

KANSAS RACING AND GAMING COMMISSION

MINUTES – JULY 12, 2024

CALL TO ORDER

(A.)

Chairman David Moses called the July 12, 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, Director of Sports Wagering and Licensing DJ Lopez, Government Relations Managers Randy Evans, and other staff.

MOTION, APPROVE AGENDA

(B.)

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

MOTION, APPROVE June 14, 2024 MEETING MINUTES

(C.)

Commissioner Jones (Turnquist) moved to approve the minutes of the June 14, 2024, meeting. Motion carried 4-0.

MOTION, APPROVE CONSENT AGENDA

(D.)

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

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT

(E.1.a.)

Diane Giardine, General Manager, reported:

- June 2024 revenue numbers compared to June 2023:
 - Total gaming revenue decreased 1.34%
 - Total slot revenue was up 2.08%
 - Table games revenue was down 28.21%
- June 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$10,502.76
 - Up 31.11% from June 2023.
 - Handle was up 216%
 - Digital Sportsbook Revenue: \$4,716,618.98
 - Up 262.44% from June 2023
 - Handle was up 58% and hold was up 129%
 - June Top Events
 - NBA Finals
 - Padres vs Royals
 - June Top Sports
 - MLB had 53.8% of handle
 - Euro 2024 had 10.6% of handle
 - UFC had 9.7% of handle
 - NBA had 7.6% of handle
- Upcoming Events and Promotions:

- Weekly Kiosk Games
- Weekly Food and Beverage Specials
- Gift Promotions
- Off Road Adventure Giveaways with Dodge City Days
- VIP Promotions
- Upcoming Entertainment & Events
 - Clay Walker – July 5
 - Dodge City Days Concert – July 27
 - Sesame Street Live – August 29
 - Let the Good Times Rock – August 17
 - Felipe Esparza – August 24
 - Los Tucanes De Tijuana – August 30
 - KC & The Sunshine Band – September 19
 - Roots & Boots – November 8
 - ZZ Top – November 23
- Semi-Annual Responsible Gambling Report
 - 238 active employees as of June 30, 2024
 - 58 hired during the reporting period
 - 54 new hires have taken TIPS testing during the reporting period
 - 27 existing employees have recertified their TIPS testing for another 3-year period
 - All active employees are scheduled to take annual refresher training for TIPS/Responsible Alcohol Service by the 4th Quarter of 2024
 - BHCMC, LLC has two certified TIPS Trainers on property
 - 56 new hires have taken Responsible Gaming during the reporting period
 - All active employees are scheduled to take annual refresher training for Responsible Gaming during the 4th Quarter of 2023
 - 0 VEPs were refused entry to the casino floor
 - 9 VEPs were removed from the casino floor
 - Commissioner Turnquist asked for clarification on why nine VEPs were removed from the casino floor and zero were refused entry. General Manager Giardine explained that VEPs are found on the casino floor whenever a jackpot is won, and their ID is checked.
 - Chairman Moses asked a follow-up question inquiring what is done with the money that is seized from VEPs. General Manager Giardine explained that once the facility confirms the winnings are owed to a VEP the funds are turned over to the KRGC.
 - 7 individuals were refused entry because they appeared intoxicated
 - 32 individuals were removed because they appeared intoxicated
 - 116 minors were refused entry to the casino floor

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

- 0 minor was removed from the casino floor
- 412 individuals were denied entry for not having an ID
- 261 individuals were denied entry for having an invalid ID

Alli Kuplen, General Manager, reported:

- June 2024 revenue numbers compared to June 2023:
 - Total gross gaming revenue was increased 2.13%
 - Total slot revenue down 0.89%
 - Table games revenue up 25.24%
- June 2024 Sports Wagering revenue
 - Retail Sportsbook Revenue \$60,000.00.
 - Down compared to June 2023's revenue of \$73,000.00.
 - Handle was down, but hold was 22% compared to 15% prior year.
 - Digital Sportsbook Revenue: \$3,860,000.00
 - Up from June 2023's revenue of \$1,970,000.00.
- June 2024 Sports Wagering
 - \$39.9 million was wagered on FanDuel online.
 - The total handle in retail was \$536k for May.
 - The largest wager in retail was a \$7,000 straight wager on Gervonta Davis to win his boxing match in rounds 7-12. The wager was a winner and paid out \$15,750.
 - MLB was the most popular sport in June.
 - UFC302 did very well on June 29 with a standing room only crowd at KSC.
 - Our new promotion "Home Ticket Blitz" has been very popular with the customers in retail.
- Upcoming Events and Promotions:
 - Double Down | Friday and Saturdays
 - Summer Sit & Go Slot Tournaments | Thursdays in July | 5p-8p
 - Stars & Stripes Mystery Scratcher | Saturday, July 6 | 2pm – 8pm
 - Host Make A Deal | Saturday, July 13, 20, 27 | 7pm – 8:30pm
 - Ovente Sleeping Bag Gift Giveaway | Friday, July 5 | 4p-9p
 - Truoutdoors Camping Table Gift Giveaway | Friday, July 12 | 4p-9p
 - Truoutdoors Portable Gas Burner Gift Giveaway | Friday, July 19 | 4p-9p
 - Ovente Camping Tent Gift Giveaway | Friday, July 26 | 4p-9p
- Upcoming Entertainment & Events:
 - Maddie & Tae Concert | Arena | July 19
 - Gabby Barrett Concert | Arena | July 25
 - Live DJ 90's Theme | Casino Floor | July 13 & July 27
- Semi-Annual Responsible Gambling Report

- During the first half of 2024, Kansas Star Casino processed 123 new team members through new hire orientation, Responsible Gaming, and Alcohol Awareness trainings.
- 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. A total of \$1112.00 was spent on ServSafe training and online services.
- In the first half of 2024, 160 team members took the ServSafe training, and 0 team members failed.
- The Kansas Star Casino has 3 Responsible Gaming Trainers on property.
- As of June 30, 2024, Kansas Star Casino had 605 active team members.
- Underage individuals denied gaming floor access: 125
- People denied access for not having ID: 406
- People denied for invalid ID: 315
- Intoxicated individuals denied gaming floor access: 93
- VEPs denied access to the gaming floor: 11
- There were 254 intoxicated individuals ejected from the casino.
- 9 VEPs were removed and turned over to the KRGC and the Mulvane Police Department
- 1 underage person was caught and ejected from the casino
 - Chairman Moses asked if the General Manager found that minors are able to get in because of fake IDs or is there another reason. General Manger Kuplen responded that in many cases they are using fake IDs and some are literally scaling walls that separate arena events and the gaming floor.
- 105 persons were removed and 16 excluded from the casino for a variety of other reasons.
- During the first half of 2024, there were 633,656 guests who entered the casino floor. Security team members checked 82,740 IDs. In addition, 70 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.

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

Lydia Garvey, General Manager, reported:

- June 2024 admissions were down 2% compared to June 2023
- June 2024 revenue numbers compared to June 2023:
 - Total gross gaming revenue increased 5.1%
 - Slot revenue increased 6.4%
 - Table games revenue decreased 4.9%
- June 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$266,964.00
 - An increase of 5.1% compared to June 2023
 - Handle was up 60% compared to prior year.
 - Hold was 7.7% compared to 11.5% compared to prior year.
 - Retail Sportsbook: Top Sports
 - The US Open was the single event with the most money wagered.
 - MLB was 54% of handle.
 - NBA was 11% of handle.
 - Hockey was 4% of handle.
 - Digital Sportsbook Taxable Revenue: \$652,311.00
 - Up 17.7% compared to June 2023
 - Handle was up 60% compared to last year.
 - Hold was at 11%.
 - Digital Sportsbook: Top Sports
 - MLB was 54% of handle.
 - NBA was 7.8% of handle.
 - WNBA was 4.1% of handle.
- June Recent/Upcoming Events and Promotions:
 - June Tier Renewal Drawings
 - Christmas in July
 - July 11 – Friends with Benefits
 - Chairman Moses asked what the Friends with Benefits promotion is. General Manager Garvey explained that the promotion allows winners to bring friends who also have the casino app to claim a prize.
 - July 12 – Kansas Lottery Summer Scratch Off
 - July 20 – Cars and Cigars
 - July 26 – Sportsbook Summer Games
 - August 1 – Kickoff to Football Celebration
- Semi-Annual Responsible Gambling Report
 - At the end of the reporting period, Hollywood Casino has a total of 457 employees. During the reporting period, 154 employees were hired.
 - Of those new hires, 57 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 13 existing employees who successfully completed refresher TiPS training.
 - 58 minors were refused entry to the casino.
 - 3 minors gained access to the casino.

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

- 128 individuals were refused entry because of appearing intoxicated.
- 5 VEPs gained access to the casino.

Jeff McKain, General Manager, reported:

- June 2024 admissions decreased 12% compared to June 2023
 - General Manager McKain explained that the majority of this decrease was due to entertainment lineup, last year there was an outdoor concert and two sold-out corral shows.
- June 2024 revenue numbers compared to June 2023:
 - Coin in decreased 3.3%
 - Table games drop decreased 21%
 - Net gaming revenue was down 2.8%
- June 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: -\$37,801.00
 - Down compared to June 2023's revenue of \$26,534.00.
 - Retail wagers were \$616,841 vs \$238,429.
 - Digital Sportsbook Taxable Revenue: \$875,007.00.
 - Up 5.3% compared to June 2023's revenue
 - The largest winning wager received \$10,052 and was a 2-leg parlay that included the NBA and NCAA Baseball.
 - Digital Sportsbook: Top Sports
 - 1. NCAA Baseball
 - Chairman Moses asked General Manager McKain why NCAA Baseball was so much of handle. General Manager McKain responded that the college world series was very popular for the facility's sports books.
 - 2. MLB
 - 3. NBA
- Events and Promotions:
 - 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.
 - July
 - Casino Hot Seats every Monday.
 - Gifts promotion every Tuesday.

- Camp 49 promotions every Wednesday.
- Mine Shaft promotion every Friday.
- VIP event in the Corral on Saturday the 20th.
- Casino gifts on Sunday.
- Concerts included Maddie and Tae 13th, and Aaron Lewis 27th.
- Covid-19
 - Zero cases in June, and no cases so far in July.
- Semi-Annual Responsible Gambling Report
 - 199 active team members as of July 01, 2024
 - 64 team members hired since January 01, 2024
 - 2 inactive team members (on leave)
 - Out of 145 team members requiring TIPS training:
 - 22 new hires have required certification (hired since 1/1/2024), 7 team members have been re-certified.
 - 0 are pending certification
 - Alcohol training class is held during weekly new hire orientation and monthly for re-certification.
 - All team members received Responsible Gambling training in 2024
 - 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 2024. KCC had activities to improve team member knowledge and stress the importance of Responsible Gambling for the casino and the community. Front of house and back of house signage was displayed to further educate guests and team members.
 - 137 Minors were refused entry attempting to enter the casino floor
 - 4 Minors were ejected from the casino floor
 - 16 Patrons seemingly impaired were refused entry to the casino floor
 - 33 Patrons seemingly impaired were ejected from the casino floor
 - 2 VEPs were removed or excluded from the casino floor
 - 79 Invalid IDs were refused entry to the casino floor
 - 397 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:

- That construction continues on the facility, this month the roof is on. The steel work has been completed. For first time driving up the highway you can now see the facility.
- On July 1st, 2024, the applications for VP of Ruffin Gaming Courtney Barnaby, General Manager Tim Merril, Assistant General Manager Shane Bolinder, Executive Director of Operations Chris Brant were all submitted to KRGC staff.
- Applications will be coming quickly from a handful of Treasure Island employees to build out the IT platform for the whole project.
- The facility is nearly ready to submit HHR operating system vendors and the customer relations management contracts are about to be submitted for review.

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 statistics for June 2024 and the Quarterly Illegal Gambling Report.

Randy Evans, Government Relations Manager, reported:

- The U.S. Supreme Court has decided not to hear a case from Florida involving the Seminole Tribe and the State of Florida. The case regarded the Seminole Tribe's ability to conduct sports wagering on reservation land at a retail sportsbook as well as mobile sports wagering throughout the state. A lower court ruled that the tribe could not offer mobile sports wagering throughout the state. The tribe appealed the decision and won in appellate court. Casino operators requested that the case be heard by the U.S. Supreme Court and the court declined. Currently, the Seminole Tribe is able to offer their mobile sportsbook throughout the state so long as the server is on the reservation. The Prairie Band Potawatomi Nation is in a similar circumstance as they currently have a retail sportsbook operating on reservation land, but their statewide mobile sportsbook has not yet launched. As a result of this case, Mr. Evans believes that the Prairie Band Potawatomi Nation will soon launch their statewide mobile sportsbook, which could affect the lottery gaming facilities.

- Chairman Moses asked if this was a state or federal case. Mr. Evans responded that he believes it was a federal case.
- Chairman Moses asked if this was the result of legislation or administrative regulation. Mr. Evans explained that Florida and the Seminole Tribe renegotiated the compact to allow “spoke and hub”, meaning that as long as the server is on the reservation the mobile sportsbook can be offered throughout the state. Chairman Moses asked if the current rules for the Prairie Band Potawatomi Nation are similar enough to the rules for the Seminole Tribe that they can just move forward or will they need to seek some kind of approval. Mr. Evans responded that he believes that the rules are similar enough that the Prairie Band Potawatomi Nation can just move forward. Mr. Evans further explained that last legislative session the legislature amended the section of the compact regarding sports wagering.
- The Missouri sports wagering ballot initiative needs 180,000 signatures to appear on the ballot. The Missouri Secretary of State reports that the petition has over 400,000 signatures. The Secretary of State’s office has until July 30th to certify at least 180,000 signatures. Mr. Evans said that Missouri Secretary of State staff told him that the measure would appear on the ballot. The group that is supporting this measure is required to submit their financial statement of their donors and fundraising activities by July 17th. Mr. Evans that Missouri Secretary of State staff told him that so far Draft Kings donated \$2 million, and Fan Duel donated \$4 million to this group. Mr. Evans says that he believes that after the certification of the signatures the ad campaign for this measure will begin. Mr. Evans noted that a previous poll of Missourians’ opinion on sports wagering showed that there was a 60/40 split in favor of sports wagering, but last week another poll was done that offered an “undecided” option and those results came back nearly even between “yes”, “undecided”, and “no”.
- Commissioner Fleming asked if Mr. Evans anticipates any organized opposition? Mr. Evans responded that so far there has not been any organized opposition. Commissioner Fleming commented that once the ad campaign begins that may move numbers. Chairman Moses noted that the results suggest that when pressed the undecided respondents more often break with the “yes” voters than the “no” voters.
- Chairman Moses asked if they have drafted the ballot question yet. Mr. Evans responded not that he was aware.

- Commissioner Fleming asked if Missouri passes a sports wagering ballot initiative does Mr. Evans anticipate that legislature do anything in response. Mr. Evans responded that he does not know what the legislature will do once they are back in session.
- Commissioner Turnquist asked if there were any summer interim committees that could affect the commission. Mr. Evans responded that there has not yet been, but staff are watching to see if the topic of fantasy sports is taken up.

Executive Director Brownlee reported:

- In an article by Focus Gaming News, it is reported that Kansas gaming in May was up 11% over last year. All four lottery gaming facilities had an increase in revenue during May. Sports wagering during that month brought in \$172 million of revenue for the state. The Kansas share of sports wagering for fiscal year 2024 was \$11.7 million. Sports wagering brought in \$8.8 million for the Attracting Professional Sports to Kansas Fund, which bring the total of that fund to \$12.9 million.
- KRGC staff has recently had contact from representatives from the horsemen's group. They are wanting to discuss getting the Kansas Breeders Program going again. There are scheduled meetings in the next couple of weeks to get an idea of what their ideas are and where they are planning to go.
 - Commissioner Turnquist asked if there is a limit to the number of horsemen groups there can be. Executive Director Brownlee explained that the horsemen group will be associated a parimutuel facility. There were multiple groups in the past when there were multiple parimutuel facilities. The approval of the horsemen group will come from the commission.
- KRGC is in the process of bolstering the number of background investigators here in Topeka due to the number of vendor licensing applications. Gaming companies are buying out other gaming companies which requires KRGC to do backgrounding on the new company structures. To increase the number of background investigators KRGC is transferring two field agents into the Topeka office.
- The next commission meeting is scheduled for August 16th here in Topeka. Executive Director Brownlee noted that commissioners have been clear about wanting to have a few meetings a year at the facilities and asked if they had a preferred month they would like to travel. Chairman Moses said that he would defer to the Executive

Director on when and where it would be appropriate. All of the commissioners agreed to allow staff to coordinate the time and location of the meeting.

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

Commissioner Fleming (Jones) moved that the Commission go into executive session for the purpose of reviewing confidential background reports presented today by the commission's security division. In addition to the commissioners, the confidential background reports portion included the executive director, general counsel, director of security. The total time for the executive session was anticipated to be fifteen (15) minutes until 11:05 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 10:50 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 11:05 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Fleming present.

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

Commissioner Fleming (Jones) moved that the Commission go into executive session for the purpose of reviewing confidential background reports presented today by the commission's security division. In addition to the commissioners, the confidential background reports portion included the executive director, general counsel, director of security. The total time for the executive session was anticipated to be ten (10) minutes until 11:16 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 11:06 a.m.

RECONVENE
(J.4.)

The commission meeting returned to open session at 11:16 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Fleming present.

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

Commissioner Jones (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, and staff attorney James Bain. After discussion, the total time for the executive session was anticipated to be seventy-four (74) 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 10:45 a.m.

RECONVENE
(K.2.)

The commission meeting returned to open session at 11:16 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Fleming present.

MOTIONS ON
LICENSE
APPLICATIONS
(L.)

Commissioner Turnquist (Fleming) moved to *deny seven* license applications and *approve the remaining 161* license applications from the July 12, 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 August 16, 2024, commission meeting will begin at 10:00 a.m. for an in-person meeting at the Eisenhower State Office Building in Topeka, Kansas.

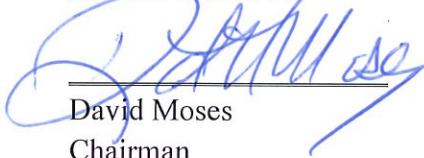
SUBMITTED BY:


Larry Turnquist

Secretary

Commissioner Fleming (Jones) moved to adjourn the meeting. Motion passed 4-0. The meeting was adjourned at 12:32 p.m.

APPROVED BY:


David Moses
Chairman