

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – OCTOBER 18, 2024

#### CALL TO ORDER

(A.)

Chairman David Moses called the October 18, 2024, meeting to order at 10:00 a.m. The meeting was held at the Kansas Star Casino in Mulvane, 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 Security Roger Bailey, Director of Gambling DJ Lopez, Director of Casino Operations Rick Wilson, Director of IT and Electronic Security Dennis Bachman, Government Relations Manager Randy Evans, and other staff.

#### MOTION, APPROVE AGENDA

(B.)

#### MOTION, APPROVE September 13, 2024 MEETING MINUTES

(C.)

#### MOTION, APPROVE CONSENT AGENDA

(D.)

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

(E.1.a.)

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

Commissioner Fleming (Turnquist) moved to approve the minutes of the September 13, 2024, meeting. Motion carried 3-0.

Commissioner Jones abstained from the vote as he was absent from the September commission meeting.

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

Diane Giardine, General Manager, reported:

- September 2024 revenue numbers compared to September 2023:
  - Total gaming revenue decreased 6.51%
    - General Manager Giardine explained that September 2023 had five Fridays and Saturdays compared to September 2024 five Sundays and Mondays.
  - Total slot revenue was down 5.55%
  - Table games revenue was down 13.74%
- September 2024 Sports Wagering revenue numbers
  - Retail Sportsbook Revenue \$47,737.00
    - Up 67.86% from September 2023
    - Handle was down 47%
    - Hold was up 200%
  - Digital Sportsbook Revenue: \$9,544,704.00
    - This was a new record since opening, the previous record was December 2023.
    - Up 304.58% from September 2023
    - Handle was up 23% and was also a new record high since opening.
    - Hold was up about 233%.
  - September Top Events
    - Ravens vs Chiefs

- Chiefs vs Falcons
- Falcons vs. Eagles
- September Top Sports
  - College Football was 38.8% of handle
  - NFL was 38.3% of handle
  - MLB was 16.4% of handle
- Upcoming Events and Promotions:
  - Weekly Kiosk Games
  - Weekly Food and Beverage Specials
  - Gift Giveaways
  - Rushing for Riches eGameboard
  - VIP Promotions
  - Sportsbook Promotions
- Upcoming Entertainment & Events
  - Roots & Boots – November 8
  - ZZ Top – November 23
  - Sara Evans – December 6

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

Alli Kuplen, General Manager, reported:

- September 2024 revenue numbers compared to September 2023:
  - Total gross gaming revenue was increased 2.3%
  - Total slot revenue down 3.9%
  - Table games revenue up 37.9%
    - That is attributed to a 24% hold compared to 12% prior year.
- September 2024 Sports Wagering revenue
  - Retail Sportsbook Revenue \$267,000.00
    - Up compared to September 2023's revenue of \$51,800.00
  - Digital Sportsbook Revenue: \$5,450,000.00
    - Up from September 2023's revenue of \$2,890,000.00
- September 2024 Sports Wagering
  - \$43.6 million was wagered on FanDuel online.
  - \$70 million was wagered on FanDuel online.
  - The total handle in retail was \$1.6 million for September. This was up over \$900k from August.
  - The largest wager in retail was a \$10,500 straight wager on the Buffalo Bills -4.5 over the Jacksonville Jaguars on 9/23. This wager was a winner and paid out \$20,500. This was also the largest payout for the month.
  - Football ruled the betting in retail as College Football had 47% of the total handle followed by the NFL with 37%. They were followed by Major League Baseball at 12%, WNBA at 3%, MMA at 2% and then soccer, golf and tennis around 1% each.
  - UFC306 did great with a handle of over \$32k and revenue of \$26k. This is one of the largest UFC PPV events we have had.
- Upcoming Events and Promotions:
  - Double Down | Friday and Saturdays
  - Spooky Sit and Go Slot Tournament | Thursdays in October | 5:00pm - 8:00pm
  - Slots & Table Games Spin & Win | Saturdays in October | 5:30pm - 10pm

- Roaster Pan Gift Giveaway | Friday, October 4 | 4p-9p
- Electric Salt and Pepper Grinder Gift Giveaway | Friday, October 11 | 4p-9p
- Tahari Oil and Vinegar holders Gift Giveaway | Friday, October 18 | 4p-9p
- Vacuum Sealer Gift Giveaway | Friday, October 25 | 4p – 9p
- Titanium Almost There Event | Friday, October 25 | 6pm
- Onyx Almost There Event | Saturday, October 26 | 6pm
- Upcoming Entertainment & Events:
  - 98 Degrees | Arena | Rescheduled for 2024
  - National Final Steer Roping | November 1<sup>st</sup>, 2<sup>nd</sup>
- General Manager Kuplen introduced her staff, Justin Willenbrink Director of Table Games, Will Andrisse Director of Slots, Sonya Jackson Director of Marketing, Alecia Pray Director of HR, Angel Parnell Director of IT, Ashely Hagen Director of Compliance, Scott Schroeder Director of Finance, John Distran Director of Facilities, Damian Lehman Director of Food and Beverage, Blake Patout Director of Surveillance, Shawne Childress Director of Security.

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

Lydia Garvey, General Manager, reported:

- September 2024 admissions were down 9.6% compared to September 2023
- September 2024 revenue numbers compared to September 2023:
  - Total gross gaming revenue decreased 5.4%
  - Slot revenue decreased 3.9%
  - Table games revenue decreased 16.2%
- September 2024 Sports Wagering revenue numbers
  - Retail Sportsbook Taxable Revenue: \$671,176.00
  - An increase of 70.6% compared to September 2023
  - Handle was down \$9.7 million compared to September 2023, but this is due to September 2023 being a record year with a single patron wagering \$8.8 million.
  - Retail Sportsbook: Top Sports
    - College Football was 28% of handle
    - NFL was 46% of handle
    - MLB was 15% of handle
  - The most wagered on event in the retail sports book were the Chiefs games.
  - Digital Sportsbook Taxable Revenue: \$762,605.00
    - An increase of 44.3% compared to September 2023
    - Handle was up 27% compared to prior year.
  - Digital Sportsbook: Top Sports
    - NFL was 38% of handle
    - College football was 22% of handle
    - MLB was 22% of handle
  - The most wagered on event in the digital sportsbook were Chiefs games.
- Recent/Upcoming Events and Promotions:
  - September 27 – 29 – NASCAR Race Weekend

▪ General Manager Garvey explained that the Race Weekend was one of the best they have had in many years from a revenue standpoint; table games drop on Saturday night was the second highest it has been post-COVID and the coin-in for the weekend was above average compared to other weekends of the same month.

- October 5 - \$100K VIP Trick 'R Treat
- October 12 - VIP Jacket Giveaway
- Tuesdays in October - Massive Gold Rush
- Wednesday, October 9, 16, and 23 - Spooky Hour Hot Seats
- Thursdays in October - Hollywood Lucky Ladies
- Fridays in October - \$50K Freaky Friday
- Saturdays in October - Get Rich or Bewitched
- November 1 - Turkey Hi-Lo
- November 11 - PENN Heroes Veteran's Day Bonus.
- Responsible Gaming Month
- Well-o-Ween Team Member Health Fair
- Team Member Trunk or Treat
- Champion Sponsor for the Kansas City Kansas Police Department's Police Athletic League Event.

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

Jeff McKain, General Manager, reported:

- September 2024 admissions decreased 10% compared to September 2023
- September 2024 revenue numbers compared to September 2023:
  - Coin in increased 1%
  - Table games drop decreased 18%
  - Net gaming revenue was up 1.3%
- September 2024 Sports Wagering revenue numbers
  - Retail Sportsbook Taxable Revenue: -\$12,758.00
    - Down compared to September 2023's revenue of \$25,526.00
    - Retail wagers were \$1,079,762 vs \$478,052 in 2023, an increase of 129%.
  - Digital Sportsbook Taxable Revenue: \$3,363,712.00
    - Up compared to September 2023's revenue of \$255,528.
    - Digital wagers were \$42,593,060, down 5.7% compared to prior year.
    - Handle was 46% College Football, 32% NFL, 10% MLB.
    - The top sports by winning wager are College Football, NFL, and the President's Cup.
    - Largest winning wager was \$14,761 money line wager between the Buffalo Bills and the Baltimore Ravens.
    - Largest losing wager was \$17,000 money line wager between the Jacksonville Jaguars and the Cleveland Browns.
- Events and Promotions:
  - 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.
- October
  - Casino Hot Seats every Monday.
  - Kiosk games on Tuesdays.
  - Camp 49 promotions every Wednesday.
  - Hot Seats every Thursday.
  - Monster Smash promotion on Fridays.
  - VIP event in the Corral on Friday the 25th.
  - Casino gifts on Sunday.
  - Outdoor concert “Hairball” on the 5<sup>th</sup> and Josh Blue on the 26<sup>th</sup>.

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

Scott Beeler, Golden Circle Representative, reported:

- Mr. Beeler introduced Dawn Trent of Golden Circle and GC Charities board members Jeff Longwell and Terry Newman.
- Mr. Beeler reported that there was a delay with construction due to supply issues and the opening date is now projected for November 2025.
- The licensing process is ongoing.
- Chairman Moses thanked Mr. Beeler for Golden Circle staff making a tour of the facility available for KRGC staff and commissioners.
- Chairman Moses asked if Tim Merrill is the general manager of the construction project or if he is the projected general manager of the facility. Mr. Beeler confirmed that Tim Merrill is the projected general manager of the facility.

COMMISSION ITEMS  
– OLD BUSINESS; (F.)

There was no old business.

COMMISSION ITEMS  
– NEW BUSINESS;  
BOOT HILL CASINO  
& RESORT LAND  
TRANSACTION (G.1)

Executive Director Brownlee presented a summary of the anticipated land transaction explaining that Boot Hill Casino is entering into an agreement to sell a parcel of land adjacent to the casino to a local businessman to build a hotel on the property. Executive Director Brownlee stated that no action will be required from the Commissioners as a result of this transaction. Executive Director Brownlee further explained that The United Wireless Arena is next door to the casino and is owned by the City of Dodge City. City leaders see a need for additional hotel space in Dodge City, specifically they would like to see additional hotel space in the proximity of the Arena. Since the casino owns all the land surrounding the Arena, the casino has become a partner in this planning with the City of Dodge City. Boot Hill Casino has agreed to sell a parcel of land that the casino currently owns that is adjacent to the Arena and the casino. In the agreement, the casino will sell the land to a local developer for purposes of hotel construction. The agreement will bring people to both the Arena and the casino. As part of the transaction, the hotel will guarantee that rooms will be provided to the casino for promotions and casino VIP patrons. The Kansas Lottery is aware

of the transaction and have no concerns with the sale of the land. This is brought to the Commissioners attention so that they can stay fully informed about what is going on around Boot Hill Casino.

Chris Reedy, President and CEO of Butler National Service Corporation, was available to answer questions.

Commissioner Fleming asked when it is anticipated that the hotel will be open. Mr. Reedy explained that they are hoping to break ground in December and take a year to build the hotel.

Commissioner Jones asked what brand of hotel will be built. Mr. Reedy stated that it would be a Best Western.

Commissioner Turnquist asked what the size of the hotel will be. Mr. Reedy answered that there would be 101 rooms.

Commissioner Turnquist asked if the hotel will share parking with the casino. Mr. Reedy explained that the hotel will have its own parking.

Commissioner Jones asked if the hotel will be connected to the casino by walkway or any other means. Mr. Reedy responded that the hotel and casino would not be connected.

Chairman Moses asked if the land being sold is frontage on the bypass. Mr. Reedy confirmed that it is prime land being used, but that the need for the hotel and rooms is such a premium they do not want to lose the opportunity.

Chairman Moses asked how big the footprint is of the parcel being sold. Mr. Reedy responded that it is three acres. Chairman Moses asked if there would be other parcels available for sale in addition. Mr. Reedy explained that they have been working with the city and the county to try and find some retail development. Mr. Reedy stated that they do not have specific plans for plots.

Chairman Moses recalled that most, if not all, the agreements with the casino developers included a hotel and asked Executive Director Brownlee if this hotel replaces, adds, or has no effect on that requirement. Executive Director Brownlee responded that it has no effect. Executive Director Brownlee further explained that during the initial presentations for Boot Hill Casino it was determined that the existing Hampton hotel fulfilled that requirement. The proposed hotel operator is a third-party operator and will not have any connection to the casino itself.

Chairman Moses asked for clarification on whether the state owns the property or the games within the casino. Executive Director Brownlee clarified that the state owns the games but not the property that the casino sits on. Chairman Moses stated that the state does not own the property which allows the casino managers and developers to do this kind of transaction. Chairman Moses recalls that in the past they have had to

approve the backgrounds of hotel employees would this hotel be subject to those background checks. Executive Director Brownlee explained that the level of business that the hotel plans to do with the casino qualifies them as a vendor and will be required to be backgrounded by KRGC. Chairman Moses asked if the hotelier is aware of this requirement. Executive Director Brownlee explained that was his main concern when he was informed of this transaction and that Mr. Reedy has informed the developer.

Chairman Moses asked if the KRGC legal staff has reviewed the contract between the casino and the hotel developer. Executive Director Brownlee confirmed that KRGC has received a copy of the contract and that the legal staff has reviewed it. Chairman Moses clarified that KRGC is not a party to the transaction and any input KRGC may have, is volunteered input that does not have to be accepted. Executive Director Brownlee confirmed that was accurate.

Commissioner Turnquist said that this will be an arms-length transaction, and that the casino will have no interest in the hotel. Mr. Reedy confirmed that they will have absolutely no interest and that the deed restrictions will make sure that they meet the level of quality. Commissioner Turnquist asked if those requirements were not met if they would take some kind of action. Mr. Reedy confirmed that they could seek legal action.

**PUBLIC COMMENTS  
(H.)**

There were no public comments.

**STAFF REPORTS  
(I.1. and I.2.)**

Garrett Rogers, Paralegal, reported statistics for both the Voluntary Exclusion Program and Sports Wagering Exclusion Program for September 2024 and the Quarterly Illegal Gambling Report.

- Chairman Moses asked how often the illegal gambling FAQs are reviewed. Mr. Rogers responded that there is not a review schedule, and it is done on an as needed basis.
- Chairman Moses asked if there are any FAQs regarding fantasy sports wagering. General Counsel Taylor explained that since fantasy sports wagering is not a taxed endeavor KRGC differs questions regarding fantasy sports wagering to the Attorney General.

Executive Director Brownlee reported:

- Staff would like to join the Chairman in thanking General Manager Kuplen and her staff for hosting this month's meeting.
- Executive Director Brownlee also thanked the Golden Circle staff for providing the tour of the construction site.
- Rick Wilson has been promoted to Director of Casino Operations. Nathan Keener was selected to replace Rick Wilson as a supervising agent at the Pittsburg office.

- Hollywood Casino has been in talks with the Unified Government in Kansas City to adjust the agreement terms for a hotel in hopes of moving forward with a proposal for a third-party hotel in that location.
- DJ Lopez Director of Gambling has reached out to the presidents of both the Kansas Quarter Horse Association and the Kansas Thoroughbred Association so that they have KRGC contact information as we move forward with possible horse racing in the future.
- Even though parimutuel greyhound racing has not been active in Kansas for the past fifteen years, racing is still big business in Kansas. The National Greyhound Association and Kansas Greyhound Association are both headquartered in Abilene, Kansas. The Greyhound Racing Hall of Fame is also there. Also, there is an active racetrack. Kansas is reported to be one of the largest states in the nation for producing greyhound racing dogs. The greyhound association has a Spring and Fall race meet each year which brings in dogs and owners from all over the world. The Fall race meet is going on this week in Abilene. A group of KRGC were there to see some of the races and visit with staff members to stay in touch with the greyhound industry.
- There is an active greyhound registry in Kansas that KRGC is responsible for. In the past years, we have contracted with the Kansas Greyhound Association to operate that registry on our behalf. In preparation of next year's contract, Brandi White Director of Administration, Audit, and Finance contacted the KGA president but was informed that they do not wish to continue operating the Kansas greyhound registry. In fact, he provided a letter which Executive Director Brownlee read aloud *"The KGA would like to relinquish control of the Kansas Greyhound Registry at the end of the contract period on December 31, 2024. This decision is based on the fact that there is currently no live racing in the State of Kansas, and therefore, no Kansas-bred greyhounds are being registered. However, there are still plenty of greyhounds being raised in our state. Approximately, 75% of all greyhounds racing are raced and/or trained here in Kansas. Should live racing ever return to the state, we quick and abundant surge in Kansas-bred registration and we would have to take a look at operational status of the registry again. Until that time, we are happy to turn the reins over to KRGC."* Executive Director Brownlee stated that with that in mind, KRGC will be in the process of picking up that registry information from the KGA and will do the Kansas-bred registration in-house going forward. We have for the last number of years done the Kansas horse registry in-house. There have been registrations in the past few years, but it has only been one to three a year.

- Chairman Moses asked who currently handles the Kansas-Bred horse registrations. Executive Director Brownlee confirmed that Garrett Rogers paralegal is handling the horse registration. Chairman Moses stated that he assumed Mr. Rogers would be expanding into greyhounds. Executive Director Brownlee confirmed that was accurate. When horse racing takes off it may have to be reevaluated.
- Missouri will have a sports wagering proposition on their ballot. The polls for sports wagering indicate that it will pass. There is also a proposition to allow a gaming license in the Lake of the Ozarks area.
  - Commissioner Fleming said that he had not seen any polls regarding the Missouri ballot initiative. Executive Director Brownlee said that he could not recall name of the source, but that the results were roughly 50% in favor, 24% opposed, and the rest undecided.
- The next commission meeting is scheduled for November 15<sup>th</sup> at 10:00a.m. at the Eisenhower State Office Building.

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

Commissioner Jones (Fleming) moved that the Commission go into executive session for 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, and director of security. The total time for the executive session was anticipated to be thirty (30) 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 10:50 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 thirty-five (35) minutes until 11:57 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 11:22 a.m.

RECONVENE  
(J.4.)

The commission meeting returned to open session at 11:59 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Fleming present.

Chairman Moses explained that there was a two-minute delay in returning to open session due to logistical hurdles.

MOTIONS ON  
LICENSE  
APPLICATIONS  
(L.)

Commissioner Turnquist (Jones) moved to *deny three* license applications, *conditionally approve one* application, and *approve the remaining 180* license applications from the October 18, 2024, list of background reports referred to the commission for action. The motion carried 4-0.

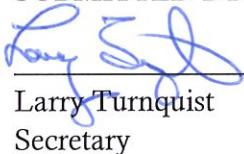
OTHER BUSINESS;  
(M.)

There were no other items for discussion or motion.

ADJOURNMENT  
(N.)

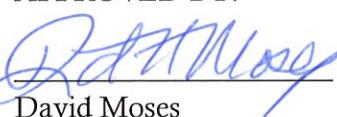
Chairman Moses stated that the November 15, 2024, commission meeting will begin at 10:00 a.m. for an in-person meeting at the Eisenhower State Office Building in Topeka, Kansas.

SUBMITTED BY:

  
Larry Turnquist  
Secretary

Commissioner Jones (Fleming) moved to adjourn the meeting. Motion passed 4-0. The meeting was adjourned at 12:01 p.m.

APPROVED BY:

  
David Moses  
Chairman