

KANSAS RACING AND GAMING COMMISSION

MINUTES – SEPTEMBER 13, 2024

CALL TO ORDER

(A.)

Chairman David Moses called the September 13, 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 Larry Turnquist, and Mike Fleming were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Security Roger Bailey, Director of Gambling DJ Lopez, Director of Casino Operations Rick Wilson, and other staff. Commissioner Brandon Jones was absent due to a scheduling conflict.

MOTION, APPROVE AGENDA

(B.)

Commissioner Fleming (Turnquist) moved to approve the agenda. Motion carried 3-0.

MOTION, APPROVE

August 16, 2024

MEETING MINUTES

(C.)

Commissioner Turnquist (Fleming) moved to approve the minutes of the August 16, 2024, meeting. Motion carried 3-0.

MOTION, APPROVE CONSENT AGENDA

(D.)

Commissioner Fleming (Turnquist) moved to approve the consent agenda (six items). Motion carried 3-0.

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

(E.1.a.)

Diane Giardine, General Manager, reported:

- August 2024 revenue numbers compared to August 2023:
 - Total gaming revenue increased 9.96%
 - Total slot revenue was up 12.93%
 - Table games revenue was down 9.83%
 - Hold was good but downed compared to last year's very high hold.
- August 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$14,529.45
 - Down 42.40% from August 2023
 - Handle was up 23%
 - Hold was down 50%
 - Digital Sportsbook Revenue: \$2,805,687.68
 - Up 60.91% from August 2023
 - Handle was up 58%
 - Hold was up 2.5%
 - August Top Events
 - Cardinals vs Cubs
 - Red Socks vs Royals
 - Braves vs Phillies
 - August Top Sports
 - MLB was 53.9% of handle
 - College Football was 22.7% of handle

- NFL pre-season was 13.7% of handle
- General Manager Giardine noted that the volume in the sportsbook is way up for August and the first part of September due to the football season returning.
- Chairman Moses asked if General Manager Giardine could tell if there has been a lot of activity for tonight's game. General Manager Giardine responded that she did not have exact numbers but that there has been wagering on the game. General Manager Giardine further explained that they see an increase in sports wagering when there is a K-State, KU Football, or Chiefs game.
- Upcoming Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Giveaways
 - Rushing for Riches eGameboard
 - Labor Day Free-Play Frenzy
 - Tier Point Raise
 - Game Day Gear Giveaway
 - Grid-Iron Kickoff
 - VIP Promotions
 - Blackjack Tournament
 - Sportsbook Promotions
 - Responsible Gaming Month
- Upcoming Entertainment & Events
 - 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:

- August 2024 revenue numbers compared to August 2023:
 - Total gross gaming revenue was increased 15.1%
 - Total slot revenue up 8.8%
 - Table games revenue up 54.1%
 - Largely due to a 24% hold compared to 15% prior year
- August 2024 Sports Wagering revenue
 - Retail Sportsbook Revenue \$88,400.00
 - Up compared to August 2023's loss of \$5,000.00
 - Digital Sportsbook Revenue: \$3,380,000.00
 - Up from August 2023's revenue of \$2,420,000.00
- August 2024 Sports Wagering
 - \$43.6 million was wagered on FanDuel online.
 - The total handle in retail was \$768k for August. This was up over \$300k over July.
 - The largest wager in retail was a \$9,560 parlay wager on the Oakland Athletics in doubleheader over the Chicago White Sox on August 6. The wager was a loss.
 - MLB was once again the most popular bet on sport in August. It was followed by college football, NFL Preseason, MMA and the WNBA.

- UFC305 did very well on August 18 with a standing room only crowd at KSC. Our handle was \$11,276 and there were 175 bets placed on the fights.
- Upcoming Events and Promotions:
 - Double Down | Friday and Saturdays
 - Autumn Sit & Go Slot Tournament | Thursdays in September | 5:00pm - 8:00pm
 - Slots & Table Games Spin & Win | Saturdays in September | 5:30pm - 10pm
 - Jacket Jackpot | Saturday, September 28 | 2:00pm – 6:00pm
 - Bamboo Pillow Gift Giveaway | Friday, September 6 | 4p-9p
 - Bamboo Quilted Throw Gift Giveaway | Friday, September 13 | 4p-9p
 - Bamboo Sheet Set Gift Giveaway | Friday, September 20 | 4p-9p
 - Bamboo Mattress Protector Giveaway | Friday, September 27 | 4p-9p
- Upcoming Entertainment & Events:
 - 38 Special | Arena | September 21

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

Lydia Garvey, General Manager, reported:

- August 2024 admissions were up 7.9% compared to August 2023
- August 2024 revenue numbers compared to August 2023:
 - Total gross gaming revenue increased 12.5%
 - Slot revenue increased 12.5%
 - Table games revenue decreased 12.4%
 - Largely due to a decrease in hold compared to the previous year.
- August 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: -\$132,251.00
 - Retail Sportsbook: Top Sports
 - MLB was 59% of handle
 - College Football was 17% of handle
 - NFL pre-season was 5% of handle
 - The most wagered on event in the retail sports book was the Twins vs White Socks.
 - Digital Sportsbook Taxable Revenue: \$117,232.00
 - Increased 6% compared to August 2023
 - Handle was up 36% compared to prior year.
 - Chairman Moses asked if the facility tracks the number patrons who have travelled for the UNLV game. General Manager Garvey explained that they are only able to obtain that data if the traveling patrons used player cards when placing wagers.
 - Digital Sportsbook: Top Sports
 - MLB was 47% of handle
 - College football was 10% of handle
 - The most wagered on event in the digital sportsbook was Clemson vs Georgia and Notre Dame vs Texas A&M.
- Recent/Upcoming Events and Promotions:
 - August 29 – ESPN Bet Grand Opening

- General Manager Garvey reported that there was great turnout and that they have doubled the number of shuttles that run between Children's Mercy Park and the facility.

- September 1 – Max Bet Mayhem
- September 8 – Game Day Tailgate
- September 14 – Pick, Pull, & Win
- September 27 – 29 – NASCAR Race Weekend
- September 27 – Race Weekend Punch Board
- September 29 – Hollywood Casino 400 Even or Odd Drawing
- Responsible Gaming Month
- General Manager Garvey reported that the facility was proud to be a food partner for the Treads and Threads fundraising event.

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

Jeff McKain, General Manager, reported:

- August 2024 admissions decreased 2% compared to August 2023
- August 2024 revenue numbers compared to August 2023:
 - Coin in increased 5.1%
 - Table games drop increased 3.6%
 - Net gaming revenue was up 2.3%
- August 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$2,245.00
 - Down compared to August 2023's revenue of \$23,688.00
 - Retail wagers were \$489,239 vs \$145,203 in 2023
 - Digital Sportsbook Taxable Revenue: \$743,560.00
 - Down 15.3% compared to August 2023's revenue
 - Digital wagers were \$23,920,413. This was up 37% vs 2023
 - Most wagered event was the Women's Tennis match at the US Open between Kimberly Birrell and Julieta Pareja with \$44,883 wagered.
 - Largest winning wager was \$5,400 on Women's Tennis at the US Open which won \$13,000.
 - Chairman Moses asked if large winnings are required to be reported to the USTA. General Manager McKain explained that Caesars and the people who create the wager, track all of that very closely.
- Events and Promotions:
 - August
 - Casino Hot Seats every Monday.
 - Camp 49 promotions every Wednesday.
 - Pick-A-Chip table games promotion 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.
 - September
 - Casino Hot Seats every Monday.
 - Kiosk games on Tuesdays.

- Camp 49 promotions every Wednesday.
- Pick-And-Win table games promotion Fridays.
- VIP event in the Corral on Saturday the 21st.
- Strike it Rich promotion on Saturdays.
- Casino gifts on Sunday.

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

Scott Beeler, Golden Circle Representative, reported:

- Construction continues on schedule. Golden Circle is still anticipating opening in the fourth quarter of 2025.
 - Chairman Moses asked if Golden Circle is still anticipating opening in September of 2025. Mr. Beeler stated that was the general report he got, and that he believes the facility will open in the beginning of the fourth quarter.
 - Commissioner Turnquist asked if the facility has begun any signage. Mr. Beeler responded that no signage has been put up, but there is ongoing discussion.
- There are a lot of license applications that are in process, some have been submitted to the agency and may even be before the commission today for consideration.
- There was a meeting last month between KRGC staff and Golden Circle managers pertaining to historical horse racing regulations.
- The commission is invited to visit the construction and possibly receive a tour.
- Chairman Moses shared that he had received a message from a state senator from Winfield regarding the construction of the HHR facility.

COMMISSION ITEMS
– OLD BUSINESS; (F.)

There was no old business.

COMMISSION ITEMS
– NEW BUSINESS;
FY25 & FY26 KRGC
BUDGET PROPOSALS
(G.1)

Brandi White, Director of Administration, Audit, and Finance presented the fiscal year 2025 and 2026 annual budgets on behalf of KRGC.

Chairman Moses recalled that last year the Legislature reduced the budget amount because the parimutuel, in the Legislature's opinion, will not be incurring expenses for fiscal year 2024. Chairman Moses asked if the proposed budget for fiscal year 2025 had those dollars put back in. Director White responded that the Legislature removed the budgeted dollars for fiscal year 2024 and the agency did have \$170,000 in parimutuel expenditures for fiscal year 2024. However, because the agency is a no-limit fee fund, in an effort to ensure the agency does not hinder the industry the agency was able to spend those monies. Director White noted that the Legislature did also approve the fiscal year 2025 expenditures for parimutuel activity. Director White explained that there has been some shifting of expenses in the fiscal year 2025 budget; the agency budgeted for nine months of salary and wages and increased the capital outlay because the agency always experiences more capital outlay in the initial start up phase. The agency was approved for \$50,000 of capital outlay for fiscal year 2025, the agency moved \$100,000 to capital outlay, which is what was requested in the fiscal year 2024 budget. Chairman Moses asked if similar

questions will be raised when the legislative review of the proposed budget comes up, because of a fourth-quarter of 2025 opening. Director White confirmed that it is anticipated but in fiscal year 2025 there will not be any racing activity, however KRGC has always told the Legislature that it takes about six-months to get staff onsite, up to speed, and appropriately changed. The nine-month window of salary and wages includes that six-months in addition to the hours that have already been billed to the facility.

Chairman Moses asked if the agency coming in 12% below budget was reflective of the cuts made by the Legislature or if it were the result of the agency's efficiency. Director White explained that it was the result of the agency. Chairman Moses commended the agency and Executive Director Brownlee for cognizant of spending money wisely.

**MOTION – APPROVE
KRGC FISCAL YEARS
2025 AND 2026
BUDGETS (G.2)**

Commissioner Turnquist (Fleming) moved to approve the Kansas Racing and Gaming Commission fiscal year 2025 and 2026 budget subject to technical changes to be made upon entering the budget into IBARS, the state budget system, and potential future changes made by the Division of Budget, the Governor, and the Legislature. Motion passed 3-0.

**COMMISSION ITEMS –
NEW BUSINESS; FY25
& FY26 KSGA
BUDGET PROPOSALS
(G.3)**

Director White noted that a change in calendar allowed Executive Director of the Kansas State Gaming Agency Kala Loomis to be present. Brandi White, Director of Administration, Audit, and Finance presented the fiscal year 2025 and 2026 annual budgets on behalf of the Kansas State Gaming Agency

**MOTION – APPROVE
KSGA FISCAL YEARS
2025 AND 2026
BUDGETS (G.4)**

Commissioner Turnquist (Fleming) moved to approve the Kansas State Gaming Agency fiscal year 2025 and 2026 budget subject to technical changes to be made upon entering the budget into IBARS, the state budget system, and potential future changes made by the Division of Budget, the Governor, and the Legislature. Motion passed 3-0.

Chairman Moses noted for the record that Executive Director Brownlee had received an email from the absent Commissioner Jones regarding the proposed budgets. In the email, Commissioner Jones reported that he reviewed the budget proposal materials, had no questions, concerns, or other input, and would have voted to approve as proposed. Commissioner Jones extends his apologies for missing the meeting and plans to attend the October meeting.

**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 August 2024.

Executive Director Brownlee reported:

- This week the Senate Confirmation Oversight Committee approved the reappointment of Chairman Moses to another term with the Kansas Racing and Gaming Commission. Staff congratulates the Chairman on his reappointment.
- Effective September 1st, KRGC had a realignment of senior staff on the law enforcement side of the agency. Roger Bailey Director of Security and Licensing now has responsibility for security approvals, electronic gaming, backgrounds, and licensing. DJ Lopez Director of Gambling will be responsible for sports wagering, historical horse racing, parimutuel racing, and the startup of Golden Circle and Eureka Downs. Added to senior staff is Rick Wilson Director of Casino Operations will be responsible for the field personnel at the four lottery gaming facilities as well as Golden Circle.
- It was previously reported that the sports wagering ballot initiative would not be able to appear on the Missouri November ballot due to insufficient signatures. A Missouri judge ruled that signatures deemed invalid were in fact valid. This ruling means that the ballot initiative does qualify to appear on the November ballot.
 - Commissioner Fleming asked what the deadline was for the determination on whether the ballot initiative will appear. Executive Director Brownlee responded that he did not know the deadline but presumes it is soon.
- The Osage Nation Indian Tribe is also planning a casino at the Lake of the Ozarks. They first need to put land in trust, get approval from the Department of Interior, and then get a compact with the state.
- The Mid-States Organized Crime Information Center provided information regarding scams. According to FBI 2022 statistics, most scam complaints came from the age group of 30-39 with over 94,000 complaints. The most dollars lost to scams come from 60 and older age group with an economic loss of over \$3 billion. The most frequent scams are grandparent scams, romance scams, fake prize scams, impersonating authority scams, and phishing scams.
 - Chairman Moses asked if the economic loss was nationwide or specific to the Midwest. Executive Director Brownlee confirmed it is nationwide.
- The next commission meeting is schedule for October 18th at 10:00a.m. at the Kansas Star Casino.

MOTION,
EXECUTIVE SESSION;

Commissioner Turnquist (Fleming) moved that the Commission go into executive session for purpose of reviewing confidential background reports

CONFIDENTIAL
BACKGROUND
REPORTS
(J.1.)

presented today by the commission's security division. In addition to the commissioners, the confidential background reports portion included the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be fifteen (15) minutes until 10:55 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 3-0, and the meeting was adjourned to executive session at 10:40 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 10:55 a.m. with Chairman Moses, 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-five (45) minutes until 11:45 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 3-0, and the meeting was adjourned to executive session at 11:00 a.m.

RECONVENE
(J.4.)

The commission meeting returned to open session at 11:45 a.m. with Chairman Moses, Commissioner Turnquist, and Commissioner Fleming present.

MOTIONS ON
LICENSE
APPLICATIONS
(L.)

Commissioner Turnquist (Jones) moved to *deny seven* license applications and *approve the remaining 162* license applications from the September 13, 2024, list of background reports referred to the commission for action. The motion carried 3-0.

OTHER BUSINESS;
(M.)

There were no other items for discussion or motion.

ADJOURNMENT
(N.)

Chairman Moses stated that the October 18, 2024, commission meeting will begin at 10:00 a.m. for an in-person meeting at the Kansas Star Casino in Mulvane, Kansas.

SUBMITTED BY:



Larry Turnquist
Secretary

Commissioner Fleming (Turnquist) moved to adjourn the meeting. Motion passed 3-0. The meeting was adjourned at 11:47 a.m.

APPROVED BY:



David Moses
Chairman