



STATE OF OKLAHOMA
OKLAHOMA LOTTERY COMMISSION
OFFICIAL MINUTES

December 8, 2015

Date

The Oklahoma Lottery Commission, established pursuant to the provisions of the Oklahoma Education Lottery Act, Sections 701 et seq. of Title 3A of the Oklahoma Statutes, held its regularly scheduled meeting September 22, 2015 at 1:30 p.m. The Meeting was held in the Conference Room of the offices of the Oklahoma Lottery Commission at 3817 North Santa Fe Avenue, Oklahoma City, Oklahoma. In compliance with the Open Meetings Act, 25 O.S. § 301 et seq., the agenda for this meeting was posted at the main and side building entrances, in addition to the main internal office window of the Centennial Business Building at 3817 North Santa Fe Avenue, Oklahoma City, Oklahoma on December 7, 2015 at 10:00 a.m. and was sent electronically to the offices of the Board members on December 7, 2015 and was posted to the website on December 7, 2015. The agenda is attached as Exhibit A-1 and the revised agenda is attached as Exhibit A-2.

AGENDA ITEM 1:

CALL TO ORDER. Chairperson Blake Virgin called the meeting to order at 1:30 p.m. The roll of Board members was called to establish quorum.

Board members present were:

- Blake Virgin;
- David Ostrowe;
- George R. Charlton, Jr.;
- Nevyle Cable;
- James Orbison;
- R. Deane Wymer;
- Matthew Felty.

Based on the result of the roll call, a quorum was declared present by the Chair.

Others in attendance were: Rollo Redburn, Executive Director; Lyn Martin-Diehl, Assistant Attorney General; and Nikki Gabbert, Board Assistant. Others present were: Jay Finks; Mary Martha Ford; Greg Fields; Audra Eccles; Scott Moulton; and Bryan Colbert.

AGENDA ITEM 2:

ANNOUNCEMENT OF FILING OF REGULAR MEETING NOTICE AND POSTING OF THE AGENDA IN ACCORDANCE WITH THE OPEN MEETINGS ACT. The Chair called upon Ms. Gabbert to verify that proper public notice was made with regard to the December 8, 2015 regular meeting, in accordance with the Open Meetings Act. Ms. Gabbert verified that all necessary steps had been taken to remain in compliance with the Act.

AGENDA ITEM 3:

READING AND APPROVAL OF MINUTES. (Exhibit B) Mr. Orbison moved that the reading of the minutes of the September 22, 2015 regular meeting be waived and approved as published and distributed. The motion was seconded by Mr. Cable. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Wymer	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes
	Mr. Virgin	Yes
	Mr. Charlton	Yes

THE RESULT WAS SEVEN VOTES IN THE AFFIRMATIVE AND NONE OPPOSED.
THE MOTION PASSED.

AGENDA ITEM 4:

EXECUTIVE DIRECTOR'S REPORT. (Exhibit C) Mr. Redburn gave an oral presentation regarding Commission activities:

- In-house artwork;
- Nationwide lawsuit filed on behalf of Illinois prize winners not receiving payouts.

AGENDA ITEM 5:

REPORT OF AUDIT & FINANCE COMMITTEE. Mr. Cable offered an oral report regarding the Lottery Commission's current financial standing. No action was taken.

AGENDA ITEM 6:

DISCUSSION AND POSSIBLE ACTION REGARDING STATE AND FEDERAL LOTTERY-RELATED LEGISLATION FOR FY'2016.

Legislation to be requested:

- Legislative relief to allow the Lottery to increase prize payouts and profits for education;
- The ability for investigative staff to purchase tickets to enhance investigations designed to protect the public;
- Law changes to allow partnerships with charitable organizations;
- Law changes to allow the use of debit cards in the purchase of lottery tickets (but not credit cards), as a majority of consumers use debit cards in lieu of cash, and current law requires the use of cash to purchase lottery tickets.

Mr. Charlton moved that the proposed legislation be accepted as presented. The motion was seconded by Mr. Orbison. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Wymer	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes
	Mr. Virgin	Yes
	Mr. Charlton	Yes

THE RESULT WAS SEVEN VOTES IN THE AFFIRMATIVE AND NONE OPPOSED.
THE MOTION PASSED.

Mr. Redburn presented information about Internet gambling in the U.S. and asked if the Board wanted to take a position in favor of or against. The Board took no action, members stating that the most critical issue at this point is to get relief from the 35% minimum mandated profit requirement. Mr. Redburn also presented information regarding the utilization of state lottery proceeds and asked if the Board wanted to discuss recommendations to change the purposes for which the funds are used. Board members discussed various uses of the funds currently; the difficulty in changing the use of funds built into an appropriation "base" for a beneficiary, and discussed the possibility of using incremental funds for more meaningful and identifiable purposes. No specific action was taken.

AGENDA ITEM 7:

OPERATIONS UPDATE AND DISCUSSION AND POSSIBLE ACTION REGARDING FY'2016 AND FY'2017 REVENUES. (Exhibit D) Jay Finks, Director of Marketing and Administration, presented detailed information about FY'2016 and FY'2017 revenue estimates. Mary Martha Ford, Director of Sales and Operations, gave a presentation about current field operations and lottery operations improvements and strategies. Mr. Cable moved that the revenue estimates be approved as presented. The motion was seconded by Mr. Orbison. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Wymer	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes
	Mr. Virgin	Yes
	Mr. Charlton	Yes

THE RESULT WAS SEVEN VOTES IN THE AFFIRMATIVE AND NONE OPPOSED.
THE MOTION PASSED.

AGENDA ITEM 8:

DISCUSSION AND POSSIBLE ACTION REGARDING CHANGES TO LOTTERY COMMISSION RULES. (Exhibit E) Mr. Redburn presented proposed changes to Lottery Commission Rules. The changes are designed to address a national concern about instant ticket settlement procedures and would offer an additional option of a 21-day settlement period to Oklahoma lottery retailers. Mr. Orbison moved that the proposed changes to lottery commission rules be approved as

presented. The motion was seconded by Mr. Wymer. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Wymer	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes
	Mr. Virgin	Yes
	Mr. Charlton	Yes

THE RESULT WAS SEVEN VOTES IN THE AFFIRMATIVE AND NONE OPPOSED.
THE MOTION PASSED.

AGENDA ITEM 9:

DISCUSSION AND POSSIBLE ACTION REGARDING BOARD OFFICERS FOR 2016. Mr. Charlton moved to elect the following officers for calendar year 2016:

Chair: David Ostrowe
Vice-Chair: Deane Wymer
Secretary: Matthew Felty
Treasurer: Nevyle Cable

The motion was seconded by Mr. Orbison. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Wymer	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes
	Mr. Virgin	Yes
	Mr. Charlton	Yes

THE RESULT WAS SEVEN VOTES IN THE AFFIRMATIVE AND NONE OPPOSED.
THE MOTION PASSED.

AGENDA ITEM 10:

DISCUSSION AND POSSIBLE ACTION REGARDING REGULAR MEETING DATES FOR 2016.

Mr. Wymer moved to approve the following meeting dates for calendar year 2016:

Monday, March 14, 2016
Tuesday, June 21, 2016
Tuesday, September 20, 2016
Tuesday, December 6, 2016

The motion was seconded by Mr. Cable. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Wymer	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes
	Mr. Virgin	Yes
	Mr. Charlton	Yes

THE RESULT WAS SEVEN VOTES IN THE AFFIRMATIVE AND NONE OPPOSED.
THE MOTION PASSED.

AGENDA ITEM 11:

NEW BUSINESS. No new business.

AGENDA ITEM 12:

ADJOURNMENT. The Board adjourned by general consent.

OFFICIAL MINUTES:

The action taken by the Oklahoma Lottery Commission on the items for consideration after motion duly made and seconded has been noted herein and made a part of these minutes. The Board caused the entire proceeding of the meeting, excepting any executive sessions, to be recorded on a digital audio recording device to be retained as a record in the office of the Board.

Exhibits are A through E.

Minutes Approved by Board of Trustees on March 21, 2016.