

**OKLAHOMA LOTTERY COMMISSION  
INTERIM COMMITTEE OF OPERATIONS AND STRUCTURE**

**Minutes of Meeting  
April 4, 2005  
10:00 am**

**Members present:**

Dr. Linda Dzialo  
Mr. Thomas Riley, Jr.  
Mr. William Paul

**Members not present:**

Ms. Cindy Ball

**Others attending:**

Becky Wilson, Office of State Finance, Recording Secretary  
Jim Orbison, Chairman of the Oklahoma Lottery Commission  
Rollo Redburn, Office of State Finance  
Gay Tudor, Office of the Attorney General  
Jim Joseph, State Bond Advisor's Office  
Barbara Hoberock, Tulsa World Capitol Bureau  
Michael McNutt, The Oklahoman  
Rachel Jackson, Capitol Network News

The Interim Committee of Operations and Structure for the Oklahoma Lottery Commission met on April 4, 2005, at approximately 10:00 am, in the Conference Room of Chickasaw Telecom, located at 5 N. McCormick, Oklahoma City. The meeting was held in accordance with the Open Meeting Act.

**ITEM 1**

**Announcement of filing of special meeting notice and posting of the agenda in accordance with the Open Meeting Act.**

The Chairman asked Becky Wilson to confirm the agenda was posted in accordance with the Open Meeting Act. Ms. Wilson did confirm the agenda was posted within 48 hours notice.

## ITEM 2

### Call to Order

The Chairman asked Becky Wilson to call the roll. Ms. Wilson called roll and the Chairman declared a quorum.

## ITEM 3

### **Consideration of whether to elect a Vice-Chair of the Interim Committee and if so, election of a Vice-Chair.**

Discussion was had on the consideration of whether to elect a Vice-Chair of the Interim Committee. Mr. Riley nominated Dr. Dzialo to become Vice-Chair of the Interim Committee. Dr. Dzialo nominated Mr. Riley to become Vice-Chair of the Interim Committee. The Chairman then suggested the Interim Committee not elect a Vice-Chair at this time, but designated Dr. Dzialo to make a report to the Commission at the next meeting on Tuesday, April 12, 2005.

## ITEM 4

### **Discussion of advisability of engaging outside counsel for such of the legal services needs of the Oklahoma Lottery Commission as may not be available in the Office of the Attorney General; and Consideration of submission of an interim committee recommendation to the full Commission relating to engagement of outside counsel.**

Gay Tudor from the Oklahoma Attorney General's office gave an overview to the Interim Committee on obtaining outside legal counsel. Ms. Tudor also explained the process the Commission would need to go through to obtain outside legal counsel. Discussion was had and Mr. Riley made a motion that the Interim Committee recommends to the Commission that the Commission institute the process of enabling the Commission to hire outside counsel as needed and to take immediate action to ascertain the lawyers that are interested in the assignment. Dr. Dzialo seconded the motion. Ms. Wilson called roll and all were in favor of the motion.

## ITEM 5

### **Discussion of renting or otherwise making available temporary office space for the startup activities of the Commission; and Consideration of submission of an interim committee recommendation to the full Commission relating to temporary office space.**

Rollo Redburn, Deputy Director of the Office of State Finance, provided the Interim Committee with information he had obtained on renting or making available office and warehouse space. Four possible places to consider are Shepherd Mall, First National, Centennial Plaza and Broadway Business Park. Discussion was had and Mr. Paul and Dr. Dzialo agreed to examine the potential spaces on Friday, April 8, 2005. Mr. Riley would also be available for a short time on Friday to examine the spaces. Mr. Redburn agreed to set up those visits with a representative from the Department of Central Services attending. This item was tabled until the next meeting when the Interim Committee has been able to examine the properties in question. Dr. Dzialo motioned that the Interim Committee recommend to the Commission that the Commission take the necessary steps to employ temporary administrative support personnel up to four people as functions are identified, such authority to commence the meeting of April 12, 2005 and to secure office space by May 10, 2005. Mr. Riley seconded the motion. Ms. Wilson called roll and all were in favor of the motion.

## ITEM 6

### **Discussion of startup financing arrangements (if any are needed in excess of the \$500,000 recently made available by the State), including whether "line of credit" type financing may be arranged under Sections 33 and 10 A 5 of the Oklahoma Education Lottery Act and discussion of whether startup financing by issuing bonds under Section 33 is an optional method, or is the exclusive method for such additional startup financing; and Consideration of submission of an interim committee recommendation to the full Commission relating to startup financing arrangements.**

Jim Joseph from the State Bond Advisor's Office gave an overview of startup financing and the issuing of bonds. Rollo Redburn, Deputy Director of the Office of State Finance, stated that the Governor had signed a bill giving the Commission \$500,000 available at this time. The requirement is that the \$500,000 must be paid back by June 30, 2007. A discussion was had about a representative from the Treasurer's office attending the next Commission meeting to discuss the investment of bonds. Mr. Joseph agreed to provide the Interim Committee with names of banks who would have an interest in making a loan for operating expenses as well as information on the start up financing process. Mr. Riley motioned that the Interim Committee recommend to the Commission that the Commission approve an initial budget and begin the process of arranging additional startup finance to the extent needed in excess of the \$500,000 made available by the state by ascertaining the banks that would have an interest in making a loan for operating expenses and to create certain reserves to finance any shortfall needs that might result by reason of prizes being in excess of cash on hand before the Commission is in full operation. Dr. Dzialo seconded the motion. Ms. Wilson called roll and all were in favor of the motion.

**ITEM 7**

**Discussion of any other “startup” operational and structural issues which should be addressed by the committee at an early time; and Consideration of submission of an interim committee recommendation to the full Commission relating to such other “startup” issues.**

Rollo Redburn, Deputy Director of the Office of State Finance, provided the Interim Committee with information on a temporary website that will be set up for the Lottery Commission to post information. Discussion was also had on the application process of retailers and vendors. Mr. Redburn advised the Committee that he will be meeting with OSBI later in the week to discuss the use of criminal background checks as well as credit checks on each vendor, retailer and employee. Mr. Riley motioned that the Interim Committee recommend to the Commission that the Commission follow-up on the work that Mr. Redburn has completed with NIC to develop a portal and inquire of them if they have the time and cost to assist the Commission in an online application for retailers. Dr. Dzialo seconded the motion. Ms. Wilson called roll and all were in favor of the motion.

**ITEM 8**

**Discussion and possible announcement of Next Special Meeting.**

Discussion was had about holding an Interim Committee meeting on Tuesday, April 12, 2005, at 12:30 pm, prior to the Lottery Commission meeting on the same day at 1:30 pm. Dr. Dzialo motioned that the Interim Committee meet on Tuesday, April 12, 2005 at 12:30 pm. Mr. Riley seconded the motion. Ms. Wilson called roll and all were in favor of the motion.

**ITEM 9**

**Adjournment**

There being no further business, the Chairman asked if there was a motion to adjourn. Dr. Dzialo moved for adjournment and Mr. Riley seconded the motion. Roll was called and all were in favor so the meeting was adjourned.

Approved by:

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William Paul, Chairman

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Date