

**Oklahoma Lottery Commission  
Minutes of Regular Meeting**

June 9, 2009 – 1:30 p.m.

**Members Present:**

Mr. William G. Paul, Chairman  
Mr. George Charlton, Vice-Chairman  
Ms. Charlotte Edwards, Treasurer  
Mr. Blake Virgin, Secretary  
Ms. Cindy Ball, Trustee  
Mr. James Orbison, Trustee

**Others Present:**

Jim Scroggins, OLC	Rhonda Hooper, Jordan Associates
Rollo Redburn, OLC	Mike Wilkinson, Jordan Associates
Terri Jackson, OLC	Amy Hindman, Jordan Associates
Jay Finks, OLC	Barbara Hoberock, Tulsa World
Mary Martha Hall, OLC	Michael McNutt, The Oklahoman
Gay Tudor, AG's Office	Tres Savage, eCapitol.net
Allen Blankinship, SGI	

**ITEM 1**

**Call to Order. Roll Call and Announcement of Quorum**

Mr. Paul called the meeting to order at 1:32 p.m.

Roll Call: Ms. Cindy Ball, Mr. George Charlton, Ms. Charlotte Edwards, Mr. James Orbison, Mr. Blake Virgin and Mr. William G. Paul were present. Mr. Paul declared a quorum.

**ITEM 2**

**Announcement of Filing of Regular Meeting Notice and Posting of the Agenda in Accordance With the Open Meeting Act**

Posting of Regular Meeting Notice and Posting of the agenda were confirmed, in accordance with the Open Meeting Act.

**ITEM 3**

**Approval of Minutes of the March 17, 2009 Regular Meeting**

Mr. Charlton made a motion to approve the minutes of the March 17, 2009 regular meeting. Mr. Orbison seconded the motion.

Roll Call: Ms. Cindy Ball, Mr. George Charlton, Ms. Charlotte Edwards, Mr. James Orbison and Mr. William G. Paul voted to approve the motion. Mr. Blake Virgin abstained. The motion carried.

## **ITEM 4**

### **Discussion and Possible Action Regarding a Resolution and Plaque Honoring Thomas Riley for Service to the Oklahoma Lottery Commission**

Mr. Paul stated that Mr. Thomas Riley resigned his position as Treasurer of the Oklahoma Lottery Board of Trustees in February 2009. He was a charter member of the Oklahoma Lottery Commission and without a doubt made the greatest contribution to the birth of the lottery. He worked tirelessly and meticulously in creating financial stability and hiring the accounting staff. Mr. Paul thanked Mr. Riley for his dedication and contribution.

Board members and staff spoke of Mr. Riley's contribution, leadership, dedication, the void his absence has created and personally thanked him for his service. Mr. Riley accepted a plaque from the staff and members and expressed his appreciation to the Board and the Governor for the opportunity to serve.

## **ITEM 5**

### **Executive Director's Report**

Mr. Scroggins stated his comments are budget related and will be covered in Item 8.

## **ITEM 6**

### **Report of Audit and Finance Committee**

Mr. Orbison stated the Audit and Finance Committee met today prior to the Board Meeting. Those in attendance were Carl Selby, OLC Comptroller, Lester LaPorte, OLC Internal Auditor, Mr. Redburn, OLC Director of Administration and Board members; Mr. Orbison, Ms. Ball and Mr. William Paul. The committee discussed the quarterly internal audit report, the audit in progress and internal audits to be conducted. The staff is not aware of any problems or concerns. The YTD financial statements were reviewed and discussed. FY2009 projected transfers to the Oklahoma Education Lottery Trust Fund are on target to meet the mandated transfer requirements. Mr. Orbison indicated that the FY2010 budget was discussed in detail, and it will be presented as Item 8 on the agenda.

## **ITEM 9**

### **Discussion and Possible Action Regarding the Election of a Chair for the Audit and Finance Committee**

Mr. Paul stated that no information has been received from the Governor's office on a replacement for Mr. Riley's vacancy. The Board of Trustees By-laws state "appointment by the Chair of the members of each committee and the Chair thereof must be approved by the Board." Mr. Orbison has been acting as the Chair of the Audit and Finance Committee with Ms. Ball as member. Mr. Paul stated he has asked Mr. Orbison to serve as the chair of the Audit and Finance committee, and he has accepted, subject to approval of the full Board. The Statutes state the Board must have one member engaged in the practice of accounting, so Mr.

Riley's successor should be a CPA. Once the new member is appointed and acclimated, Mr. Paul will appoint them to the Audit and Finance Committee.

A motion was made by Mr. Virgin to appoint Mr. James Orbison to Chair of the Finance and Audit Committee. The motion was seconded by Ms. Ball.

Roll Call: Ms. Cindy Ball, Mr. George Charlton, Ms. Charlotte Edwards, Mr. Blake Virgin and Mr. William G. Paul voted to approve the motion. The motion carried.

## **ITEM 7**

### **Discussion and Possible Action Regarding Issuance of an RFP for Advertising Contract Services**

Mr. Scroggins stated the board has historically reviewed and approved the issuance of an RFP. The current advertising contract is with Jordan Associates and it was extended through December 31, 2009 so the contract would be on a calendar year. The proposed timeline for the new RFP is as follows:

<b>ACTIVITY</b>	<b>DATE</b>
RFP Issuance Date	June 9, 2009
Deadline for Written Questions	June 26, 2009 3:00 p.m. CST
Answers to Written Questions Due	July 10, 2009
Proposals Due at DCS	July 28, 2009 3:00 p.m. CST
Proposal Closing	July 28, 2009 3:00 p.m. CST
Selection of Finalists (if any)	August 14, 2009
Assignment of Agency Presentation	August 17, 2009
Agency Presentation Due	August 24, 2009
Final Evaluation Complete	September 4, 2009
Contract Award	September 22, 2009

Mr. Scroggins explained that after the proposal closing date an internal Evaluation Committee will be appointed to review each submitted proposal. The committee will consist of lottery staff and at least one outside individual with marketing experience from another lottery, Finalists will be established by total scoring based on predetermined evaluation criteria. Presentations by the finalists will be assessed by the Evaluation Committee. The process will be completed by the September 22, 2009 regular board meeting with staff recommendations. The new contract will begin on January 1, 2010 for a one year period with two (2) options to renew, each for a duration of one (1) year. In addition, OLC, at its sole option, may choose to exercise additional extensions for a maximum of three (3) one-year periods.

A motion was made by Mr. Orbison to approve the issuance of the advertising RFP. The motion was seconded by Mr. Charlton.

Roll Call: Ms. Cindy Ball, Mr. George Charlton, Ms. Charlotte Edwards, Mr. James Orbison, Mr. Blake Virgin and Mr. William G. Paul voted to approve the motion. The motion carried.

## ITEM 8

### Discussion and Possible Action Regarding the FY2010 Budget for the Oklahoma Lottery Commission

Mr. Scroggins stated the lottery will exceed sales projections for fiscal year ending June 30, 2009 and make the appropriated \$69.2 million in transfers to the Oklahoma Education Lottery Trust Fund. FY2010 total sales are projected at \$190,763,000 or \$697,000 below FY2009. The decrease is due to the start up of the Arkansas lottery which could be selling product by January 1, 2010. Projected profit for FY2010 is \$66,710,000. Mr. Scroggins briefly discussed additional items and answered questions from the board.

Mr. Paul commended the lottery for continued success in running so efficiently. At the end of FY2009, the lottery will have contributed approximately \$280 million to the Oklahoma Education Lottery Trust Fund.

Mr. Orbison exited the meeting at 2:10 p.m.

A motion was made by Ms. Ball to approve the proposed FY2010 budget. The motion was seconded by Ms. Edwards.

Roll Call: Ms. Cindy Ball, Mr. George Charlton, Ms. Charlotte Edwards, Mr. Blake Virgin and Mr. William G. Paul voted to approve the motion. The motion carried.

## ITEM 10

### New Business

Mr. Paul stated the Board has no new business at this time but would like to remind members of the October 6-9, 2009 NASPL (North American Association of State and Provincial Lotteries) Convention hosted in Oklahoma City.

## ITEM 11

### Adjournment

With no additional business, Ms. Ball made a motion to adjourn. The motion was seconded by Mr. Virgin.

Roll Call: Ms. Cindy Ball, Mr. George Charlton, Ms. Charlotte Edwards, Mr. Blake Virgin and Mr. William G. Paul voted to approve the motion. The motion carried and the meeting adjourned at 2:20 p.m.

**At the September 22, 2009 regular meeting Mr. Blake Virgin made a motion to approve the June 9, 2009 meeting minutes. The motion was seconded by Ms. Charlotte Edwards. Ms. Cindy Ball, Mr. George Charlton, Ms Charlotte Edwards, Mr. James Orbison, Mr. Blake Virgin and Mr. William G. Paul voted to approve the minutes.**