

KANSAS RACING AND GAMING COMMISSION

MINUTES – AUGUST 16, 2024

CALL TO ORDER (A.)

Chairman David Moses called the August 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 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 Jones (Fleming) moved to approve the agenda. Motion carried 4-0.

MOTION, APPROVE July 12, 2024 MEETING MINUTES (C.)

Commissioner Fleming (Turnquist) moved to approve the minutes of the July 12, 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.)

Diane Giardine, General Manager, reported:

- July 2024 revenue numbers compared to July 2023:
 - Total gaming revenue decreased 3.52%
 - Total slot revenue was up 0.81%
 - Table games revenue was down 35.86%
 - Table games hold is up so far in August. General Manager Giardine said that the facility is hopeful that numbers will be high because there are five Fridays and Saturdays this August.
- July 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$17,317.25
 - Down 20.10% from July 2023
 - Handle was up 152%. July of 2023 was the facility's highest monthly hold at 23%
 - Digital Sportsbook Revenue: \$4,573,914.69
 - Up 42.36% from July 2023
 - Handle was up 62%
 - July Top Events
 - Royals vs White Socks
 - Brewers vs Dodgers
 - Royals vs Rockies
 - July Top Sports
 - MLB was 68% of handle
 - COPA America was 8%
 - Euro 2024 was 4.8% of handle

- 2024 Olympics Sports Wagering
 - Top Handle Events:
 - Men's Basketball United States vs Serbia
 - Men's Basketball United States vs South Sudan
 - Men's Basketball United States vs Puerto Rico
 - Women's Basketball United States vs Japan
 - Women's Basketball United States vs Belgium
 - Top Handle Sports:
 - Men's Basketball
 - Men's Tennis
 - Women's Basketball
 - Women's Soccer
 - Men's Soccer
 - Chairman Moses asked if there were any wagers placed on the American who upset the 800m run. General Manager Giardine stated that she did not have that specific information but could look. Chairman Moses responded that he was just curious. General Manager Giardine noted that she did not believe that there were many track wagers.
- July Headline Promotion:
 - Off Road Adventure Hot Seats – Polaris Ranger and ATV Giveaway
 - General Manager Giardine noted that this promotion was done in combination with Dodge City Days and that visits were down during the event. Official numbers had not yet been received, but General Manager Giardine reported that the concert ticket sales were down from last year. General Manager Giardine also highlighted that it's difficult to get a hotel room in the area during Dodge City Days and that limits facility admissions.
- Upcoming Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Giveaways
 - Money Machine Giveaways
 - VIP Promotions
 - Slot Tournament
 - Sportsbook Promotions
- Upcoming Entertainment & Events
 - 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

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

Alli Kuplen, General Manager, reported:

- July 2024 revenue numbers compared to July 2023:
 - Total gross gaming revenue was decreased 3.1%
 - Total slot revenue down 1.8%
 - Table games revenue down 13%
- July 2024 Sports Wagering revenue

- Retail Sportsbook Revenue \$37,000.00.
 - Up compared to July 2023's loss of \$12,000.00.
 - Hold was about 20% compared to -3% last year.
- Digital Sportsbook Revenue: \$3,380,000.00
 - Up from July 2023's revenue of \$2,420,000.00.
- July 2024 Sports Wagering
 - \$35.8 million was wagered on FanDuel online.
 - Chairman Moses asked if the \$35.8 million in online handle was just what was wagered in Kansas. General Manager Kuplen confirmed that was correct. Chairman Moses followed up by asking that the revenue roughly ten percent. General Manager Kuplen agreed that was accurate.
 - The total handle in retail was \$447k for July. This was up almost \$80k over last July.
 - The largest wager in retail was a \$10,000 straight wager on the Baltimore Orioles ML over the Chicago Cubs on July 11. The wager was a loss.
 - MLB was the most popular sport in July by far. MLB had 76% of the handle. It was followed in handle by Soccer, Basketball and MMA.
 - UFC304 did very well on July 27 with a standing room only crowd at KSC.
 - General Manager Kuplen did not have specific figures for the 2024 Olympics but reported that handle was mainly United States Men's Basketball and big names, like Simone Biles. There were also a lot of bets on the gold medal game between the United States and France, with many on France to cover the spread.
 - Chairman Moses asked what the spread was for the competition between the United States and France. General Manager Kuplen answered that it was 16.5, noting that there were many winning wagers placed on France.
- Upcoming Events and Promotions:
 - Double Down | Friday and Saturdays
 - Slot & Table Games Hot Seats | Thursdays in August | 5:30p-10p
 - Face the Music Kiosk Game | Saturday, August 10 | 10am – 11:59pm
 - Host Make a Deal | Saturday, August 17, 24, 31 | 7pm – 8:30pm
 - Hurley "Bogg Style" Bag Gift Giveaway | Friday, August 9 | 4p-9p
 - Neck Fan Gift Giveaway | Friday, August 16 | 4p-9p
 - Weekender Bag Gift Giveaway | Friday, August 23 | 4p-9p
 - Frigidaire Bladeless Portable Fan Giveaway | Friday, August 30 | 4p-9p
- Upcoming Entertainment & Events:
 - Bored Teachers | Arena | August 10
 - Live DJ 90's Theme | Casino Floor | August 10 & August 24
 - Pop Goes the 80's | Arena | September 6

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO

Lydia Garvey, General Manager, reported:

- July 2024 admissions were up 1.3% compared to July 2023
- July 2024 revenue numbers compared to July 2023:
 - Total gross gaming revenue increased 1.8%
 - Slot revenue increased 3.4%

AT KANSAS
SPEEDWAY
(E.3.a.)

- Coin-in was up 6%, hold was down slightly
- Table games revenue decreased 10.4%
 - Mainly attributed to drop being down and an unfavorable hold comparison.
- July 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$287,808.00
 - Down 10.4% compared to July 2023
 - Handle was up 31%
 - Hold was at 13% but was 19% last year.
 - Retail Sportsbook: Top Sports
 - MLB was 64% of handle
 - UFC was \$70,000 of handle
 - Attributable to the viewing event hosted by the facility.
 - Olympics were 2% of handle
 - Similar to other properties, wagers were mainly on Men's Basketball.
 - Digital Sportsbook Taxable Revenue: \$253,096.00
 - Down 48.8% compared to July 2023
 - Digital Sportsbook: Top Sports
 - MLB was 54% of handle
 - Wimbledon was 4% of handle
 - WNBA was 3% of handle
- July Recent/Upcoming Events and Promotions:
 - July 20 – Cars and Cigars
 - July 26 – Sportsbook Summer Games
 - August 1 – Kickoff to Football Celebration
 - August 2 - \$200K Progressive Board
 - August 3 – VIP Gift Giveaway
 - August 10 - \$700 Every 7 Minutes
 - August 24 – Break the Bank for \$50K Slotplay
 - August 29 – ESPN Bet Grand Opening Bonus
- Commissioner Fleming asked if General Manager Garvey had any insight on the Missouri sports wagering ballot initiative. General Manager Garvey stated that as of earlier this week, it is possible for the initiative to appear on the ballot, though there is one precinct where signatures are being double-checked. It is uncertain whether the initiative will be placed on the ballot as the initiative is not polling well, and Missouri operators are not confident that it will pass.
 - Chairman Moses noted that he saw an article that the initiative was confirmed to be on the ballot. General Manager Garvey explained that the initiative did meet the requirements to appear on the ballot, but the initiative still may not appear on the ballot if the polling is unfavorable because there will be significant waiting period to attempt another sports wagering ballot initiative.
- Chairman Moses asked what the total handle for the facility's digital sports book was. General Manager Garvey answered that the online handle for July was \$5.7 million.

LOTTERY GAMING
FACILITY

Jeff McKain, General Manager, reported:

- July 2024 admissions decreased 7% compared to July 2023

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

- July 2024 revenue numbers compared to July 2023:
 - Coin in decreased 2.6%
 - Table games drop decreased 27%
 - Net gaming revenue was down 2.7%
- July 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: -\$42,946.00
 - Down compared to July 2023's loss of \$4,995.00.
 - Digital Sportsbook Taxable Revenue: \$1,268,360.00.
 - Up 13.7% compared to July 2023's revenue
 - Top Sports Based on Handle:
 - MLB
 - Tennis
 - Soccer
 - Largest winning wager was on MLB for \$7,200.
 - Largest losing wager was on Women's Wimbledon match for \$10,000.
- Events and Promotions:
 - July
 - Casino Hot Seats every Monday.
 - Casino kiosk games 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 include Maddie and Tae 13th, and Aaron Lewis 27th.
 - August
 - Casino Hot Seats every Monday.
 - Camp 49 promotions every Wednesday.
 - Pick-A-Chip table games prometon Fridays.
 - VIP event in the Corral on Saturday the 17th.
 - Summer Times Spins promotion on Saturdays.
 - Casino gifts on Sunday.
 - Concerts included Little River Band 16th and Tribute to ABBA 23rd.

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

Scott Beeler, Golden Circle Representative, reported:

- The project remains on time and on budget.
- Machine base contract negotiations continue.
- The licensing process continues for the announced employees. In addition to those employees, there have been eight or nine Treasure Island IT staff have submitted applications that will cover the temporary work they will do to setup the Golden Circle IT system.

COMMISSION ITEMS –
OLD BUSINESS; (F.)

There was no old business.

COMMISSION ITEMS –
NEW BUSINESS (G.)

KRGC Director of Security Roger Bailey and Director of Administration, Audit, and Finance Brandi White presented on the minimum age requirements

for lottery gaming facility employment, noting that current KRGC guidance prohibits anyone under twenty-one from working on the gaming floor, but that statute allows for casino employees between the ages of eighteen and twenty to work on the gaming floor so long as they are not performing any function involved in gaming by the patrons.

Chairman Moses asked if the current rule is in the KRGC regulations. Executive Director Brownlee explained that the age requirement has been a policy decision by KRGC and not put into regulation. Chairman Moses followed-up by asking that this decision would not require a formal regulatory amendment process. Executive Director Brownlee confirmed that was accurate.

Commissioner Jones asked whether KRGC staff are looking for an opinion or for the commission to take a vote and direct staff to take a specific action. Executive Director Brownlee explained that staff is looking for direction on whether the commissioners feel that this proposed policy directive change is one KRGC should make. Executive Director Brownlee further explained that during staff meetings there is an understanding of the facility managers need for a greater labor pool, but there is also concern regarding public opinion.

Commissioner Fleming asked Security Director Bailey to provide an idea on the types of jobs that will be made available to eighteen- to twenty-year-olds if this policy directive change is adopted. Security Director Bailey explained the positions would be surveillance agents, security officers, cage cashiers, anything that is not directly taking wagers from the patrons.

Commissioner Turnquist asked Security Director Bailey if this policy directive change is adopted would that cause any issues with on-site agents needing to monitor casino staff who are under twenty-one years old. Security Director Bailey responded that he does not foresee any issues and that KRGC will likely identify these employees with specific badges.

Each lottery gaming facility manager spoke in favor of allowing casino employees between the ages of eighteen and twenty to work on the casino floor without performing any function involved in gaming by the patrons.

Chairman Moses noted that the college in Wichita has a robust E-Sports program and asked General Manager Kuplen whether the facility is currently unable to hire these individuals for the IT positions at the facility. General Manager Kuplen explained that there are rarely openings on the casino IT team, but that the facility currently hires twenty-one and over. Chairman Moses remarked that making this policy directive change might open opportunities for practical skill students. General Manager Kuplen noted that the facility does partner with Wichita State University, but it is primarily their culinary program.

Chairman Moses discussed how he had initially presumed that there would be a need to break into executive session, however with Executive Director Brownlee's explanation that KRGC staff are seeking guidance from commissioners and not necessarily a ruling or order he does not believe that having an executive session is necessary.

Chairman Moses then asked if there was any discussion from the Commissioners on this issue. Commissioner Turnquist noted that he would be in favor of the policy directive change and that his main concern would be the facility's and KRGC agent's ability to monitor for the first couple of years where the eighteen- to twenty-year-olds are being used. Director of Sports Wagering and Licensing DJ Lopez responded by highlighting Director Bailey's earlier comment of having badge designations would allow KRGC to monitor these employees and the tasks they are doing. Director of IT&C-s Dennis Bachman confirmed that making these changes to the badges is something KRGC is able to do. Commissioner Turnquist followed up by sharing that he anticipates that if the commission approves this policy directive change, KRGC would further define what positions could not be filled by those eighteen- to twenty-year-olds. Executive Director Brownlee agreed that it would be KRGC's intent to be on the same page with the casino management as to which positions KRGC would approve for anyone from eighteen- to twenty-year-olds. Commissioner Jones commented that he agreed with Commissioner Turnquist in that he is leaning in favor of the proposal, that KRGC will need to monitor closely to ensure there are no issues, and that it should be subject to review in six, twelve, or eighteen months to see how it's going and revert back if it has become an issue. Commissioner Fleming agreed to the policy directive change and noted that he believes the policy directive change would be in compliance with existing statute. Chairman Moses stated that he firmly believes that KRGC staff has the ability to manage this issue and that employment of eighteen- to twenty-year-olds should be expanded. Chairman Moses stated that he appreciated that KRGC staff wanted to bring this to the commissioners' attention and take their temperature. Chairman Moses stated that he is not sure that commissioners need to micro-manage this issue and is confident that KRGC staff will do what is needed to be done to make sure that it is consistent with state law and provides a safe environment in the facilities. Chairman Moses commented that he believed this narrower interpretation of the statute goes back to the birth of gaming in Kansas and as the gaming industry has grown and matured along with society, it only makes sense to expand the employment opportunities for the eighteen- to twenty-year-olds. Especially as there is an evolution in higher education to focus more on practical skills and not necessarily that people have to go to four-year schools for viable employment. Chairman Moses stated that he appreciated Director White's concerns about the Legislature and that is something the commission will deal with if it comes up. Chairman Moses stated that he thinks the agency needs to discuss and be consistent with their views because he heard a difference of definition or application within the staff. General Counsel Judith Taylor commented that if there is a motion that it should expressly allow eighteen- to twenty-year-olds to be hired for surveillance agents. Chairman Moses responded that given his comments that commissioners should not micro-manage this and that staff can work through the fine tuning decisions of policy directive change.

Executive Director Brownlee commented that he was not sure that a motion would be necessary KRGC has gotten the temperature, so to speak, of the commissioners and staff can take it from here if commissioners agree.

The commissioners were all agreed to move onto the next agenda item.

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 July 2024.

Executive Director Brownlee reported:

- According to the American Gaming Association, the national total gross gaming revenue for the second quarter of 2024 was up by almost 9%, sports betting was up 35%, I-Gaming, which is not allowed in Kansas, grew 25% compared to the second quarter of 2023.
- Kansas gaming revenue was up 11.7%
- Colorado gaming revenue was up 11%
- Nebraska gaming revenue was up 35%. Nebraska has been recently adding casinos.
- Arkansas gaming revenue was up 11.4%
- Oklahoma gaming revenue was down 8.2%. Which is attributed to the Will Rogers Downs Racino closing due to storm damage. Iowa and Missouri also reported negative gaming revenue growth.
- The War Horse casino opened this month in Omaha, Nebraska. It will have 800 slots machines, 19 live table games, and 100 simulcast machines. This facility is adjacent to the Horsemen's Park and casinos in Nebraska are all at racetrack locations, outside of the tribal facilities.
- The Missouri Legislature did not pass sports wagering legislation there is the issue of it being on the November ballot, which was discussed previously.
- There was also an attempt to get a ballot initiative to approve another casino in Missouri, but it failed.
- The casino in Guymon, OK, which will be the closest competitor for Boot Hill Casino, is in an expansion process at the facility that will double the size of the gaming floor and add a hotel. It is anticipated that this project will be finished in the summer of 2025.
 - Commissioner Fleming asked how far Guymon is from Dodge City. Executive Director Brownlee stated that it is about two hours away.
- The October 18th Kansas Racing and Gaming Commission meeting is planned to occur at the Kansas Star Casino.
- Each year in September commissioners have to approve the KRGC budget proposal, the window for presentation is narrow, the proposal must be submitted by September 16th. The September commission meeting is scheduled for September 13th, but Commissioner Jones has a conflict with that date. Chairman Moses confirmed that all other

commissioners will be present, and that Commissioner Jones may be able to attend the meeting via Zoom.

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

Commissioner Jones (Fleming) moved that the Commission go into executive session for the purpose of reviewing personnel issues presented today by the commission's executive director. In addition to the commissioners, the confidential background reports portion included the executive director, general counsel, director of sports wagering and licensing. The total time for the executive session was anticipated to be twenty (20) minutes until 11:20 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 11:00 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 11:20 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Fleming present.

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

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 forty (40) minutes until 12:00 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 11:20 a.m.

RECONVENE
(J.4.)

The commission meeting returned to open session at 12:00 p.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Fleming present.

MOTION, EXECUTIVE SESSION; PERSONNEL ISSUES
(J.5)

Commissioner Jones (Fleming) 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 personnel issues portion will include the executive director. After discussion, the total time for the executive session was anticipated to be fifteen (15) minutes until 12:15 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 12:00 p.m.

RECONVENE
(K.2.)

The commission meeting returned to open session at 12:15 p.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 one* license applications, *deny one* request for reconsideration, and *approve the remaining 178* license applications from the August 16, 2024, list of background reports referred to the commission for action. The motion carried 4-0.

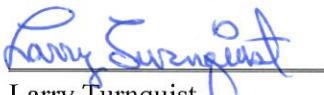
OTHER BUSINESS; (M.)

There were no other items for discussion or motion.

ADJOURNMENT
(N.)

Chairman Moses stated that the September 13, 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:

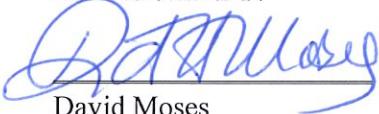


Larry Turnquist

Secretary

Commissioner Fleming (Jones) moved to adjourn the meeting. Motion passed 4-0. The meeting was adjourned at 12:17 p.m.

APPROVED BY:



David Moses
Chairman