



STATE OF OKLAHOMA
OKLAHOMA LOTTERY COMMISSION
OFFICIAL MINUTES

June 17, 2014

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 June 17, 2014 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 building entrances, in addition to the main internal office window of the Centennial Business Building at 3817 North Santa Fe Avenue, Oklahoma City, Oklahoma on June 16, 2014 at 8:00 a.m. and was mailed or hand delivered to the offices of the Board members on June 13, 2014 and was posted to the website on June 16, 2014. The agenda is attached as Exhibit A.

AGENDA ITEM 1:

CALL TO ORDER. Chairperson Blake Virgin called the meeting to order at 1:34 p.m. The roll of Board members was called to establish quorum.

Board members present were:

- Blake Virgin;
- James Orbison;
- George R. Charlton, Jr.;
- R. Deane Wymer;
- David Ostrowe;
- Nevyle Cable;
- Charlotte Edwards.

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 Nikki Phipps, Board Assistant. Others present were: Jay Finks; Mary Martha Ford; Scott Moulton; Megan Densow; Bryan Colbert; John Hayes; and Jim Reazer.

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. Phipps to verify that proper public notice was made with regard to the June 17, 2014 regular meeting, in accordance with the Open Meetings Act. Ms. Phipps 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) Ms. Edwards moved that the reading of the minutes of the March 18, 2014 Regular Meeting be waived and approved as published and distributed. The motion was seconded by Mr. Wymer. The Chair ordered a roll call with the following results:

| | | |
|-----------------|--------------|-----|
| ROLL CALL VOTE: | Mr. Ostrowe | Yes |
| | Mr. Wymer | Yes |
| | Ms. Edwards | Yes |
| | Mr. Orbison | Yes |
| | Mr. Cable | Yes |
| | Mr. Virgin | Yes |
| | Mr. Charlton | Yes |

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

AGENDA ITEM 4:

EXECUTIVE DIRECTOR'S REPORT: Mr. Redburn gave an oral presentation regarding Commission activities; Sales and Marketing products; triple jackpot signs; inventory tracking; past and upcoming promotions; Poker Pick; UAT testing; new Internal Control Systems and automated drawing systems; new security processes; and internal purchasing procedures. No action was taken.

AGENDA ITEM 5:

LEGISLATIVE UPDATE. Mr. Redburn gave an oral presentation regarding Bills that could affect the lottery. No action was taken.

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:

PRESENTATION OF FY'2014 AND FY'2015 SALES AND OPERATIONS INFORMATION. Mr. Finks and Ms. Ford gave an oral presentation regarding the current fiscal year sales overview; FY'2015 projections; Beneficiary contributions; the new primary vendor contract; instant ticket sales and changes; changes to the draw game portfolio; jackpot game changes; Operations and Marketing budgets; FY'2014 product overview; product analysis; overall jackpot game sales; and FY'2015 strategies. No action was taken.

AGENDA ITEM 8:

DISCUSSION AND POSSIBLE ACTION REGARDING THE FY'2015 BUDGET FOR THE OKLAHOMA LOTTERY COMMISSION. A motion was made by Mr. Charlton and seconded by Mr. Wymer to approve the FY'2015 budget, as presented. The Chair ordered a roll call with the following results:

| | | |
|-----------------|--------------|-----|
| ROLL CALL VOTE: | Mr. Ostrowe | Yes |
| | Mr. Wymer | Yes |
| | Ms. Edwards | Yes |
| | Mr. Orbison | Yes |
| | Mr. Cable | Yes |
| | Mr. Virgin | Yes |
| | Mr. Charlton | Yes |

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

AGENDA ITEM 9:

DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF A CONTRACT FOR DRAW AUDITOR SERVICES. A motion was made by Mr. Cable and seconded by Mr. Orbison to approve the multi-year agreement and the first year of the multi-year agreement, as presented. The Chair ordered a roll call with the following results:

| | | |
|-----------------|--------------|-----|
| ROLL CALL VOTE: | Mr. Ostrowe | Yes |
| | Mr. Wymer | Yes |
| | Ms. Edwards | Yes |
| | Mr. Orbison | Yes |
| | Mr. Cable | Yes |
| | Mr. Virgin | Yes |
| | Mr. Charlton | Yes |

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

AGENDA ITEM 10:

DISCUSSION AND POSSIBLE ACTION REGARDING LOTTERY COMMISSION RULES CHANGES AND ADOPTION OF A STANDARD SELF-EXCLUSION PROGRAM (SEP) AGREEMENT BETWEEN PROBLEM GAMBLERS AND THE LOTTERY COMMISSION / STATE. A motion was made by Mr. Wymer and seconded by Mr. Charlton to approve the Agreement, as presented, contingent upon approval of the rules from the Governor. The Chair ordered a roll call with the following results:

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|-----------------|--------------|-----|
| ROLL CALL VOTE: | Mr. Ostrowe | Yes |
| | Mr. Wymer | Yes |
| | Ms. Edwards | Yes |
| | Mr. Orbison | Yes |
| | Mr. Cable | Yes |
| | Mr. Virgin | Yes |
| | Mr. Charlton | Yes |

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

AGENDA ITEM 11:

DISCUSSION AND POSSIBLE ACTION ON APPOINTMENT BY CHAIR OF COMMITTEES AND CHAIRS OF COMMITTEES AND APPROVAL BY BOARD OF TRUSTEES. A motion was made by Mr. Cable and seconded by Mr. Ostrowe to make the following appointments: *Nominating Committee*: Ms. Edwards; Mr. Charlton; and Mr. Virgin. *Government & Citizens Relations Committee*: Ms. Edwards; Mr. Virgin; and Mr. Ostrowe. *Audit & Finance Committee*: Mr. Wymer; Mr. Orbison; and Mr. Cable. The Chair ordered a roll call with the following results:

| | | |
|-----------------|--------------|-----|
| ROLL CALL VOTE: | Mr. Ostrowe | Yes |
| | Mr. Wymer | Yes |
| | Ms. Edwards | Yes |
| | Mr. Orbison | Yes |
| | Mr. Cable | Yes |
| | Mr. Virgin | Yes |
| | Mr. Charlton | Yes |

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

AGENDA ITEM 12:

NEW BUSINESS. No new business.

AGENDA ITEM 13:

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, 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 B.

Minutes Approved by Board of Trustees on September 16, 2014.