



WYOMING LOTTERY CORPORATION

Board Meeting Minutes

June 20, 2017

Teleconference – Cheyenne, WY

Board Members Present: None

Board Members via Teleconference: Mark Macy-Chairman, Gerry Marburger-Treasurer, Dave Bonner-Secretary, Sandi Chitwood-Vice Chairman, Ross Newman, Gina Monk, and Jim Whalen

Board Members Absent: Sandra Wallop

Staff Members Present: Jon Clontz-CEO, Macy Holmes-Administrative Assistant, Loy Jackson-CFO, Dave Stevens-Security Manager, Kristi Leavitt-Marketing Manager, and Alisha Pineda-Player Services

Staff Members via Teleconference: Robin Reining-COO

Guests: Laura Lewis-Intralot

Guests via Teleconference: Jennifer Bohlig-Intralot, Mark Larson-CWPMA, Jody Levin-Intralot, Matt Kaufman-Lawyer, Mary Throne, Tim Rutten-Intralot, Bob Moen-AP

Establish Quorum: Chairman Macy called the meeting to order at 10:02 a.m. with a roll call of board members and staff members. All guests were welcomed.

Approval of Meeting Minutes: The motion was made by Dave Bonner to approve the minutes from the April 25, 2017 teleconference meeting. The motion was seconded by Sandi Chitwood and the motion passed by a unanimous 7/0 vote.

CEO Report: Jon Clontz provided a brief discussion of his Joint Revenue Committee meeting attendance, the new special monthly report to the governor by request, and contract renewal or RFP proposals in regards to our gaming vendor. Powerball and Mega Millions voted on game changes at the NASPL Spring Directors' Meeting, resulting in a fall matrix change for Mega Millions and tentative changes to Powerball in mid-April or May after recommended changes go back to research and development. Local event participation was outlined, along with the upcoming summer promotions throughout the state and details will be sent out to board members for the events in their areas. Mississippi legislative representative, Dave Pray, will be at headquarters next week to assist with questions they have about lottery start-up. No action taken, no additional discussion from report.

Finance & Accounting Report: Loy Jackson mentioned that year end finances are currently being prepared. Audit procedures have begun to be processed, as we have received a list from auditors about the initial planning phase, with requested reports to be ready by the end of this

week. The planning phase is scheduled for the first two weeks of July, preliminary testing following at the end of July. Audit execution is scheduled for the last week of August and the first week of September, followed by the audit report by the end of October to present to the board. Discussion was presented about the fourth quarter financials and reaching projections by the end of the fiscal year, as well as projected transfer amounts to the State of Wyoming. No action taken.

Roundtable Discussion: Mark Macy began with officer election nominations, nominating Sandi Chitwood as Chairman. Protocol was discussed on how nominations and elections are handled according to our manual. A nomination for Vice Chair was made by Gerry Marburger to Jim Whalen. Dave Bonner stated he would continue as secretary if desired by the rest of the board and Gerry Marburger indicated he would be honored to continue as treasurer. Macy Holmes will be checking on reappointment progress before officer elections are announced in July's meeting. Discussion continued into KENO and the favorable support in the legal review of draw game status. Jon Clontz will return to the board with a formal recommendation, timeline, and roll out plan by July's meeting. Sandi Chitwood's discussion was concerning debit cards and the primary directive to maximize revenue to the State of Wyoming. Matt Kaufman outlined the statute language and the risks associated with allowing debit purchases, but ultimately it is a board decision to implement or not. Jon Clontz outlined by request that this could boost revenue by 8-9% from previous research, but it would be updated and more detailed for the board to review. Dave Bonner inquired about the progress with the retailer incentive plan. Jon Clontz outlined that this is being researched in coordination with legal counsel and the board will receive the new recommendation at July's board meeting. Gerry Marburger extended his appreciation for the chairman's service to the lottery. Ross Newman requested next meeting details, which is set for 8:00 a.m. Monday, July 31, 2017 in Sheridan, Wyoming at the Holiday Inn Convention Center. Jim Whalen was intrigued by the debit card conversation and requested it be added to the July meeting agenda. Mary Throne sited that she is still not an official board member, but hopefully will be by July's meeting. Gina Monk extended her thanks for Mark Macy's service to the lottery; in London and will have to disconnect soon. No action taken.

Closing Remarks: Chairman Macy opened the concluding discussion with executive session details and appreciation for the board's kind words for his time at the Lottery.

Executive Session: Motion made by Dave Bonner to move to an executive session to discuss CEO compensation. The motion was seconded by Gerry Marburger and the motion passed by a unanimous 7/0 vote.

After coming back from executive session to a public forum, Gina Monk had disconnected from the meeting. A motion was made by Dave Bonner to approve the CEO compensation decision, including consideration for the accumulated exchange time, in the amount of \$25,000 to be paid before the end of the fiscal year as a performance bonus. The motion was seconded by Sandi Chitwood and the motion passed by a unanimous 6/0 vote.

Meeting Adjournment: Chairman Macy announced the closure of the meeting, with the motion being made by Jim Whalen and seconded by Dave Bonner. The motion passed with a 6/0 vote and the meeting was adjourned at 12:15 p.m.