



STATE OF OKLAHOMA
OKLAHOMA LOTTERY COMMISSION
OFFICIAL MINUTES

July 22, 2019

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 a special meeting July 22, 2019 at 12:30 p.m. The special 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 interior office window of the Oklahoma Lottery Commission at 3817 North Santa Fe Avenue, Oklahoma City, Oklahoma on July 18, 2019, at 12:30 p.m. The agenda was sent electronically to the Board members on July 19, 2019, and was posted to the website on July 19, 2019. The agenda is attached as Exhibit A.

AGENDA ITEM 1:

CALL TO ORDER. Chairperson Matthew Felty called the meeting to order at 12:30 p.m. The roll of Board members was called to establish quorum.

Board members present were:

Matthew Felty
Jack Sherry
Ralph E. "Ted" Blodgett
Nevyle Cable
Tracey Yates
Christy Rawlings

Board members absent were: James Orbison

Based on the result of the roll call, the Chair declared a quorum was present.

Others in attendance were: Rollo Redburn, Executive Director, Jay Finks, Deputy Director and Amber Fox, Board Assistant. Others present were Brandie Reisman, Mary Martha Ford, and Scott Moulton of the Oklahoma Lottery Commission; Lyn Martin-Diehl, Assistant Attorney General; and Eric Tupin of Scientific Games.

AGENDA ITEM 2:

ANNOUNCEMENT OF FILING OF THE BOARD MEETING NOTICE AND POSTING OF THE AGENDA IN ACCORDANCE WITH THE OPEN MEETINGS ACT. The Chair called upon Ms. Fox to verify that proper public notice was made with regard to the July 22, 2019 special meeting, in accordance with the Open Meetings Act. Ms. Fox 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. Cable moved that the reading of the minutes of June 25, 2019 board meeting be waived and approved as published and distributed. Mr. Sherry seconded the motion. The Chair ordered a roll call with the following results:

Roll Call Vote:

Mr. Felty	Yes
Mr. Sherry	Yes
Mr. Blodgett	Yes
Mr. Orbison	Absent
Mr. Cable	Yes
Mr. Yates	Yes
Ms. Rawlings	Yes

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

THE MOTION PASSED.

Mr. Redburn indicated that the Lottery had vetted the Assistant Attorney General, in regards to the Executive Session, and the under state law the Lottery is allowed to hold an Executive Session. The purpose of the Executive Session is to discuss issues, which if not discussed confidentially, could keep the Lottery from getting a good deal for the state.

Mr. Redburn request the Mr. Felty invite himself and Mr. Finks to be present during the executive session and advised that there must be a motion and a vote to have an Executive Session.

Mr. Finks discussed the elevating desire for self service.

Self-Service –

Businesses across the US are embracing consumers' desire to engage with self-service terminals.

- Speed of checkout
- Shorter lines
- Ease of payment

US Lottery Landscape: Self-Service –

Lottery contracts and capital expenditures seeing a significant focus on self-service terminals

- Ability to carry ALL or more games vs. counter
- Ability to embrace additional forms of payment – Debit, credit, mobile, etc.
- Stronger ability to control advertising message – Traditional instant displays vs. digital

Oklahoma Landscape: Self-Service –

Generation 2: Player Central Terminal (PCT)

- 104 Total
- 81 in the field: 41 grocery and 40 convenience stores
- 18 being redeployed, Loves (10), QT (5), Misc. (3)
- 5 remaining
- Current Demand: 20-30 more PCTs

Oklahoma Landscape: Self-Service –

Generation 3: High Definition PCT (HD)

- 50 Total
- Went live May 1, 2019: does not include debit functionality
- 1 in lobby
- 49 available for deployment for upcoming project
- Current demand: 70 HDs for new project

AGENDA ITEM 4.:

DISCUSSION AND POSSIBLE ACTION TO ENTER INTO EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING POTENTIAL AMENDMENTS TO THE GAMING SYSTEM CONTRACT WITH SCIENTIFIC GAMES INTERNATIONAL:

Mr. Redburn requested that Mr. Felty seek a motion and for the board to vote to go into Executive Session.

Mr. Felty requested a motion and that everyone with the exception of the Assistant Attorney General, Mr. Redburn, and Mr. Finks be excused for the board to go into Executive Session.

Mr. Cable moved to enter into Executive Session. Mr. Yates seconded the motion. The Chair ordered a roll call with the following results:

Roll Call Vote:

Mr. Felty	Yes
Mr. Sherry	Yes
Mr. Blodgett	Yes
Mr. Orbison	Absent
Mr. Cable	Yes
Mr. Yates	Yes
Ms. Rawlings	Yes

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

THE MOTION PASSED.

The board entered into Executive Session: (Authorized by 25 O.S. 2011, Section 307 (B) (7) and 3A O.S. 2011, Section 725.

Mr. Felty requested a motion to end Executive Session and return to Regular Session.

Mr. Cable moved to end Executive Session and return to Regular Session. Ms. Rawlings seconded the motion. The Chair ordered a roll call with the following results:

Roll Call Vote:

Mr. Felty	Yes
Mr. Sherry	Yes
Mr. Blodgett	Yes
Mr. Orbison	Absent
Mr. Cable	Yes
Mr. Yates	Yes
Ms. Rawlings	Yes

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

THE MOTION PASSED.

Lyn Martin-Diehl, Assistant Attorney General stated that for the purposes of the record the board met in Executive Session and considered agenda item 4. During the Executive Session no votes or official action was taken.

AGENDA ITEM 5.:

DISCUSSION AND POSSIBLE ACTION REGARDING MOTIONS OR ACTIONS RESULTING FROM EXECUTIVE SESSION, REGARDING AMENDMENTS TO THE GAMING SYSTEM CONTRACT WITH SCIENTIFIC GAMES INTERNATIONAL:

Mr. Felty asked if there was a motion to amend the contract with Scientific Games International to allow the Lottery to acquire additional PHD with cash drawers (total purchase price of \$1.216), 37 additional PCTs (total purchase price \$314,500), 120 additional LIMs monitors (total purchase price \$222,500); to include all communications hardware, installation, development cost for debit card capabilities, and the system to take debit charges on PHDs.

Mr. Sherry moved to approve the amended Scientific Games International contract as outlined. Mr. Blodgett seconded the motion. The Chair ordered a roll call with the following results:

Roll Call Vote:

Mr. Felty	Yes
Mr. Sherry	Yes
Mr. Blodgett	Yes
Mr. Orbison	Absent
Mr. Cable	Yes
Mr. Yates	Yes
Ms. Rawlings	Yes

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

AGENDA ITEM 10:

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.