



STATE OF OKLAHOMA
OKLAHOMA LOTTERY COMMISSION
OFFICIAL MINUTES

September 18, 2012

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 its regularly scheduled meeting September 18, 2012 at 1:30 p.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 entrances of the Centennial Business Building at 3817 North Santa Fe Avenue, Oklahoma City, Oklahoma on September 18, 2012 at 10:00 a.m. and was mailed or hand delivered to the offices of the Board members on September 14, 2012 and was posted to the website on September 18, 2012. The agenda is attached as Exhibit A.

AGENDA ITEM 1:

CALL TO ORDER. Chairperson George R. Charlton Jr. called the meeting to order 1:30 p.m. The roll of Board members was called to establish quorum.

Board members present were: George R. Charlton Jr.;
 Blake Virgin;
 R. Deane Wymer;
 William Paul;
 Cindy Ball;
 Charlotte Edwards.

Board members absent were: James Orbison.

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 Shannon N. Gabbert, Executive Assistant. Others present were: Mary Martha Ford; Jim Reazer; Paulette Minshall; Susan Christian; Katy Smith; Rhonda Hooper; Megan Densow; Greg Fields; and Stephanie Halside.

AGENDA ITEM 2:

ANNOUNCEMENT OF FILING OF REGULAR 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 September 18, 2012 Board 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. Virgin moved that the reading of the minutes of the June 19, 2012 session be waived and approved as published and distributed. The motion was seconded by Mr. Paul. The Chair ordered a roll call with the following results:

| | | |
|-----------------|--------------|---------|
| ROLL CALL VOTE: | Ms. Ball | Abstain |
| | Mr. Wymer | Abstain |
| | Ms. Edwards | Yes |
| | Mr. Paul | Yes |
| | Mr. Virgin | Yes |
| | Mr. Charlton | Yes |

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

AGENDA ITEM 4:

EXECUTIVE DIRECTOR'S REPORT: Mr. Redburn gave an oral presentation regarding Lottery Commission budget, recent news, and upcoming activities and events.

AGENDA ITEM 5:

UPDATE ON LOTTERY MARKETING AND SALES ACTIVITIES.

- a. DIRECTOR OF MARKETING & ADMINISTRATION: Mr. Finks gave a PowerPoint presentation regarding past, present and projected Lottery sales, advertising cost estimations for the upcoming fiscal year, and an update on the newest scratchers to be released.
- b. DIRECTOR OF SALES & OPERATIONS: Ms. Ford gave a PowerPoint presentation regarding sales activities in and around the state, and also offered examples from Retailers around the state on how Lottery products should be displayed in-stores for improved sales.

AGENDA ITEM 6:

REPORT OF AUDIT & FINANCE COMMITTEE. Mr. Wymer offered an oral report regarding the Lottery Commission's current financial standing. No action was taken.

AGENDA ITEM 7:

DISCUSSION AND POSSIBLE ACTION REGARDING THE FY'2012 YEAR END FINANCIAL REPORT FOR THE OKLAHOMA LOTTERY COMMISSION. A motion was made by Mr. Paul and seconded by Ms. Ball to accept the Audit as presented. The Chair ordered a roll call with the following results:

| | | |
|-----------------|--------------|-----|
| ROLL CALL VOTE: | Ms. Ball | Yes |
| | Mr. Wymer | Yes |
| | Ms. Edwards | Yes |
| | Mr. Paul | Yes |
| | Mr. Virgin | Yes |
| | Mr. Charlton | Yes |

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

AGENDA ITEM 8:

DISCUSSION AND POSSIBLE ACTION REGARDING THE FY'2013 BUDGET FOR THE OKLAHOMA LOTTERY COMMISSION. (Exhibit C) No action was taken.

AGENDA ITEM 9:

DISCUSSION AND POSSIBLE ACTION REGARDING THE FY'2014 – FY'2015 ESTIMATED BUDGETS & STRATEGIC PLAN FOR THE OKLAHOMA LOTTERY COMMISSION. A motion was made by Ms. Edwards and seconded by Mr. Wymer to approve the estimated budgets and strategic plan as presented, allowing for potential changes as needed in the December Board Meeting. The Chair ordered a roll call with the following results:

| | | |
|-----------------|--------------|-----|
| ROLL CALL VOTE: | Ms. Ball | Yes |
| | Mr. Wymer | Yes |
| | Ms. Edwards | Yes |
| | Mr. Paul | Yes |
| | Mr. Virgin | Yes |
| | Mr. Charlton | Yes |

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

AGENDA ITEM 10:

DISCUSSION AND POSSIBLE ACTION REGARDING RENEWAL OF THE CURRENT ADVERTISING SERVICES CONTRACT WITH JORDAN & ASSOCIATES. (Exhibit D) A motion was made by Mr. Virgin and seconded by Mr. Paul to extend the contract to December 31, 2013 with a budget not to exceed two million dollars. The Chair ordered a roll call with the following results:

| | | |
|-----------------|--------------|-----|
| ROLL CALL VOTE: | Ms. Ball | Yes |
| | Mr. Wymer | Yes |
| | Ms. Edwards | Yes |
| | Mr. Paul | Yes |
| | Mr. Virgin | Yes |
| | Mr. Charlton | Yes |

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

AGENDA ITEM 11:

DISCUSSION AND POSSIBLE ACTION REGARDING A CONTRACT FOR THE EXTERNAL AUDIT OF INTERNAL CONTROLS. (Exhibit E) A motion was made by Mr. Paul and seconded by Mr. Wymer to approve the contract as presented, with an annual budget not to exceed \$40,000 allowing for possible annual rate increases not to exceed 2% annually. The Chair ordered a roll call with the following results:

| | | |
|-----------------|--------------|-----|
| ROLL CALL VOTE: | Ms. Ball | Yes |
| | Mr. Wymer | Yes |
| | Ms. Edwards | Yes |
| | Mr. Paul | Yes |
| | Mr. Virgin | Yes |
| | Mr. Charlton | Yes |

THE RESULT WAS SIX VOTES IN THE AFFIRMATIVE AND NONE OPPOSED.

AGENDA ITEM 12:

DISCUSSION AND POSSIBLE ACTION REGARDING ISSUANCE OF AN RFP FOR INSTANT AND ONLINE GAMING PROCEDURES. A motion was made by Mr. Paul and seconded by Mr. Wymer to approve the RFP as presented and allowing for necessary ministerial changes required by OMES for release by the state. The Chair ordered a roll call with the following results:

| | | |
|-----------------|--------------|-----|
| ROLL CALL VOTE: | Ms. Ball | Yes |
| | Mr. Wymer | Yes |
| | Ms. Edwards | Yes |
| | Mr. Paul | Yes |
| | Mr. Virgin | Yes |
| | Mr. Charlton | Yes |

THE RESULT WAS SIX VOTES IN THE AFFIRMATIVE AND NONE OPPOSED.

AGENDA ITEM 13:

ANNOUNCEMENT BY BOARD CHAIR OF NOMINATING COMMITTEE MEMBERSHIP AND REVIEW OF ELIGIBILITY FOR OFFICES. Current membership was maintained (Ms. Edwards as Chair, Ms. Ball and Mr. Virgin as members), Committee to meet and then report recommendation at the December Board Meeting.

AGENDA ITEM 14:

NEW BUSINESS. No new business.

AGENDA ITEM 15:

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 (none during this meeting), 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 E.

Minutes Approved by Board of Trustees on December 4, 2012.