

OKLAHOMA LOTTERY COMMISSION

Minutes of Meeting
June 8, 2005
4:00 pm

Members present:

Ms. Cindy Ball
Mr. George R. Charlton, Jr.
Dr. Linda Dzialo
Mr. Ron Norick
Mr. James Orbison
Mr. William Paul
Mr. Thomas Riley, Jr.

Others attending:

Jim Scroggins, Executive Director of Lottery Commission
Becky Wilson, Office of State Finance, Recording Secretary
Rollo Redburn, Office of State Finance
Gay Tudor, Office of the Attorney General
Bobby Stem, GTech
Ramon Rivera, GTech
Dave Hofstadter, Battelle
Pat Hall, Scientific Games
Charlie Scannella, Scientific Games
Angie Atauvich, GIT/Capitol Network News
John Pittman, Intralot Inc.
Clayton Taylor, Intralot Inc.
Tim Martin, Oklahoma State Bond Advisor's Office
Tony Thornton, The Oklahoman
Greg Blackwood, News9
Tim Talley, AP

The Oklahoma Lottery Commission met on June 8, 2005, at approximately 4:00 pm, in the Large Conference Room of Crowe & Dunlevy, 20 N. Broadway, 18th Floor. 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 26, 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 Mr. Riley seconded. Ms. Wilson then called roll and all were in favor except Mr. Charlton and Ms. Ball who declined as they were not present at the last meeting. The motion passed.

ITEM 4

Interim Committee of Operations and Structure Report – William Paul

The Chairman asked Mr. Paul to give a report on the Interim Committee of Operations and Structure. Mr. Paul noted that the Committee had been working on the leasing of space at 3817 N. Santa Fe and asked Mr. Scroggins, Executive Director of the Lottery Commission, and Rollo Redburn to give their thoughts on the space. Mr. Scroggins noted that he was pleasantly surprised when he came to work Monday morning. Mr. Redburn said the Commission is located on the first floor, east end of the building. He also noted the landlord has had the carpets replaced, walls painted and windows fixed. Mr. Redburn also said he went to the surplus property site and purchased some chairs, computer tables, file cabinets and bookcases. OSF staff came in and set up the phones, computers and printer. Mr. Paul commended Mr. Redburn for his wonderful achievement in a short period of time.

ITEM 5

Discussion and Possible Action Regarding Commission Office Space-Building Exterior and Interior Design

The Chairman asked for discussion regarding the building exterior and interior design. Mr. Charlton noted the decision on exterior and interior design should be made not only by the Commission Board members, but the staff of the Lottery Commission as well. Mr. Riley noted the landlord of the building does have an Interior Designer available that has already developed 2 existing sketches of the exterior. Mr. Riley believed those sketches could be presented at the next meeting. Mr. Scroggins noted that he and Mr. Redburn would be having a meeting with the landlord the following day to discuss this issue. After lengthy discussion on this item, the Chairman deferred this item to the next meeting.

ITEM 6

Discussion and Possible Action Regarding Request for Proposals for Legal Services

The Chairman asked Mr. Paul to update the Commission on the RFP for Legal Services. Mr. Paul noted that the Attorney General's office developed a draft of a RFP for Legal Services and sent to each Board member for review, comments and changes. Dr. Dzialo motioned to approve that Rollo Redburn complete the RFP for Legal Services with the assistance of the Attorney General's office and place it on the website. Mr. Paul seconded. Ms. Wilson then called roll and all were in favor so the motion passed.

ITEM 7

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 responses to the RFP have been gathered and the Committee has met with Jim Joseph and Tim Martin of the Bond Advisor's office. There are 5 proposals that have been reviewed, ranked and rated and there are 2 the Committee would like to pursue at this time. Based upon information the Committee has received, proposals will be distributed to the Commissioners, then the Committee will bring a recommendation about 1 proposal to be adopted at the next meeting after June 14th. The Council of Bond Oversight meets once a month at the end of the month to approve an applicant's financing. The Council's next meeting is June 30th and the Committee will make application to be on their agenda for the next meeting. Mr. Riley also noted before the Council meets, the Committee has to furnish the Council of Bond Oversight final information about the proposal, terms, length and maturity which will need to be presented to the Commission prior to the Council's June 30th meeting. Mr. Riley noted that he and the rest of the Committee are very pleased with the proposals received to do due diligence about the operations and projected financial affairs of the lottery.

ITEM 8

Discussion and Possible Action Regarding Promulgation of Commission Rules

The Chairman asked Mr. Paul to give an update on the Promulgation of Commission Rules. Mr. Paul noted he spoke with Mr. Redburn about the possibility to wait until outside legal counsel has been selected to start the process of forming rules. The Committee had asked the Attorney General's office to draft the rules, but the Attorney General's office is limited on staff and resources, but will review when a draft is completed. Gay Tudor with the Attorney General's office suggested the Commission look at other states rules to see what they have done as a reference and the Attorney General's office can review those rules for consistency and compliance with Oklahoma statutes. Mr. Paul then asked Mr. Scroggins to identify a few states whose model is like the one Oklahoma will have, get those rules and use those as a beginning point. Those rules can then be compared to Oklahoma statute and modified as it needs be, and get it to the Attorney General for review.

ITEM 9

Discussion and Possible Action Regarding Commission Organizational Chart

The Chairman noted that the Commission did not have copies of the Organizational Chart, and asked Mr. Scroggins to bring back an organizational chart when it is ready for review. This item was then deferred to the next meeting.

ITEM 10

Discussion and Possible Action Regarding Additional Employee Background Checks

The Chairman asked Mr. Riley to update the Commission on Employee Background Checks. Mr. Riley noted that background checks on future hires should be based on the organizational chart that Mr. Scroggins will be providing as to what type of background check that employee should have. Dr. Dzialo then asked Mr. Scroggins when he brings a recommendation for the organizational chart to also bring a recommendation on what level of background check each person should go through.

ITEM 11

Discussion and Possible Action Regarding the Holding of an Executive Session, Pursuant to Title 25 O.S. §307B.1, for the Purpose of Discussing the Employment of a Director of Administration and Finance, a Director of Marketing and Sales and a Director of Operations

Dr. Dzialo moved that the Commission go into an Executive Session to discuss employment of Directors and Mr. Norick seconded. Ms. Wilson then called roll and all were in favor so the motion passed. The Commission members then moved to a separate room and an Executive Session was held.

ITEM 12

Discussion and Possible Action Regarding the Executive Session

The Executive Session was concluded and the Chairman asked Mr. Scroggins to report on the discussion that was had in the Executive Session. Mr. Scroggins recommended to the Commission the hiring of 3 individuals – Rollo Redburn as Director of Administration; Jerry Havener as Director of Operations; Beverly Hughes as Director of Sales and Marketing. Mr. Norick motioned the Commission approve the hiring of these 3 individuals and Mr. Charlton seconded. Ms. Wilson then called roll and all were in favor so the motion passed.

ITEM 13

Discussion and Possible Action Regarding Budget and Expenditures

The Chairman asked Mr. Redburn for any comments he had regarding budget and expenditures. Mr. Redburn asked for the approval of funds to pay the individuals that were just authorized for hire. Mr. Riley motioned to encumber the necessary funds to fund the salaries and benefits of the 3 employees that were just approved for hire and Mr. Paul seconded. Ms. Wilson then called roll and all were in favor so the motion passed.

ITEM 14

Executive Director Report

The Chairman asked Mr. Scroggins to give a report. Mr. Scroggins first thanked Rollo for all the work he did to get the set-up going. He also spoke of the trade show that was held earlier in the day that resulted in over 600 names of retailers that are interested in becoming part of the lottery.

ITEM 15

Next Scheduled Special Meeting: June 14, 2005

The Chairman announced the next scheduled special meeting will be at 1:30 pm on June 14, 2005 in the Governor’s Large Conference Room, 2nd floor of the State Capitol building. An additional meeting was scheduled for 10:00 am on June 27, 2005. The location will be announced at a later date.

ITEM 16

Adjournment

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

Submitted by:

Linda Dzialo, Secretary

Approved by:

James Orbison, Chairman

Linda Dzialo, Secretary