

KANSAS RACING AND GAMING COMMISSION

MINUTES – JUNE 14, 2024

CALL TO ORDER (A.)

Chairman David Moses called the June 14, 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 and the agency's social media pages. Commissioners Brandon Jones, Larry Turnquist, and Mike Fleming were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of IT&C-s Dennis Bachman, Director of Security Roger Bailey, and other staff.

MOTION, APPROVE AGENDA (B.)

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

MOTION, APPROVE May 17, 2024 MEETING MINUTES (C.)

Commissioner Fleming (Turnquist) moved to approve the minutes of the May 17, 2024, meeting. Motion carried 4-0.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Turnquist (Jones) 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:

- May 2024 revenue numbers compared to May 2023:
 - Total gaming revenue increased 4.63%
 - Total slot revenue was up 3.54%
 - Table games revenue was up 14.76%
- May 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$11,745.00
 - Down 71.49% from May 2023.
 - Digital Sportsbook Revenue: \$4,431,064.00
 - Up 2.52% from May 2023
 - May Top Events
 - Royals vs Twins
 - Royals vs Rays
 - Canelo vs Munguia
 - May Top Sports
 - MLB was 51% of handle
 - NBA was 28% of handle
- Upcoming Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Promotions
 - Slot Tournament Sundays
 - Off Road Adventure Giveaways with Dodge City Days

- VIP Promotions
- Upcoming Entertainment & Events
 - Lonestar – July 7
 - Dodge City Days Concert – July 27
 - Sesame Street Live – July 29
 - Let the Good Times Rock – August 17
 - Felipe Esparza – August 24
 - Lost Tucanes De Tijuana – August 30
 - Roots & Boots – November 8
- Assistant General Manager Deutsch noted that harvest is about to begin in south wester Kansas. January through May the area had just over two inches of rain, where the historical average is about six and a half inches, but over the last 10-days the area has had just over six inches of rainfall.
- General Manager Deutsch reported that the sportsbook did have pre-live wagering option for the Wichita Open Tournament.
 - Chairman Moses noted that Sam Stevens is playing because he was not able to attend the US Open. Assistant General Manager Deutsch explained that he imagines that he would be a strong favorite and that if there were a lot of handle, he would take the majority as the local kid.
- Chairman Moses noted that the advertisements for the Gabby Barrett also show she will be appearing at the Kansas Star. Assistant General Manager Deutsch confirmed that the artist was appearing at the Kansas Star first because it was an easier route.

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

Justin Willenbrink, Director of Table Games, reported:

- May 2024 revenue numbers compared to May 2023:
 - Total gross gaming revenue was increased 9.2%
 - Total slot revenue up 5.4%
 - Table games revenue up 28.8%
- May 2024 Sports Wagering revenue
 - Retail Sportsbook Revenue \$143,600.00.
 - Up compared to May 2023's revenue of \$130,100.00.
 - Digital Sportsbook Revenue: \$4,970,000.00
 - Up from May 2023's revenue of \$3,480,000.00.
- May 2024 Sports Wagering
 - \$51.3 million was wagered on FanDuel online.
 - There were 7,681 bets made in person at FanDuel retail.
 - The total handle in retail was \$748k for May.
 - The largest wager in retail was a \$10,000 straight wager on the St. Louis Cardinals in Major League Baseball. The wager was a winner and paid out \$15,434.
 - Our largest customer in retail wagered \$101,287 for May. This customer lost \$12,316 in the month.
 - NBA and MLB were the most bet on sports in May.

- UFC301 did very well on May 4 with a standing room only crowd at KSC.
- Upcoming Events and Promotions:
 - Double Down | Friday and Saturdays
 - VIP Hot Seats | Saturday, June 1, 8, 15, 22, 29 | 5p-8p
 - Sweet Treats Earn and Get Kiosk Game | Thursdays in June | 10am – 11:59pm
 - Brookstone 3-pc Cutting Board Gift Giveaway | Friday, June 7 | 4p-9p
 - Bamboo Cooking Utensils Gift Giveaway | Friday, June 14 | 4p-9p
 - Bamboo Serving Bowl Gift Giveaway | Friday, June 21 | 4p-9p
 - Bamboo Lazy Susan Gift Giveaway | Friday, June 28 | 4p-9p
 - LED Beanbag Outdoor Toss Gift Giveaway | Friday, June 24 | 4p-9p
- Upcoming Entertainment & Events:
 - Southern Plains Wrestling | Arena | July 1 – July 2
 - KMCA Truck Driving Competition | Arena | June 5 – June 8
 - Live DJ 70's Theme | Casino Floor | June 8 & June 22
 - Alzheimer's Convention | Arena | June 10 – June 12
- Chairman Moses asked how the ticket sales for Gabby Barrett were. Director Willenbrink responded that he did not have that information but could provide it the commissioners after the meeting.
- Chairman Moses noted that the facility is running noticeable advertisements in local media. Director Willenbrink explained that the Marketing team is always trying to mix things up and keep things fresh.
- Chairman Moses asked if this was the month of the GM cruise. Director Willenbrink confirmed it was.

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

Lydia Garvey, General Manager, reported:

- May 2024 admissions were up 4.3% compared to May 2023
- May 2024 revenue numbers compared to May 2023:
 - Total gross gaming revenue increased 16%
 - General Manager Garvey noted that this was the best May in the history of the property.
 - Slot revenue increased 14.9%
 - Table games revenue increased 26.9%
- May 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$388,132.00
 - Flat compared to May 2023
 - Handle was up 93% compared to last year, but hold was down substantially.
 - The May NASCAR event had 1,429 wagers and a total handle of about \$110,000. The facility lost \$24,000 on the May races. Though it was not good for the sportsbook, it was

good for the property; there were increased promotional activities and additional digital advertising.

- Retail Sportsbook: Top Sports

- NBA was 33% of handle
 - MLB was 40% of handle
 - NHL was 7% of handle

- Digital Sportsbook Taxable Revenue: \$993,728.00

- Up 79.2% compared to May 2023
 - Handle was up 63%

- Digital Sportsbook: Top Sports

- MLB was 36% of handle
 - NBA was 32% of handle
 - NHL was 5.3% of handle

- May Recent/Upcoming Events and Promotions:

- July 1 - \$500 every 15 Minutes

- July 8 – VIP Mystery Drum

- July 12 – Kansas Lottery Summer Scratch Off

- July 21 – Hollywood Hot Seats

- July Tier Renewal Drawings

- Christmas in July

- General Manager Garvey introduced new additional to the facility's leadership team; Pat Murphy joined as CFO and Vice President of Finance and Ryan Rose joined Vice President of Gaming Operations. Chairman Moses welcomed the new additions.

- Commissioner Turnquist asked if the facility was actively involved in the lobbying for the Kansas City Chiefs to come to Kansas. General Manager Garvey explained that they are not actively involved but are anxiously waiting to see what will happen in the legislature with the Star Bonds.

- Commissioner Fleming asked what it would mean for the facility if Missouri were to pass sports wagering. General Manager Garvey responded saying that it will definitely have an impact of them, and the facility has been aware of this potential, so the property has focused on building loyalty with the existing patrons. The facility is also using its digital sportsbook to get online customers to come and visit the facility.

- Commissioner Fleming asked if there was any organized opposition to the effort. General Manager Garvey responded that there is not a substantial opposition, but there have been concerns regarding responsible gaming.

- Chairman Moses noted that KU Basketball will be playing some of their games near the facility. General Manager Garvey said that the facility reached out to KU to see if there was interest in partnering, but the cost to partner is too high. Chairman Moses asked if the facility would do any independent marketing. General Manager Garvey said that the facility will try and take advantage of the crowd.

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

Jeff McKain, General Manager, reported:

- May 2024 admissions decreased 7% compared to May 2023
- May 2024 revenue numbers compared to May 2023:
 - Coin in increased 5.2%
 - Table games drop decreased 11%
 - Net gaming revenue was up 3.3%
- May 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: -\$39,858.00
 - Down compared to May 2023's revenue of \$106,328.00.
 - Top three handle sports were NBA, MLB, and tennis
 - The largest winning wager was a 2-leg parlay on PGA and NHL that wager paid \$13,047.
 - The largest losing wager was on NBA and was for \$16,500.
 - Digital Sportsbook Taxable Revenue: \$956,719.00.
 - Up 7.1% compared to May 2023's revenue
 - Handle was up 6.7%
- Events and Promotions:
 - May
 - Casino Hot Seats every Monday.
 - Casino kiosk games every Tuesday
 - Camp 49 promotions every Wednesday.
 - Table Games Card Shark promotion on Fridays.
 - VIP event on Saturday the 17th.
 - Players Edge Payouts (hot seats) promotion Saturday the 25th.
 - Casino gifts on Sunday.
 - The Mixtapes concert will be on the 30th.
 - June
 - Casino Hot Seats every Monday.
 - Camp 49 promotions every Wednesday.
 - Hot Seats every Friday
 - Cash Climb promotion every Saturday
 - VIP event in the Corral on Saturday the 15th.
 - Casino gifts on Sunday.
 - Concerts included Kolby Cooper 14th, Thomas Mac 20th, and Tigerlilly Gold 22nd.
- Covid-19
 - Zero cases in May, and no cases so far in June.
- Commissioner Fleming asked after the NBA season is over if it is a slow time of year for sports wagering. General Manager McKain explained that it is and that when they partnered with Caesars

Sportsbook for their retail location, Caesars staff noted that there would be seasonality to the wagers.

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

Scott Beeler, Golden Circle Representative, reported:

- The charity board has selected the fifth and final board member. Maria Ruiz-Heimerman, a sergeant with the Wichita Police Department, was selected and has submitted her background to KRGC staff.
 - Chairman Moses asked if Sergeant Ruiz-Heimerman is on the patrol side or another division of the department. Mr. Beeler responded that he does not know. Chairman Moses noted that the commission would learn more once her background was reviewed.
- Tim Merrell has been selected as the General Manager, and Courtney Barnaby will be the Executive Vice President. Shane Bollinder has been selected as the Assistant General Manager and Chris Brandt will be the Director of Operations. All four individuals are in the process of finalizing their submittal packets for backgrounding and licensing. Those are due by July 1 and the Golden Circle executive team is on target to submit by the deadline.
- Construction continues as scheduled and at budget. A link was created and submitted to KRGC that will allow staff to review the full site plans at any time.

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.)

Judith Taylor, General Counsel, reported on both the Voluntary Exclusion Program and Sports Wagering Exclusion Program statistics for May 2024.

Executive Director Brownlee reported:

- The legislature will be coming back to town for Special Session next week on June 18th. The topic of Special Session will be the reduction of taxes. There has been reports that there is some agreement between both sides of the aisle. There is also rumor that the ability to lure the Kansas City Chiefs to the Kansas side of the border.
- The next meeting is scheduled for July 12th in Topeka.

- Chairman Moses said that he resolved his scheduling conflict and would be able to attend the meeting.

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, director of security. The total time for the executive session was anticipated to be eighteen (18) minutes until 10:40 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 10:22 a.m.

RECONVENE
(K.2.)

The commission meeting returned to open session at 10:43 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Fleming present.

Chairman Moses noted that the commission did return to open session at 10:40 a.m., but there was a delay in announcing the return.

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 thirty (30) minutes until 11:15 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 10:45 a.m.

RECONVENE
(K.2.)

The commission meeting returned to open session at 11:15 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Fleming present.

MOTIONS ON
LICENSE
APPLICATIONS
(L.)

Commissioner Turnquist (Jones) moved to *deny six* license applications, *conditionally approve two* license applications, and *approve the remaining 181* license applications from the June 14, 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 July 12, 2024, commission meeting will begin at 10:00 a.m. for an in-person meeting at the Eisenhower State Office Building in Topeka, Kansas.

SUBMITTED BY:

Larry Turnquist

Larry Turnquist
Secretary

Commissioner Jones (Turnquist) moved to adjourn the meeting. Motion passed 4-0. The meeting was adjourned at 11:17 a.m.

APPROVED BY:

David Moses

David Moses
Chairman