

MINUTES
KANSAS LOTTERY COMMISSION
Wednesday, October 15, 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, October 15, 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. The Commission participated via conference call. 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
Gary Herman, Director of Security
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 September 10, 2008, as well as minutes of the special meeting conducted on October 2, 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

Specific Instant Game Rules *Article 4*

K.A.R. 111-4-2755	“Military Ticket” - Game No. 117
K.A.R. 111-4-2756	“Hershey’s” - Game No. 135
K.A.R. 111-4-2757	“Wild Cherry Slots/Sizzling 7 Slots” - Game No. 136
K.A.R. 111-4-2758	“Flock of \$50s” - Game No. 141
K.A.R. 111-4-2759	“Hot Dog \$100s” - Game No. 142
K.A.R. 111-4-2760	“Blackjack” - Game No. 143
K.A.R. 111-4-2761	“Score 4s” - Game No. 144
K.A.R. 111-4-2762	“Wild Bill Tours Kansas” - Game No. 145
K.A.R. 111-4-2763	“Magic Numbers” - Game No. 146
K.A.R. 111-4-2764	“Fast Cash” - Game No. 147
K.A.R. 111-4-2765	“Meteor Money” - Game No. 148
K.A.R. 111-4-2766	“All In” - Game No. 149

Commissioner McKenna moved and Commissioner Franklin seconded to approve the new instant game rules as presented. Motion approved unanimously.

Mr. Durrell continued and presented the following rules to the Commission:

Other New Rules

Lottery Retailers *Article 2*

K.A.R. 111-2-219/223	“Zarco 66 Drawing 2008”
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Specific Online Game Rules *Article 7*

K.A.R. 111-7-233/237	“Buy \$3 Get An Entry Free Drawing”
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Hearing no questions or comments, Chairman Nye called for a motion. **Commissioner McKenna moved to approve the other new rules as presented by Mr. Durrell. Commissioner Franklin seconded; motion approved unanimously.**

(2) CONTRACTS Assistant Attorney General Stephen Durrell

Mr. Durrell presented the following contracts relating to instant ticket printing to the Commission for consideration and approval.

- (a) Pollard Banknote: Contract runs from September 8, 2008, through September 7, 2013, with three, one-year renewal options. Pollard Banknote is the primary ticket printer. **Commissioner McKenna moved, and Commissioner Franklin seconded to approve the contract with Pollard Banknote. Motion passed unanimously.**
- (b) Scientific Games International. Contract for backup ticket printing, beginning August 21, 2008, through September 7, 2013. **Commissioner Franklin moved to approve the Scientific Games contract. Commissioner McKenna seconded. Motion passed unanimously.**
- (c) GTECH. Contract for backup ticket printing, beginning August 21, 2008, through September 7, 2013. **Commissioner Wunsch moved to approve the Scientific Games contract. Commissioner McKenna seconded. Motion passed unanimously.**

(3) 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:

Southeast Gaming Zone. Bid process is open again in southeast Kansas. Bids are due January 21, 2009.

Other Gaming Zones. Are in background. Will be voted upon by the Review Board in early December.

Julian Efird. Mr. Van Petten informed the Commission that the Lottery has entered into a contract with Legislative Research Services to employ the temporary services of Julian Efird for a period of two years. Mr. Van Petten explained that Mr. Efird, who has been a long-time Legislative Research analyst, has extensive knowledge and education in the gaming industry, and that he will assist in implementing expanded gaming.

Senate Bill 66. Mr. Van Petten reported that Senate Bill 66 will be opening next Legislative Session in an attempt to change the percentages paid to racetrack owners.

Central System. The central system is currently being reviewed by Information Technology office at the state.

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

Sales. Mr. Van Petten reported that sales were down approximately 4% compared to the same period a year ago.

Promotions. Mr. Van Petten informed the Commission that promotions to boost sales were planned for the future. The next upcoming promotion is "Keno Madness."

Veterans' Benefits Games. Mr. Van Petten said that two veterans' benefits games would be launched. A press conference was planned for November 6, 2008, at 10 a.m. at the National Guard museum with General Gerhardt to launch one of the games.

Promotion with Commerce and Stan Herd. Executive Director Van Petten informed the Commission that the Lottery was planning a promotional ticket with Kansas artist Stan Herd. Mr. Herd would produce oil paints of eight scenic bi-ways in Kansas, which would be offered to players as second-chance drawing prizes. The promotion would also promote tourism in Kansas. The promotion was in preliminary planning stages and would not launch until approximately 8 to 12 months later.

Powerball Changes. Mr. Van Petten reported that the Powerball game changes would be implemented in January.

Announcements

The next regular Commission meeting is scheduled for Wednesday, November 12, 2008, at 11:15 a.m. via conference call. The December meeting date was discussed. Mr. Van Petten suggested the date of December 11 at 11 a.m. which would coincide with the all-staff holiday luncheon. The Executive Secretary will poll the Commission for availability.

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 11:45 a.m.