



STATE OF OKLAHOMA
OKLAHOMA LOTTERY COMMISSION
OFFICIAL MINUTES

December 1, 2020

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 board meeting on September 22, 2020 at 1:30 p.m. The board 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 all main entrances and posted on the Lottery website 24 hours in advance of the meeting.

AGENDA ITEM 1:

Call to order:

Chairperson Nevyle Cable called the meeting to order at 1:30 p.m. The roll of Board members was called to establish quorum.

Board members present were:

Ted Blodgett
Nevyle Cable
Scott Eisenhauer
Jim Orbison
Christy Rawlings
Guy Sims
Tracey Yates

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

Others in attendance were:

Jay Finks, Executive Director
Amanda Everett, Assistant AG
Brandie Reisman, OLC
Mary Martha Ford, OLC
Katy Feaver, LegisOK

AGENDA ITEM 2:

Announcement of filing of the board meeting notice and posting of the agenda in accordance with the open meetings act:

Mr. Cable asked if proper public notice was made regarding the December 1, 2020 board meeting, in accordance with the Open Meetings Act. Mr. Finks verified that all necessary steps had been taken to remain in compliance with the Act.

AGENDA ITEM 3:

Reading and approval of minutes:

Mr. Eisenhauer moved that the reading of the minutes of the September 22, 2020 board meeting be waived and approved as published and distributed. Mr. Orbison seconded the motion. The Chair ordered a roll call with the following results:

Roll Call Vote:

Yes: Blodgett; Cable; Rawlings; Sims; Yates

No:

Abstain:

The result was seven votes in the affirmative, none opposed, and none abstained. The motion passed.

AGENDA ITEM 4:

Report of Audit and Finance Committee:

Mr. Blodgett reported that the Lottery is meeting all the Lottery Trust Fund appropriations made by the state this year and that the OLC is on track to exceed the State's FY21 appropriation of \$52.7 million dollars.

Mr. Blodgett reported on the Lottery's internal audit performed by BKD in the areas of Nightly Drawings, Claims, Security and Accounting. Throughout all (4) audits, the only finding was a recommendation by BKD to document management's review of the ineligible players database managed by the Security team. Mr. Blodgett indicated that Mr. Finks confirmed the Lottery has instituted a new review policy that would fulfill BKD's observation.

AGENDA ITEM 5:

Executive Director report:

Jay Finks, Executive Director, covered the following items...

Sales & Profits Review:

- Current sales up 36% vs prior year
- Instant sales up 56% (with over 50% of sales coming from \$10 and \$20 ticket sales)
- Draw games down 8% due to lack of high jackpots (although both jackpots were currently over \$200m and sales were rising)
- Overall sales were currently projecting to be 1% below budget but the numbers were conservative and the OLC still expects to exceed their budget projections
- OLC anticipates exceeding the FY21 appropriation by over \$13 million

Operations Review:

- OLC working on multiple contract deliverables including additional self-service machine, the testing on Sci-Q in key accounts, the development and execution of a routing software program for field sales and a mobile app feature that would check all Lottery tickets
- OLC preparing to launch a \$30 ticket in March, launch of Dollar General and Quick Ticket product still on pace for May launch, Lucky For Life moving to 7 days per week on July 19 and Powerball moving to 3 days per week on August 23
- OLC finalizing move to Sandridge building downtown on December 28; with plans to move the Claims department to a Public Intake Space across the street with the Oklahoma Tax Commission
- Mr. Finks provided an operational budget update and indicated that the Lottery was pacing to be under the FY21 budget of \$8.262 million by an estimated \$500,000.
- Mr. Finks provided an update on the staff of the Oklahoma Lottery; discussed the minimal impact of the Executive Director change on November 1 and the plans to fill (2) open positions to bring the FTE headcount back up to 30, including the hiring of a Director of Finance and Accounting to solidify the Accounting department during the current sharp increase in sales over the past few years. Mr. Orbison asked if Mr. Finks could send out a current and proposed flowchart for FY21.
- Mr. Finks also indicated the staff was working a 50/50 in-office system to help combat the impact of COVID-19 through at least the end of the year.

Legislative Review

- Mr. Finks indicated the Lottery was continuing to have discussions with legislative leadership regarding the development of two bills; the potential re-distribution of Lottery funds to education and the launch of a web-based Lottery distribution system called iLottery.

AGENDA ITEM 6:

Discussion and possible action regarding the adoption of the amended Lottery rules:

Mr. Finks gave an update of the ongoing rules process and indicated that there was no political or public feedback and it was now time for the board to “Adopt” the recommended rule changes.

Mr. Finks recommended that the board adopt the rules as amended.

Mr. Yates motioned that the Board adopt the rules changes. Mrs. Rawlings seconded the motion.

Roll Call Vote:

Yes: Blodgett; Cable; Eisenhauer; Orbison; Sims

No:

Abstain:

The result was seven votes in the affirmative, none opposed, and none abstained. The motion passed.

AGENDA ITEM 7:

Discussion and possible action regarding appointment of board officers, board committees and board committee chairs for CY2021:

Mr. Finks indicated that after coordinating with the nominating committee and given the turnover of board members during 2020 that the recommended nominations should remain largely unchanged. The one opening for officers, Secretary was discussed and Mrs. Rawlings was recommended to fill the position by the Committee.

The positions recommended were as follows...

Board Officers

Chair	Nevyle Cable
Vice Chair	Jim Orbison
Secretary	Christy Rawlings
Treasurer	Tracey Yates

Audit & Finance Committee

Chair:	Ralph E. "Ted" Blodgett
Member:	Nevyle Cable
Member:	Tracy Yates

Nominating Committee

Chair:	Tracy Yates
Member:	Ralph E. "Ted" Blodgett
Member:	Guy Sims

Government & Citizens Relations Committee

Chair:	James C. Orbison
Member:	Christy Rawlings
Member:	Scott Eisenhauer

Mr. Yates motioned for this recommendation Mr. Sims seconded the motion.

Roll Call Vote:

Yes: Blodgett; Cable; Eisenhauer; Orbison; Rawlings;

No:

Abstain:

The result was seven votes in the affirmative, none opposed, and none abstained. The motion passed.

AGENDA ITEM 8:

Discussion and possible action regarding board meeting dates for 2021:

Mr. Finks recommended the following dates: March 23, June 22, September 21 and December 7

Mr. Eisenhower motioned for these dates and Mr. Orbison seconded the motion.

Roll Call Vote:

Yes: Blodgett; Cable; Rawlings; Sims; Yates

No:

Abstain:

The result was seven votes in the affirmative, none opposed, and none abstained. The motion passed.

AGENDA ITEM 9:

New business:

Mr. Finks stated that there was no new business.

AGENDA ITEM 10:

Adjournment:

Mr. Cable moved to adjourn. Mrs. Rawlings seconded the motion.

Roll Call Vote:

Yes: Blodgett; Eisenhauer; Orbison; Sims; Yates

No:

Abstain:

The result was seven votes in the affirmative, none opposed, and none abstained. The motion passed.