



STATE OF OKLAHOMA
OKLAHOMA LOTTERY COMMISSION
OFFICIAL MINUTES

March 23, 2021

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
Tracey Yates

Board members not present were:

Guy Sims

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
Tiffany Mather, OLC
Jennifer Grigsby, Cabinet Secretary
John Van Pool, Citizen Potawatomi Nation
Rollo & Annette Redburn, Former OLC Executive Director and wife

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 March 23, 2021 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 December 1, 2020 board meeting be waived and approved as published and distributed. Mrs. Rawlings seconded the motion. The Chair ordered a roll call with the following results:

Roll Call Vote:

Yes: Blodgett; Cable; Orbison; Yates

No:

Abstain:

The result was six 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.

AGENDA ITEM 5:

Executive Director report:

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

Sales & Profits Review:

- Current sales up 46% vs prior year with projected sales expected to exceed \$335 million vs a FY21 budget of \$285 million
- Draw sales up 34% with the Lottery finally experiencing some higher level jackpots from Powerball & Mega Millions
- Instant sales up 51% with the successful launch of the Lottery's first \$30 ticket
- OLC anticipates exceeding the FY21 appropriation by over \$26 million
- Reviewed a detailed profit model with 24% of sales being contributed to the Lottery's beneficiary

Legislative Review

- Mr. Finks indicated the Lottery was still on track to have their Rules modified through the Legislative process
- Mr. Finks stated that discussions continue to be had about the opportunity to bring a digital Lottery solution to Oklahoma
- Mr. Finks discussed the OLC was monitoring a few other bills, including a bill that could impact employees for unclassified agencies. Mr. Finks stated he would monitor and report at a later date.

Operations Review:

- Mr. Finks introduced his Executive Team and discussed their tenure, experience and their specific reporting departments and personnel. Mr. Finks also reviewed the current organizational chart.
- Mr. Finks showed the floor plans to the Lottery's new Public Intake Space (not yet named) that would provide Claims and Customer Support services to Lottery players.
- Mr. Finks discussed the progress of the Corporate Sales Team including efforts being made with On Cue, Casey's, 7-Eleven, Quik Trip, Modern Oil, Walmart and Loves
- Mr. Finks provided an update on their Quick Ticket initiative with Dollar General and indicated that the launch was delayed by two weeks
- Mr. Finks provided an update on the launch of a Scientific Games deliverable, Sci Trak, which provides a predictive ordering model for instant ticket distribution.
- Mr. Finks also provided an update on the ongoing development of an automated drawing system that would provide an enhanced level of drawings on a nightly basis.

AGENDA ITEM 6:

Discussion and possible action regarding the contracts for FY22:

Mr. Finks discussed a number of contracts that the Lottery would not be seeking approval on based on the following rationale:

- Wright McAfee (nightly drawings audit) – the new contract with Scientific Games calls for an automated draw system that would eliminate the need for a nightly auditor. Mr. Finks assured the Board that the Security team would add some additional audits to ensure the drawings were meeting the highest standards of integrity and that the nightly draw would continue to be audited by the Lottery's external auditor, BKD. Total potential savings for the elimination of the contract totaled just under \$13,000. The Lottery, through this contract feature, would also save over \$250,000 in replacement costs if and when the current RNG needed to be replaced.
- CBIZ (annual IT audit) – this annual requirement is a state law (SB584) and does not require Board approval. The Lottery plans to conduct this audit in FY22 for a budget not to exceed \$20,000.

- CLO-Broadway Kerr (annual lease agreement) – the lease agreement does not require board approval and the annual rates for rent and parking do not change over the course of the lease agreement.

Mr. Finks recommended that the board renew the contract with RSM for external financial auditing services for FY22 for a budget not to exceed \$54,800. This renewal would be the 2nd of a 4-year available contract.

Mr. Yates motioned that the Board renew the contract. Mrs. Rawlings seconded the motion.

Roll Call Vote:

Yes: Blodgett; Cable; Eisenhauer; Orbison

No:

Abstain:

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

Mr. Finks recommended that the board renew the contract with BKD for internal auditing services for FY22 for a budget not to exceed \$40,000. This renewal would be the 2nd of a 4-year available contract.

Mr. Eisenhauer motioned that the Board renew the contract. Mr. Orbison seconded the motion.

Roll Call Vote:

Yes: Blodgett; Cable; Rawlings; Yates

No:

Abstain:

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

AGENDA ITEM 7:

New business:

Mr. Finks stated that there was no new business.

AGENDA ITEM 8:

Adjournment:

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

Roll Call Vote:

Yes: Blodgett; Eisenhauer; Orbison; Yates

No:

Abstain:

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