

MINUTES
KANSAS LOTTERY COMMISSION
Wednesday, August 19, 2009
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 19, 2009, 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 meeting was held with the commissioners 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
Keith Kocher, Director of Gaming Facilities
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 15, 2009, were submitted to the Commission in their online agenda packets. There were no additions or corrections to the minutes as presented. **Commissioner Wunsch 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. 111-4-2868	Bon Voyage - Game No. 213
K.A.R. 111-4-2869	Double Doubler - Game No. 214
K.A.R. 111-4-2870	\$50s Fanfare - Game No. 215
K.A.R. 111-4-2871	Big Money \$100s - Game No. 216
K.A.R. 111-4-2872	Sweet 6s - Game No. 217
K.A.R. 111-4-2873	Nutcracker Cash - Game No. 219
K.A.R. 111-4-2874	National Guard Veterans - Game No. 224

New Pull-Tab Game Rules

<i>Specific Pull Tab Game Rules</i>	<i>Article 9</i>
K.A.R. 111-9-159	Kickin' Up Cash - Game No. 221
K.A.R. 111-9-160	Pittstop - Game No. 222

Motion

Commissioner McKenna moved, and Commissioner Wunsch seconded, to approve the new instant and pull tab game rules. Commission approved unanimously.

New Drawing Rules

<i>Specific Instant Game Rules</i>	<i>Article 4</i>
K.A.R. 111-4-2875-2878	Midwest Millions Second Chance Drawings

Motion

Commissioner Franklin moved to approve the new drawing rules for the “Midwest Millions Second Change Drawings.” Commissioner Wunsch seconded; motion approved unanimously.

(2) EXPANDED GAMING Keith Kocher

(a) Status Report

Southwest Gaming Zone. Mr. Kocher reported that he and other Lottery staff members continue to meet bi-weekly with representatives of the Dodge City casino. He said they have made trips to the Dodge City casino and said that construction is progressing.

(b) Contracts

Northeast Gaming Zone

Mr. Kocher reported that the two applicants in the Northeast Gaming Zone had presented overviews to the Commission on June 17, 2009. He reminded the Commission that on June 25, 2009, the Commission voted to extend contract negotiations with the applicants for 60 days.

Mr. Kocher said that both applicants in the Northeast Gaming Zone had successfully negotiated contracts for consideration. Those contracts, along with overviews and an analysis prepared by Richard Schuetz regarding financial ability and gaming experience, had been forwarded to the Commissioners prior to the meeting. Mr. Kocher said that both applicants and the contracts negotiated with them to become lottery gaming facility managers were compliant with statutory requirements.

Motion

Commissioner Franklin moved that the contract with Kansas Entertainment, LLC be approved by the Kansas Lottery Commission and that Executive Director Ed Van Petten be authorized to sign the contract on behalf of the Kansas Lottery. Commissioner McKenna seconded. The Commission approved unanimously with the following votes in favor of the motion: Jeanine McKenna; Joni Franklin; Robert Wunsch; Harold Nye.

Motion

Commissioner Franklin moved that the contract with Penn Hollywood Kansas, Inc. be approved by the Kansas Lottery Commission and that Executive Director Ed Van Petten be authorized to sign the contract on behalf of the Kansas Lottery. Commissioner McKenna seconded. The Commission approved unanimously with the following votes in favor of the motion: Jeanine McKenna; Joni Franklin; Robert Wunsch; Harold Nye.

South Central Gaming Zone

Mr. Kocher reminded the Commission that prior to the June Commission meeting Chisholm Creek and South Central Gaming Partners, LLC (Prairie Sky) had joined forces together. He said that before the close of business on August 18, 2009, he had received additional financial information on the applications and recommended a special meeting be held.

The Commission agreed to conduct a special meeting for the purpose of considering contracts in the South Central Gaming Zone on August 25, 2009, at 11:15 a.m.

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

Sales. Mr. Van Petten reported that fiscal year 2010 sales were ahead of last year by 9.7 percent. He said that instant ticket sales were down, but that Powerball sales were up by 30 percent.

Kudos. Executive Director Van Petten informed the Commission that Messrs. Kocher, Durrell, Sellens, and outside counsel had been doing an excellent job in working with the casino applicants. Chairman Nye complimented the employees on behalf of the Commission for a job well done.

Promotions. Mr. Van Petten reported that the raffle game was proceeding. He said that other upcoming events and promotions included drawings for Bon Voyage and Midwest Millions. He said that staff was working with Cessna for a possible joint partnership in a game.

Announcements

The next regular Commission meeting will be held on Wednesday, September 9, 2009, at 1:30 p.m. The meeting will be held in person and will include presentation of the budget.

Adjournment

Commissioner McKenna moved to adjourn the meeting. Commissioner Franklin seconded; meeting adjourned at approximately 11:45 a.m.