behalf of KRGC staff Executive Director Brownlee welcomed Commissioner Fleming.
- Commissioner Spalding had hoped to announce her departure during the January commission meeting, but unfortunately the meeting was canceled due to weather.
- On behalf of KRGC staff Executive Director Brownlee congratulates the Secretary and Vice Chair on their re-elections.
- On behalf of KRGC staff Executive Director Brownlee congratulates Alli Kuplen on her promotion to General Manager at Kansas Star. Also, as General Manager Kuplen mentioned, Doug Lang has also received a promotion and had hoped to share that with the commission during the January meeting.
- Executive Director Brownlee thanked Garrett Rogers and Randy Evans for their reports.
- During our executive session for backgrounds, you will meet Darrin Altenburg who is filling in for Director of Licensing and Sports Wagering DJ Lopez. Mr. Altenburg is the training manager and supervisor for the Topeka KRGC enforcement agents, those are the agents responsible for a good number of the background reports submitted to the commission each month.

- With us today also is the KRGC Supervising Agents from each of the four field offices. KRGC staff at each lottery gaming facility and they are tasked with law enforcement, regulatory enforcement, and background investigations for casino employees. The Supervising Agents are the front-line contact for KRGC with the casino. They deal with the immediate issues when someone cannot be reached at headquarters. Aaron Harvey is the Supervisor for Boot Hill Casino, Harry Spencer is the Supervisor for Kansas Star, Brett Jacobs is the Supervisor for Hollywood Casino, and Rick Wilson is the Supervisor for the Kansas Crossing Casino
 - Chairman Moses thanked the Supervising Agents on behalf of the commission.
- The next meeting is scheduled for March 15, 2024, in Pittsburg, Kansas at the Kanas Crossing Casino.
- Chairman Moses thanked Executive Director Brownlee for dealing with the issues and his service to the commission.

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

Commissioner Jones (Fleming) 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, enforcement agent supervisor Darin Altenburg. The total time for the executive session was anticipated to be ten (20) minutes until 11:55 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 11:35 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 11:55 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Fleming present.

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

Commissioner Jones (Fleming) 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, enforcement agent supervisor Darin Altenburg. The total time for the executive session was anticipated to be ten (10) minutes until 12:07 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 11:57 a.m.

RECONVENE
(J.4.)

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

Chairman Moses noted for the record that substantive discussion was ended at 12:07 p.m.

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

Commissioner Fleming (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 fifteen (15) minutes until 12:25 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
(K.2.)

The commission meeting returned to open session at 12:28 p.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Fleming present.

Chairman Moses noted for the record that substantive discussion was ended at 12:25 p.m.

MOTIONS ON
LICENSE
APPLICATIONS
(L.)

Commissioner Turnquist (Jones) moved to *deny four* license application, *table one* license application, and *approve the remaining 331* license applications from the February 16, 2024, list of background reports referred to the commission for action. The motion carried 4-0.

OTHER BUSINESS
(M.)

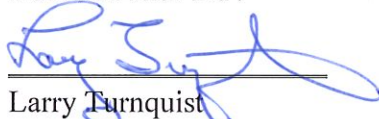
There were no other items for discussion or motion.

ADJOURNMENT
(N.)

Chairman Moses stated that the March 15, 2024, commission meeting will begin at 10:00 a.m. for an in-person meeting at the Kansas Crossing Casino in Pittsburg, Kansas.

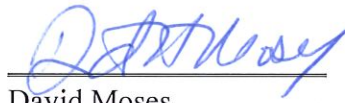
Commissioner Jones (Fleming) moved to adjourn the meeting. Motion passed 4-0. The meeting was adjourned at 12:30 p.m.

SUBMITTED BY:



Larry Turnquist
Secretary

APPROVED BY:



David Moses
Chairman