

## New Keno Operator and Auburn Outlet City Council Okays Keno Funds for Digital Projector

Written by [www.anewspaper.net](http://www.anewspaper.net)

Thursday, 15 March 2012 17:12 - Last Updated Wednesday, 23 May 2012 20:56

---

During the Feb. 27 regular meeting, Auburn City Council approved making available \$63,000 in keno funds to aid with the purchase of a new digital projector for the State Theater.

The Auburn theater and some adjacent business properties and apartments were earlier given to the School District No. 29 by KATS Enterprises.

At the January 2012 meeting, Kevin Reiman, Superintendent of Schools, and Carla Mason, who manages the theater, asked the council if the city would make available keno funds to help with the purchase of a new digital projector and screen. Changes in technology are making the theater's current 35mm projector obsolete at a much faster timeframe than had been first expected.

Reiman reported at last month's meeting that the District 29 Board of Education is also seeking bids for seating in the theater. The existing seating is in need of replacement and the intent is to purchase 240 new seats at about the same time which the new projector is being bought. Reiman described a four- to six-month window would be involved with completing the theater project should all of the parties work together as was being considered.

He expects the seating would cost about \$35,000 for the materials, and volunteers would be used to complete as much of the work as possible.

Reiman said the school district was in no position to and had no intention of spending tax money for the project. It was noted by Mayor Scott Kudrna that the theater project fits the community betterment guidelines for how keno money must be spent.

School Board President Bob Hemmingsen told the Council that the projector replacement must move forward as quickly as possible, while the seating could take place later if necessary.

However, it may be preferable to move forward with both projects at the same time.

Kudrna said that a determination was made that the city has about \$100,000 available in keno funds. However, some of this money should be kept as a reserve for a new keno operation in Auburn. Keno was conducted at the former Wheeler Inn's Back Door Lounge for many years prior to its closing.

Councilman Chris Erickson moved that the city contribute \$63,000 in keno funds to the projector replacement project, with \$33,000 of the money being made available now and the other \$30,000 being provided after the seats are installed. Katy Billings seconded the motion and the vote to contribute \$63,000 passed 4-2, with Erickson, Billings, Larry Holtzman and Mitch Bishop voting aye. Councilmembers Shawn Clark and Frank Critser voted nay.

Keno Returning to Auburn

Also during the Feb. 27 meeting, Todd Zeilinger with Zeilinger Keno Inc. of Omaha discussed his business' proposal to operate a keno lottery at Hickory Road BBQ in Auburn. Zeilinger reported that owners Dan and Rachelle Emshoff of Hickory Road would serve as the sales outlet operators. Hickory Road would be responsible for selling tickets, staffing, making deposits and general day-to-day keno activities.

The council approved Zeilinger Keno as the keno operator and Hickory Road BBQ as the initial location. There may be satellite locations added later, but each would have to first receive the city's approval. Zeilinger indicated that he would be in communication with representatives of American Legion Post #23 in Auburn to see if they might be interested in serving as a satellite

## New Keno Operator and Auburn Outlet City Council Okays Keno Funds for Digital Projector

Written by www.anewspaper.net

Thursday, 15 March 2012 17:12 - Last Updated Wednesday, 23 May 2012 20:56

---

keno site.

Zeilinger Keno will be responsible for installing/maintaining keno equipment, initial training, providing supplies to operate the game, completing the monthly keno reports and financial backing of the keno lottery. Days of operation of the keno lottery will be seven days a week and its hours will coordinate with the opening/closing hours of Hickory Road BBQ.

Zeilinger said it was his belief that keno in Auburn could generate about \$10,000 in gaming each month. "Of course, the success of keno will rely on who runs it and their interest in making it successful," he commented.

Zeilinger said he expects keno could again be operating in Auburn in about one month. Other local communities among the 17 whom Zeilinger Keno currently does business with include Peru, Tecumseh and Sterling.

Zeilinger said the local operation would use keno equipment from Session Gaming in Las Vegas, Nevada.

Zeilinger proposed a division of keno proceeds as follows:

76 percent for prize payout;

14% owner commission (7% Zeilinger Keno Inc. / 7 % Hickory Road BBQ;

2% state tax; and

8% city share.

The top jackpot offered will be \$25,000.

Zeilinger said that upon keno's start-up, his business will provide matching funds for Hickory Road BBQ's promotion of and advertising keno (up to \$500). They will also provide T-shirts for giveaways during the first month of the keno's opening.

Zeilinger Keno will install keno at any location within the city limits of Auburn that is willing to operate keno and that the city approves of.

Zeilinger Keno Inc. sought and received an exclusive five-year contract to operate the keno lottery for the city of Auburn.