

# OKLAHOMA LOTTERY COMMISSION

**Minutes of Meeting  
May 26, 2005  
1:30 pm**

## **Members present:**

Dr. Linda Dzialo  
Mr. Ron Norick  
Mr. James Orbison  
Mr. William Paul  
Mr. Thomas Riley, Jr.

## **Members not attending:**

Ms. Cindy Ball  
Mr. George R. Charlton, Jr.

## **Others attending:**

Becky Wilson, Office of State Finance, Recording Secretary  
Rollo Redburn, Office of State Finance  
Jay Marks, The Oklahoman  
Bobby Stem, GTech  
David Kinney, Office of the Attorney General  
Randy Parrish, Dept of Central Services  
Barbara Hoberock, Tulsa World  
Dave Hofstadter, Battelle  
Pat Hall, Scientific Games

The Oklahoma Lottery Commission met on May 26, 2005, at approximately 1:30 pm, in the Governor's Large Conference Room at the State Capitol. The meeting was held in accordance with the Open Meeting Act.

## **ITEM 1**

### **Call to Order**

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

## **ITEM 2**

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

The Chairman asked Becky Wilson to confirm that the agenda was posted in accordance with the Open Meeting Act. Ms. Wilson did confirm the agenda was posted within 24 hours notice.

## **ITEM 3**

### **Approval of Minutes of the May 16, 2005 Special Meeting**

The Chairman asked if there were any comments on the Minutes and there being none, the Chairman asked if there was a motion to approve the minutes. Mr. Norick so moved and Dr. Dzialo seconded. Ms. Wilson then called roll and all were in favor so the motion passed.

## **ITEM 4**

### **Interim Committee of Operations and Structure Report – William Paul**

The Chairman asked Mr. Paul to give a report from the Interim Committee of Operations and Structure. Mr. Paul reported that the Committee has been working on the employment of a law firm. As reported earlier, the Committee ran 2 successful ads in the Oklahoma Bar Journal and asked interested parties to be in contact with Rollo Redburn of the Office of State Finance. Mr. Redburn notified the Committee that 48 firms have indicated interest in serving as legal counsel. Mr. Paul then said the next step is to advise these 48 submit a RFP or RFQ which will be posted on the lottery website, complete the information and submit it. The AG's office is rendering assistance by working on the document the firms will complete and submit but the document is not completed yet. The Interim Committee has also completed some work on the adoption of rules. Mr. Paul spoke with Gay Tudor of the Attorney General's office and asked her if the Attorney General's office would be in position to support the Committee on the development of the rules and whether they have primary responsibility or not. Mr. Riley then noted that the Committee could probably use not only the Attorney General's services, but the services of the legal counsel that will be selected.

## **ITEM 5**

### **Discussion and Possible Action Regarding the Approval of a Lease Agreement Providing for the Lease by the Commission of Office Space**

The Chairman asked Mr. Paul to make comments on this issue. Mr. Paul noted at the last meeting, the Commission held an Executive Session, and in that Executive Session, the Commission discussed negotiations, terms and provisions of a lease agreement and requested the Department of Central Services to go forth and see if they could obtain the lease the Commission desires. There is still no agreement and will not be one until the Department of Central Services executes the agreement on behalf of the State of Oklahoma, so the terms of the negotiations are still not public. The Department of Central Services, specifically Randy Parrish, who handles the leasing of real property, has reported back to each Board member individually the results of

her negotiations and each Commissioner is aware of those results. Dr. Dzialo expressed her appreciation to Ms. Parrish's attention to detail and her level of professionalism. Mr. Paul then moved that the Commission authorize the Chairman to execute the document which has been negotiated but is not final until its executed by the Department of Central Services, and to request the Department of Central Services to further process it, sign it and advise the Commission members via e-mail when it has been executed. Dr. Dzialo seconded. Ms. Wilson then called roll and all were in favor so the motion passed.

#### **ITEM 6**

#### **Discussion and Possible Action Regarding the Holding of an Executive Session, Pursuant to Title 25 O.S. §307 B.1, for the Purpose of Discussing the Employment of Commission Employees**

#### **ITEM 7**

#### **Discussion and Possible Action Regarding the Executive Session**

The Chairman announced Items 6 and 7 will not be discussed due to the agenda items not being specific enough to call for an Executive Session.

#### **ITEM 8**

#### **Discussion and Possible Action Regarding the Approval of an Interagency Agreement between the Oklahoma State Bureau of Investigation and the Commission Providing for Background Investigations of Potential Commission Employees**

Mr. Riley motioned that an Interagency Agreement between OSBI and the Lottery Commission, similar to the one previously approved for the Executive Director, be approved by the Commission and Mr. Norick seconded. Ms. Wilson then called roll and all were in favor so the motion passed.

#### **ITEM 9**

#### **Start-Up Financing Committee Report – Thomas Riley, Jr.**

The Chairman asked Mr. Riley to give a report on the Start-up Financing Committee. Mr. Riley noted that the Committee went through a process to engage outside Bond Counsel and the deadline was last Friday. All proposals were reviewed by the Committee as well as the State Bond Advisor, Mr. Jim Joseph, of which all members of the Commission were provided with copies of the proposals. After reviewing the two firms that indicated interest, the Committee felt both firms were extremely qualified. Mr. Riley then motioned that the Commission engage as Bond Counsel the firm of Fagin, Brown, Bush, Tinney & Kiser. Mr. Paul seconded. Ms. Wilson then called roll and all were in favor so the motion passed.

## **ITEM 10**

### **Discussion and Possible Action Regarding the Selection of Start-Up Financing Bond Counsel**

Mr. Riley said the RFP was sent out to interested lenders and investors about providing start-up financing. The specificity of the proposal that Mr. Joseph sent out this past week was incorporated and limited to the language in the act the Commission is empowered to borrow up to \$10 million dollars for a period of time and how it is to be repaid. It was mailed to all financial institutions registered with the State Bond Office, many of which were in state as well as out of state and were not limited to banks, but included investment bankers and other firms. The Committee should start receiving proposals back by June 6<sup>th</sup> and it is possible at the June 14<sup>th</sup> meeting, the Committee could make a recommendation for a start-up financing proposal and financing entity.

## **ITEM 11**

### **Discussion and Possible Action Regarding the Approval of a Request for Proposals for Underwriting/Loan Services in connection with Commission Start-Up Financing**

Mr. Paul motioned to approve and ratify the form and submission of the RFP to perspective lenders and underwriters. Mr. Riley seconded. Ms. Wilson then called roll and all were in favor so the motion passed.

## **ITEM 12**

### **Discussion and Possible Action Regarding Budget and Expenditures**

The Chairman asked Mr. Rollo Redburn of the Office of State Finance to give a report on the budget and expenditures. Mr. Rollo stated that he has been arranging temporary communications needs at the new location and asked for the approval of an additional \$2200 to get that completed. Dr. Dzialo motioned to approve the \$2200 for non-reoccurring charges, which includes installation of data lines and temporary wiring, as well as ordering 11 phone lines, plus e-mail. Mr. Riley seconded. Ms. Wilson then called roll and all were in favor so the motion passed.

## **ITEM 13**

### **Comments by Rollo Redburn, Deputy Director of the Office of State Finance**

Mr. Redburn reminded the Commission members about the upcoming tradeshow to be held on June 8<sup>th</sup>, starting at 10 am. The Lottery Commission will be in Booth C-7. Mr. Redburn verified earlier in the day that G-Tech and Scientific Games will all be present at the tradeshow and will be bringing equipment for potential retailers to see. Mr. Redburn has also been doing research on whether or not liquor stores can be retailers and he found that the Constitution prohibits liquor stores to sell anything other than liquor. Mr. Redburn then presented the Commission with examples of identification cards that will become permanent once he receives a picture from each member of the Commission. Pertaining to the lottery website, Mr. Redburn handed out

examples of portal designs, courtesy of NIC. NIC currently maintains the portal for the State of Oklahoma. Mr. Norick then informed the Commission regarding the research he had been doing on the domains. Oklotto.com was created in 2000 and owned by someone in Korea; Oklahomalottery.com is owned by a gentleman in Sarasota, FL; Oklottery.com was created in 1997 and owned by a gentleman in London, England; Oklahomalotto.com is owned in North Carolina. On each website, there is an opportunity to purchase the website and none of them are active at this time. Mr. Redburn noted on the research he had completed, the most prevalent use would be oklottery.com. Mr. Norick then gave all the information to Mr. Redburn and asked him to coordinate with the Attorney General's office the next step in the process.

#### **ITEM 14**

#### **Next Scheduled Special Meeting: June 8, 2005**

The Chairman announced the next scheduled special meeting will be at 4:00 pm on June 8, 2005 in the Large Conference Room at the office of Crowe & Dunlevy, located at 20 N. Broadway, Oklahoma City.

#### **ITEM 15**

#### **Adjournment**

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

Submitted by:

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Linda Dzialo, Secretary

Approved by:

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James Orbison, Chairman

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Linda Dzialo, Secretary