

MINUTES
KANSAS LOTTERY COMMISSION
Wednesday, August 20, 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, August 20, 2008, at approximately 11:25 a.m. by Acting Chairperson Joni Franklin. 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. Immediately after the open meeting compliance was determined, Chairperson Nye joined the phone conference and Commissioner Franklin turned the chair over to him.

Attendance

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

Attendees

Participating

Staff: Ed Van Petten, Executive Director
Stephen Durrell, Assistant Attorney General
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.

Approval of Minutes

Minutes of the regular meeting conducted on July 16, 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 Wunsch 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

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| <i>Specific Instant Game Rules</i> | <i>Article 4</i> |
| K.A.R. 111-4-2727 | “Midwest Millions” - Game No. 790 |
| K.A.R. 111-4-2728 | “Super Red Hot Crossword” - Game No. 797 |
| K.A.R. 111-4-2729 | “Lucky Lines” - Game No. 798 |
| K.A.R. 111-4-2730 | “Casino Nights” - Game No. 101 |
| K.A.R. 111-4-2731 | “Lucky Stars” - Game No. 102 |
| K.A.R. 111-4-2732 | “Holiday Cash” - Game No. 103 |
| K.A.R. 111-4-2733 | “A Gift For You” - Game No. 104 |
| K.A.R. 111-4-2734 | “Hearts Are Wild” - Game No. 106 |
| K.A.R. 111-4-2735 | “Cashing Through The Dough” - Game No. 105 |
| K.A.R. 111-4-2736 | “Deal or No Deal” - Game No. 107 |
| K.A.R. 111-4-2737 | “Evergreen” - Game No. 109 |
| K.A.R. 111-4-2738 | “Frosty Bingo” - Game No. 112 |
| K.A.R. 111-4-2739 | “Platinum Payout” - Game No. 125 |
| K.A.R. 111-4-2740 | “Mega Slots” - Game No. 126 |

New Pull Tab Game Rules

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| <i>Specific Pull Tab Game Rules</i> | <i>Article 9</i> |
| K.A.R. 111-9-152 | “Money Carlo” - Game No. 799 |

Drawing Rules

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|---|----------------------------|
| <i>Specific Instant Game Rules</i> | <i>Article 4</i> |
| K.A.R. 111-4-2741/2744 | “Midwest Millions Drawing” |

Hearing no questions or comments from the Commissioners regarding the rules, Chairman Nye called for a motion to approve. Commissioner Franklin so moved; Commissioner McKenna seconded; motion passed unanimously.

(2) EXPANDED GAMING Ed Van Petten for Keith Kocher

On behalf of Keith Kocher, Executive Director Van Petten informed the Commission of the following updates relating to expanded gaming:

Race Tracks. Ruffin Companies had broken off all negotiations unless they can achieve a change in the statute. A current market analysis supports their posture. The Woodlands would like to continue negotiations on some items, but they still show a loss of money. Both race tracks would require a statute change. No accusations of wrong doing.

Review Board. Will be meeting on Thursday and Friday following this meeting date to determine the successful bidders in the Southeast and South Central Gaming Zones. The Southwest and Northeast Gaming Zones are scheduled for determination on September 18 and 19, 2008.

Application Process. Has been revised in the event it is necessary to re-open the bids in the Southeast Gaming Zone.

(3) DIRECTOR'S REPORT Executive Director Ed Van Petten

Sales. Mr. Van Petten reported that sales were down approximately 3.5% compared to the same period a year ago. He said sales declines were common among lottery states and that the Kansas Lottery was planning some promotions to help bolster sales.

Online Conversion. Mr. Van Petten said that the conversion process was nearing completion and that another batch change was expected in September.

Midwest Millions. Will be launched at the State Fair.

Push Play. Game is moving forward.

Keno Madness. Planning a Keno promotion with retailers giving away trips to the basketball tournament in Oklahoma in March.

Powerball. Game matrix will be changing in January 2009 with the addition of the state of Florida.

Announcements

The next regular Commission meeting is scheduled for Wednesday, September 10, 2008, at 1:30 p.m., in person. The agenda will include budget approval.

Adjournment

Having no further business, **Chairperson Nye called for a motion to adjourn. Commissioner McKenna moved to adjourn the meeting; Commissioner Franklin seconded.** Meeting adjourned at approximately 11:40 a.m.