

MINUTES
KANSAS LOTTERY COMMISSION
Wednesday, June 18, 2008
11:15 a.m.
128 North Kansas Avenue
Topeka, Kansas 66603-3638

Call to Order

The regular monthly meeting of the Kansas Lottery Commission was called to order on Wednesday, June 18, 2008, at approximately 11:15 a.m. by Chairperson Harold Nye. The meeting was open to the public at Lottery headquarters, 128 North Kansas Avenue, Topeka, Kansas, with the Commissioners participating via telephone conference. Security Director Gary Herman determined compliance with the *Open Meetings Law*. Minutes were recorded by Executive Secretary Mary Metzler.

Attendance

Commissioners Present	Commissioners Absent
Harold Nye, <i>Chairperson</i> - Hays	
Jeanine McKenna - Reading	
Joni Franklin - Wichita	
Robert Van Cleave - Overland Park	
Robert Wunsch - Kingman	

Attendees

Participating

Staff: Keith Kocher, Director of Gaming Facilities
Stephen Durrell, Assistant Attorney General
Bob Krehbiel, Chief Gaming Officer
Gary Herman, Director of Security
Sally Lunsford, Director of Communications
Mary Metzler, Executive Secretary

Visitors: A list of signed-in visitors is attached and incorporated by reference to the official minutes. Some unidentified individuals listened to the meeting via conference call.

Opening Remarks

Director of Gaming Facilities Keith Kocher took the opportunity to address all public parties calling into the Lottery Commission meetings at the Lottery's expense. He requested that listening parties place their phones on "mute" and refrain from putting their phones on "hold" as recorded messages can be heard, causing disruption during the meeting. He also reminded everyone that the actual Commission meetings are conducted at Lottery headquarters, and that telephone access for the public is only provided as a courtesy and connection via telephone is not guaranteed.

Approval of Minutes

Minutes of the regular meeting conducted on May 14, 2008, as well as those of the special meetings conducted on May 19-20, 2008, and May 27, 2008, were submitted to the Commission in their online agenda packets. There were no additions or corrections to the minutes as presented. **Commissioner Franklin moved to approve the minutes as presented; Commissioner McKenna seconded;** motion approved unanimously.

New Business:

(1) RULES Assistant Attorney General Stephen Durrell

Mr. Durrell presented a written summary of the rules prior to the meeting, a copy of which is filed with the official minutes, and he presented the rules to the Commission for approval as follows:

New Instant Game Rules

<i>Specific Instant Game Rules</i>	<i>Article 4</i>
K.A.R. 111-4-2711	"Dubble Bubble Bucks" - Game No. 783
K.A.R. 111-4-2712	"Tremendous \$200s" - Game No. 782
K.A.R. 111-4-2713	"Bonus Crossword" - Game No. 781
K.A.R. 111-4-2714	"Diamond Cash" - Game No. 123
K.A.R. 111-4-2715	"Chips And Salsa" - Game No. 124

Commissioner McKenna pointed out that the "Chips and Salsa" game had conflicting names in the rules. Assistant Attorney General confirmed that the name was "Chips and Salsa" and that the rules would be corrected. Hearing no other questions or comments from the

Commissioners, Chairperson Nye called for a motion to approve the rules. **Commissioner McKenna moved to approve the rules as presented. Commissioner Franklin seconded; motion passed unanimously.**

(2) CONTRACTS Assistant Attorney General Stephen Durrell

- (a) External Auditing and Accounting Services**
- (b) Advertising and Public Relations Services**

Contracts for “External Auditing and Accounting Services” and “Advertising and Public Relations Services” were forwarded to the Commission in their agenda packets. The external auditing contract was awarded to CBIZ Accounting, Tax and Advisory of Topeka, LLC, and the advertising contract was awarded to Bozell and Jacobs, LLC. Both contracts begin July 1, 2008, through June 30, 2013.

There were no questions from the Commission **Commissioner Franklin moved to approve both contracts; Commissioner Wunsch seconded; motion passed unanimously.**

(3) EXPANDED GAMING Director of Gaming Facilities Keith Kocher

Privilege Fees. Mr. Kocher reported that Penn National had paid the \$25 million privilege fee required in the Southeast Gaming Zone by the required deadline. He said that the privilege fee for all other gaming applicants was due June 26, 2008, to the State Treasurer. Chairman Nye inquired how that payment was actually made. Mr. Kocher said that electronic transfer was recommended, but not required.

Review Board. Mr. Kocher said that the Review Board will be meeting July 9-10-11 in Columbus and Belle Plaine, Kansas, and that he and Mr. Van Petten planned to attend.

Mulvane Case. Mr. Kocher informed the Commission that Shawnee County District Court Judge Theis dismissed the Mulvane lawsuit in which the Sumner County Board of County Commissions was accused of breach of contract for failing to endorse two casino proposals near the City of Mulvane.

Supreme Court Case. Mr. Kocher said that a ruling in the Supreme Court case challenging the constitutionality of Senate Bill 66 may or may not be rendered on June 27, 2008.

(3) DIRECTOR’S REPORT **Keith Kocher for Executive Director Ed Van Petten**

Sales. In the absence of Executive Director Van Petten, who was attending NASPL and MUSL meetings, Mr. Kocher reported that sales were down slightly less than 1 percent.

Commissioner Van Cleave. Mr. Kocher informed the Commission that Commissioner Van Cleave was serving his last meeting with the Kansas Lottery Commission as he was being appointed to a different board. Commissioner Van Cleave expressed his gratitude to the staff and his fellow commissioners during his service to the Kansas Lottery. Likewise, staff and

commissioners reiterated their appreciation to Commissioner Van Cleave during his tenure at the Lottery.

Announcements

The next regular Commission meeting is scheduled for Wednesday, July 16, 2008, at 11:15 a.m. via conference call.

Adjournment

Having no further business, **Chairperson Nye called for a motion to adjourn. Commissioner Van Cleave moved to adjourn the meeting; Commissioner Franklin seconded.** Meeting adjourned at approximately 11:38 a.m.