

MINUTES
KANSAS LOTTERY COMMISSION
Wednesday, September 10, 2008
1:30 p.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, September 10, 2008, at approximately 1:30 p.m. by Chairperson Harold Nye. The meeting was open to the public at Lottery headquarters, 128 North Kansas Avenue, Topeka, Kansas. 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 Wunsch - Kingman	

Attendees

Participating

Staff: Ed Van Petten, Executive Director
Stephen Durrell, Assistant Attorney General
Bob Krehbiel, Chief Gaming Officer
Gary Herman, Director of Security
Carolyn Brock, Director of Finance
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 August 20, 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. 111-4-2745	“Dominoes” - Game No. 110
K.A.R. 111-4-2746	“Candy Cane Crossword” - Game No. 111
K.A.R. 111-4-2747	“Betty Boop” - Game No. 113
K.A.R. 111-4-2748	“Bonus Crossword” - Game No. 118
K.A.R. 111-4-2749	“Wheel & Deal” - Game No. 128
K.A.R. 111-4-2750	“\$2,000,000 Cash Bonanza” - Game No. 129
K.A.R. 111-4-2751	“\$2,500 Mega Spin” - Game No. 130
K.A.R. 111-4-2752	“Hot 7” - Game No. 131
K.A.R. 111-4-2753	“Tic Tac 7's” - Game No. 132
K.A.R. 111-4-2754	“Loose Change” - Game No. 133

New Pull Tab Game Rules

<i>Specific Pull Tab Game Rules</i>	<i>Article 9</i>
K.A.R. 111-9-153	“Pure Gold” - Game No. 108
K.A.R. 111-9-154	“Cool Cat” - Game No. 114
K.A.R. 111-9-155	“Jackpot Jungle” - Game No. 116

New Electronic Game Cards - Push Play Game Rules

<i>Specific Electronic Game Card Rules</i>	<i>Article 14</i>
K.A.R. 111-14-4	“Lucky 7's and Yahtzee Combination” - Game No. 120
K.A.R. 111-14-5	“Lucky 7's Recharge” - Game No. 121
K.A.R. 111-14-6	“Yahtzee” - Game No. 122

Chairman Nye opened the floor for questions. Commissioner Franklin inquired about three pull tab games on the agenda. Executive Director Van Petten explained that we had ordered in advance last year due to unavailability of print dates, and that the inventory was just now being depleted.

Hearing no more questions, Chairman called for a motion to approve the new game rules. **Commissioner McKenna so moved; Commissioner Wunsch seconded; motion approved unanimously.**

Assistant Attorney General then presented the remainder of the rules as follows:

Other New Rules

Lottery Retailers **Article 2**
K.A.R. 111-2-214/218 “Keno Madness Retailer Incentive and Drawing”

Amended Rules

Specific Instant Game Drawing Rules **Article 4**
Great Santa Fe Trail Horse Race:
K.A.R. 111-4-2680 “Prize”

There were no questions from the Commissioners. **Commissioner Franklin moved to approve the “Other New Rules” and the “Amended Rules.” Commissioner McKenna seconded; motion approved unanimously.**

(2) BUDGET APPROVAL Director of Finance Carolyn Brock

Carolyn Brock, Director of Finance, presented an overview of the FY 2010 budget to the Commission. She forwarded summary copies to the in advance of the meeting and gave them copies of the full budget at the meeting.

Ms. Brock reported that FY 2008 was the second highest sales year on record for the Kansas Lottery even though online sales decreased from the prior year mainly due to no large jackpots during the year. She said that the Lottery transferred a total of \$70,046,954 for FY 2008 to the State Gaming Revenue Fund, and that prizes and retailer commissions for FY 2008 were \$148,218,159. Ms. Brock also reported that the Lottery has transferred \$1.05 billion in funds to the State since the Lottery was established in 1987. She recapped the expenses for FY 2008, FY 2009, and the projected FY 2010 budget year.

Commissioner Franklin praised the work of the Finance Department for their efforts in preparing the budget. She then moved to approve the 2010 budget and to file it by the September 15th deadline. Commissioner McKenna seconded; motion approved 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:

Central System. Negotiating again with GTECH; no date on delivery of services at this time.

Review Board. Selected Harrah’s in the South Central Gaming Zone and Penn National in the Southeast Gaming Zone. Expecting announcement of the successful vendor in the remaining two zones next week. Mr. Van Petten reminded the Commission that the applications

procedures had been amended to allow the Southeast Zone to be re-bid if it becomes necessary at a later date.

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

Sales. Mr. Van Petten reported that sales were down approximately 7% compared to the same period a year ago.

NASPL. Mr. Van Petten reported that he will be attending the annual NASPL conference in Philadelphia at the end of September.

Online Conversion. Another batch change is being implemented in October which should conclude most of the conversion issues. Mr. Van Petten said there were no known player issues outstanding, but that some small accounting problems persisted.

Announcements

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

Adjournment

Having no further business, **Chairperson Nye called for a motion to adjourn. Commissioner Franklin moved to adjourn the meeting; Commissioner McKenna seconded.** Meeting adjourned at approximately 1:22 p.m.