

KANSAS RACING AND GAMING COMMISSION

MINUTES – NOVEMBER 15, 2024

CALL TO ORDER (A.)

Chairman David Moses called the November 15, 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, Director of Casino Operations Rick Wilson, 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 OCTOBER 18, 2024 MEETING MINUTES (C.)

Commissioner Fleming (Turnquist) moved to approve the minutes of the October 18, 2024, meeting. Motion carried 4-0.

MOTION, APPROVE CONSENT AGENDA (D.)

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

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Ryan Deutsch, Assistant General Manager, reported:

- October 2024 revenue numbers compared to October 2023:
 - Total gaming revenue decreased 3.21%
 - Total slot revenue was down 4.60%
 - Table games revenue was down 11.12%
- October 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$32,700.00
 - Up 56.78% from October 2023
 - Part of the decrease in revenue was attributed to a major construction project that was started on the casino floor. All of the carpet of the casino floor is being replaced. The last carpet installation was finished this past week and there are still about forty or fifty machines that need to be moved back. Assistant Manager Deutsch expressed thanks for the commission's and staff's assistance.
 - Chairman Moses asked if anything surprising, interesting, or different was found while moving all of the machines. Assistant General Manager Deutsch responded that they found quite a few things, but nothing worth noting.
 - Digital Sportsbook Revenue: -\$85,401.00
 - Down 101.17% from October 2023
 - Handle was up over prior year, but NFL hold was down.
- Upcoming Events and Promotions:
 - Weekly Kiosk Games

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

- Weekly Food and Beverage Specials
- Gift Giveaways
- Charity Match Hot Seats – The facility will donate \$20k to local charities over November and December.
- \$150,000 15th Anniversary Prize Wheel
- VIP Promotions
- Sportsbook Promotions
- Upcoming Entertainment & Events
 - Opening Weekend of Pheasant Season – November 9-10
 - Roots & Boots – November 8
 - ZZ Top – November 23
 - Sara Evans – December 6
 - Clint Black – Feb 8

Alli Kuplen, General Manager, reported:

- October 2024 revenue numbers compared to October 2023:
 - Total gross gaming revenue was up 0.15%
 - Total slot revenue up 4.09%
 - Table games revenue down 13.5%
- October 2024 Sports Wagering revenue
 - Retail Sportsbook Revenue \$62,800.00.
 - Down compared to October 2023's revenue of \$206,000.00.
 - Digital Sportsbook Revenue: \$2,800,000.00
 - Down from October 2023's revenue of \$4,870,000.00.
- October 2024 Sports Wagering
 - \$84 million was wagered on FanDuel online.
 - The total handle in retail was \$1.5 million for October.
 - The largest wager in retail was a \$11,800 straight wager on the Kansas State Wildcats -9.5 over the Kansas Jayhawks on 10/26. This wager was not a winner.
 - The largest winning wager we had was a \$9,738.50 wager on BYU Total Points over 24.5 against UCF on 10/26. The winning wager paid out \$18,281.00.
 - Football ruled the betting in retail as College Football had 51% of the total handle followed by the
 - NFL with 35%. They were followed by Major League Baseball at 6%, NBA and NHL at 2%, MMA and WNBA at 1% and then soccer, golf and tennis around 1% each.
- Upcoming Events and Promotions:
 - Double Down | Friday and Saturdays in November | 10:00am – 11:59pm
 - Point Multiplier | Thursdays in November | 10:00am - 10:00pm
 - Slots & Table Games Spin & Win | Saturdays in November | 5:30pm - 10pm
 - Electric Kettle Gift Giveaway | Friday, November 1 | 4p-9p
 - George Foreman Grill Gift Giveaway | Friday, November 8 | 4p-9p
 - Toaster Oven Gift Giveaway | Friday, November 15 | 4p-9p
 - Double Burner Gift Giveaway | Friday, November 22 | 4p – 9p
 - VIP Silent Auction Drawings | Friday, November 29 | 6pm

- Trees of Hope Voting | Monday, November 25 – Thursday December 19
- Upcoming Entertainment & Events:
 - No shows or events are scheduled for the arena for the rest of the year, the facility is going into its busy banquet season, so the arena is booked with gallas, parties, conventions, and vendor showcases.
 - Chairman Moses asked what the seating capacity for the arena is. General Manager Kuplen explained that the ballroom can fit 300 to 500 people. The arena can fit thousands depending on the setup of tables and the stage. Chairman Moses shared that he attended an event for the Child Advocacy Center that had about 400 people and the venue was a little crowded, so he intends to mention changing the venue to Kansas Star for future events.
 - The next scheduled event is an Asian variety show at the end of January for the lunar new year.

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

Lydia Garvey, General Manager, reported:

- October 2024 admissions were down 1% compared to October 2023
- October 2024 revenue numbers compared to October 2023:
 - Total gross gaming revenue increased 5.3%
 - Slot revenue increased 6.2%
 - Table games revenue decreased 2.3%
 - General Manager Garvey reported that the property is very excited as it considers its competitive set to be the five casinos in the Kansas City area and has routinely come in second for gaming revenues, but in October the property claimed first place for the first time in the history of the property.
- October 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: -\$7,146.00
 - Handle was up 9% compared to prior year.
 - Retail Sportsbook: Top Sports
 - NFL was 41% of handle
 - NCAA was 27% of handle
 - MLB were 11% of handle
 - Digital Sportsbook Taxable Revenue: \$226,774.00
 - Down 53.2% compared to October 2023
 - Handle was up 37% compared to prior year, but hold was 3.7%.
 - Digital Sportsbook: Top Sports
 - NFL was 28% of handle
 - NCAA Football was 23% of handle
 - MLB was 16% of handle
- Recent/Upcoming Events and Promotions:
 - November 1 – Turkey Hi-Lo
 - November 8 – Championship Football Playoff Giveaway
 - November 11 – PENN Heroes Veteran's Day Bonus
 - November 16 – VIP Seasons Snuggles
 - November 17 – KC Watch Party & Gameday Tailgate Giveaway
 - November 27 – Holiday Pie Giveaway
 - November 29 – Black Friday Bonus

- December 3 – Tail Wagging Tuesdays
- December 4 – Wicked Witch Hot Seats
- Commissioner Fleming asked what the passage of the sports wagering ballot initiative portends for Hollywood Casino. General Manager Garvey responded that they have been in discussion with Penn Interactive and that in other states where a competitor has come in it usually means a 35% impact to revenues. The ballot initiative requires that they be open by December 1st of 2025, but General Manager Garvey anticipates that they will try to accomplish that sooner.
- Chairman Moses asked if there has been any improvement or uptick since the rebranding with ESPN Bet. General Manager Garvey confirmed that there has been a significant increase but cannot provide specific figures at this time. Chairman Moses noted that during his drive to the meeting he was listening to Mike Greenberg's *Get Up* on ESPN Extra and that they would routinely provide the odds and the bets. Chairman Moses said that he believes having that kind of support helps. General Manager Garvey agreed and said that ESPN Bet has been great to work with.

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

Jeff McKain, General Manager, reported:

- October 2024 admissions decreased 1.5% compared to October 2023
- October 2024 revenue numbers compared to October 2023:
 - Coin in decreased 6%
 - Table games drop decreased 6.7%
 - Net gaming revenue was up 9.7%
- October 2024 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: -\$46,625.00
 - Down compared to October 2023's revenue of \$35,592.00.
 - Retail wagers were \$1,040,764 vs \$498,241 in 2023, an increase of 109%.
 - Digital Sportsbook Taxable Revenue: \$438,095.00.
 - Down compared to October 2023's revenue of \$1,236,620.
 - Digital wagers were \$47,650,147, down 12.6% compared to October 2023.
 - Top Sports Based on Handle:
 - NCAA Football was 40% of handle.
 - NFL was 27% of handle.
 - MLB was 21% of handle.
 - Largest winning wager was an MLB money line wager on Mets vs. Dodgers for \$13,500.
 - Largest losing wager was a money line wager on NCAA Football Ohio State vs. Oregon for \$12,000.
- Events and Promotions:
 - 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 Saturdays.
- Casino gifts on Sundays.
- Outdoor concert "Hairball" on the 5th and comedian Josh Blue on the 26th.
- November
 - Casino Hot Seats every Monday.
 - Kiosk games on Tuesdays.
 - Camp 49 promotions every Wednesday.
 - Slot Tournament Friday 22nd and 29th.
 - VIP event in the Corral on Saturday the 9th.
 - Casino gifts on Sundays.
 - Corall events include Jackyl on the 1st and comedian Ben Bailey on the 15th.

- Chairman Moses asked what the facility manager is planning in light of the passage of the Missouri ballot initiative. General Manager McKain explained that there are lots of conversations ongoing regarding the facilities response. General Manager McKain said that he thinks they will do some marketing and work with their sports wagering partners on promotions, but nothing to announce at this time.
- Commissioner Fleming asked if Arkansas and Oklahoma have sports wagering. General Manager McKain responded that they do not. Commissioner Fleming followed up asking if the facility benefits from that. General Manager McKain confirmed that they do.

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

Scott Beeler, Golden Circle Representative, reported:

- Construction continues. The facility is still anticipating a late 2025 opening date. Construction will focus on the interior through the winter. Work has begun on the electrical, plumbing, and HVAC duct work. Asphaltting of the parking outside continues as weather permits.
- Gaming system contracts are still in negotiation and legal review some of that has been submitted in draft form but once those contracts are executed, they will be presented to the commission for final approval.
- Commissioner Fleming thanked the facility licensee for hosting a tour, noting that it was helpful to commissioner when trying to visualize what the facility will look like. Mr. Beeler thanked the commissioner and said he would pass along the message.
- Chairman Moses asked if there is a marketing strategy timeline as to when the facility will start promoting in the area. Chairman Moses noted that living in the area he has seen a lot of interest in what is going on now that people know that something is happening. Mr. Beeler said that he has passed that same comment along. Mr. Beeler said that he has nothing to report at the moment, but hopes to have more information at the next meeting.

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 and Sports Wagering Exclusion Program statistics for October 2024.

Executive Director Brownlee reported:

- As Commissioner Fleming has brought up, the sports wagering ballot initiative did pass in Missouri. It was a lot closer election than was indicated by the polls with less than 7,500 votes between the proponents and opponents.
- Missouri gaming has until December 1st, 2025, to get sports wagering up and running. Some of their representative met with a number of KRGC senior staff to get a feel for some of the needs and pitfalls of getting sports wagering setup.
- Oklahoma is the only neighboring state that does not have some sort of sports wagering. The Oklahoma Governor is working with the tribes, and has been for the last several years, trying to get a compact that would allow sports wagering, but so far nothing has come of it.
- There was another ballot initiative in Missouri to approve a commercial casino in the Lake of the Ozarks area which did not pass. However, the Osage Nation Tribe is working with the Federal government to have a tribal casino built in that area.
- Garrett has reserved this room for all of the 2025 meetings with the exception of March.
- The December 13th Kansas Racing and Gaming Commission meeting is scheduled for 10:00a.m. to occur 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 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 security, licensing, and backgrounds. The total time for the executive session was anticipated to be twenty (20) minutes until 10:50 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 10:30 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 10:50 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 (30) minutes until 11:22 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 10:52 a.m.

RECONVENE
(J.4.)

The commission meeting returned to open session at 11:22 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Fleming present.

MOTIONS ON LICENSE
APPLICATIONS
(L.)

Commissioner Turnquist (Jones) moved to *deny two* license applications, *conditionally approve one* license applications, *table one* license application, and *approve the remaining 197* license applications from the November 15, 2024, list of background reports referred to the commission for action. The motion carried 4-0

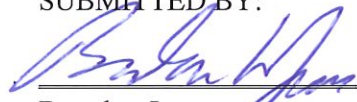
OTHER BUSINESS; (M.)

There were no other items for discussion or motion.

ADJOURNMENT
(N.)

Chairman Moses stated that the December 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.

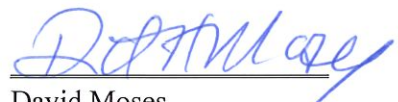
SUBMITTED BY:



Brandon Jones
Commissioner

Commissioner Jones (Fleming) moved to adjourn the meeting. Motion passed 4-0. The meeting was adjourned at 11:24 a.m.

APPROVED BY:



David Moses
Chairman