



STATE OF OKLAHOMA  
OKLAHOMA LOTTERY COMMISSION  
OFFICIAL MINUTES

March 21, 2016

*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 a special meeting March 21, 2016 at 10:00 a.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 March 17, 2016 at 8:00 a.m. and was sent electronically to the offices of the Board members on March 17, 2016 and was posted to the website on March 17, 2016. The agenda is attached as Exhibit A.

**AGENDA ITEM 1:**

CALL TO ORDER. Chairperson David Ostrowe called the meeting to order at 10:00 a.m. The roll of Board members was called to establish quorum.

Board members present were: David Ostrowe;  
Nevyle Cable;  
James Orbison;  
Matthew Felty.

Board members absent were: Blake Virgin;  
George R. Charlton, Jr.;  
R. Deane Wymer.

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 SPECIAL 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 March 21, 2016 special 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 December 8, 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. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes

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

**AGENDA ITEM 4:**

EXECUTIVE DIRECTOR'S REPORT. Mr. Redburn gave an oral presentation regarding current legislation that could potentially affect the agency. No action was taken.

**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:**

SALES / REVENUE UPDATE. Jay Finks, Director of Marketing and Administration, gave a presentation about FY'2016 and FY'2017 sales; jackpot games overview; and an operational review. No action was taken.

**AGENDA ITEM 7:**

DISCUSSION AND POSSIBLE ACTION REGARDING LOTTERY COMMISSION RULES CHANGES. Mr. Cable moved to adopt the rules as presented, and proceed with the rest of the rule-making process. Mr. Felty seconded the motion. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes

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

**AGENDA ITEM 8:**

DISCUSSION AND POSSIBLE ACTION REGARDING CONTRACTS:

- a. A motion was made by Mr. Felty and seconded by Mr. Orbison to approve the next year on the contract with 38th & Santa Fe Company effective June 1, 2015 for no more than \$130,000. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes

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

- b. A motion was made by Mr. Cable and seconded by Mr. Ostrowe to approve the next contract year with RSM US, LLP for the year which runs through 5/31/2017, at an amount not to exceed \$40,000. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes

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

- c. A motion was made by Mr. Felty and seconded by Mr. Orbison to continue the contract with Scientific Games International for the next contract year which runs through August 8, 2017, at the current contract rate, and authorize the addition of up to 300 LIMS monitors as deemed appropriate by management. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes

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

- d. A motion was made by Mr. Orbison and seconded by Mr. Cable to approve the expenditure of not more than \$120,000 for June 1, 2016 through May 31, 2017, with Alchemy<sub>3</sub>, LLC for licensed properties used on lottery products. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes

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

- e. A motion was made by Mr. Cable and seconded by Mr. Orbison to continue the contract with the Attorney General for the next fiscal year, which runs through 6/30/2017, at an amount not to exceed \$34,000. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes

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

- f. A motion was made by Mr. Cable and seconded by Mr. Felty to approve the next year of the contract with BKD CPA's and Advisors, at not more than \$65,000 per year. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes

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

- g. A motion was made by Mr. Orbison and seconded by Mr. Felty to approve the proposed HR and payroll services agreement with the Office of Management and Enterprise Services for the next fiscal year which runs through 6/30/2017, for an amount not to exceed \$30,000. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes

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

- h. A motion was made by Mr. Felty and seconded by Mr. Cable to renew the contract with Wright-McAfee and Company for the next contract year, running through 6/30/2017, at an amount not to exceed \$13,000. The Chair ordered a roll call with the following results:

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes

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

**AGENDA ITEM 9:**

DISCUSSION AND POSSIBLE ACTION ON APPOINTMENT BY CHAIR OF COMMITTEES AND CHAIRS OF COMMITTEES AND APPROVAL BY BOARD OF TRUSTEES.

Mr. Cable moved to approve the appointments as presented:

1. Government and Citizens Relations Committee:
  - a. Chair – Felty
  - b. Member – Ostrowe
  - c. Member – Orbison
2. Audit and Finance Committee
  - a. Chair – Cable
  - b. Member – Orbison
  - c. Member – Wymer
3. Nominating Committee:
  - a. Chair – Charlton
  - b. Member – Virgin
  - c. Member - Felty

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

ROLL CALL VOTE:	Mr. Ostrowe	Yes
	Mr. Felty	Yes
	Mr. Orbison	Yes
	Mr. Cable	Yes

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

**AGENDA ITEM 10:**

NEW BUSINESS. No new business.

**AGENDA ITEM 11:**

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 B.

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