



WYOMING LOTTERY CORPORATION

Board Meeting Minutes

April 25, 2017

Cottonwood Country Club – Torrington, WY

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

Board Members via Teleconference: Jim Whalen, Sandra Wallop

Board Members Absent: None

Staff Members Present: Jon Clontz-CEO, Macy Holmes-Administrative Assistant, Robin Reining-COO, Loy Jackson-CFO

Staff Members via Teleconference: Dave Stevens-Security Manager, Kristi Leavitt-Marketing Manager, Alisha Pineda-Player Services

Guests: Matt Kaufman-Lawyer, Paul Ostendorf-Intralot, Jennifer Bohlig-Intralot, Tim Rutten-Intralot, Mary Throne

Guests via Teleconference: Bob Moen-Associated Press

Establish Quorum: Chairman Macy called the meeting to order at 9:31 a.m. with a roll call of board members and staff members. The chairman introduced newly appointed board member, Mary Throne, who will be seated after completion of statutory background check. All guests were welcomed.

Approval of Meeting Minutes: Motion made by Dave Bonner to approve the minutes from the January 23, 2017 teleconference meeting. The motion seconded by Gerry Marburger and the motion passed by a unanimous 8/0 vote.

Summary minutes requested by Dave Bonner. Ross Newman made the suggestion to reflect discussion with no actions and document formal actions.

Approval of Amended Documents: Motion made by Sandi Chitwood to approve the amended documents from our January 23, 2017 board meeting requested by the board. The motion seconded by Gina Monk and the motion passed by a unanimous 8/0 vote. A copy of the amended documents is attached and made a part of these minutes.

CEO Report: Jon Clontz provided a brief discussion of financials, outreach efforts and summer promotional tour, quarterly committee reporting, Mega Millions game changes, Robin Reining's SHRM pre-certification class completion, and his recent appointment to the Board for Respiratory Care. No action taken, no additional discussion from report.

Finance & Accounting Report: Loy Jackson provided the following updates:

Q3 Financials:

Loy Jackson presented Q3 financial highlights from the balance sheet, profit & loss, profit & loss YTD, and budget v. actual. The expenditures for Problem Gambling programs as business expenses were discussed by board and staff.

Motion made by Ross Newman to approve the Q3 Financials, as presented. The motion seconded by Sandi Chitwood and the motion passed by a unanimous 8/0 vote.

FY18 Budget:

Loy Jackson presented budget highlights with income projected to be \$27 million, an increase of \$3 million. Budget projects are reliant on staff expertise with very little historical data available to produce budget.

Motion made by Gerry Marburger to approve the FY18 Budget, as presented. The motion seconded by Dave Bonner and the motion passed by a unanimous 8/0 vote.

Line of Credit Discussion:

Jon Clontz presented the line of credit details negotiated with Jonah Bank for a \$500,000 LOC. The Board was advised that the interest rate and annual fee were in line with industry standard for a standby LOC. The Board was advised by legal counsel of suggestions to make a couple modifications to the document to clean up the language in alignment with statute.

Motion made by Ross Newman to approve the line of credit, taking into consideration the legal review and advised amendments. The motion seconded by Dave Bonner and the motion passed by a unanimous 8/0 vote.

Break taken by Board, staff, and guests

Marketing & Sales Report: Robin Reining provided the sales updates and emphasized the importance of picking up new players and doing creative things like promotions to keep player interest.

Campaign updates, along with problem gambling and general marketing campaigns, were outlined. Sandi Chitwood expressed that it is imperative that we move forward with new van/minibus to facilitate event attendance. No action taken.

Lottery Activity Update:

Dave Stevens presented the security upgrades and measures, as well as discussion about the legislative session along with legal counsel, Matt Kaufman. Sunset law in statute has been

removed from the lottery three years early in last session, a sign of confidence in our agency. MUSL audit report is in progress and will be provided after completion. No action taken.

Closing Remarks:

Chairman Macy opened the concluding discussion with the July executive officer elections for the board, with an outline of the policy by Dave Bonner. Gerry Marburger suggested a change in document distribution to make them more readable; send by tab rather than as a whole document for board meetings. Reappointment applications have been submitted to the Governor for Mark Macy, Gerry Marburger, and Gina Monk, as their term will expire on June 30, 2017.

Motion made by Ross Newman to move to an executive session to discuss confidential contract matters. The motion was seconded by Dave Bonner and the motion passed by a unanimous 8/0 vote.

Meeting Adjournment:

Chairman Macy announced closure of meeting. Meeting was adjourned at 1:45 p.m.