



WYOMING LOTTERY CORPORATION

Board Meeting Minutes

January 23, 2017
Teleconference – Cheyenne, WY

Board Members Present:

Mark Macy-Chairman, Gerry Marburger-Treasurer, Dave Bonner-Secretary, Sandra Wallop, Sandi Chitwood, Ross Newman, Jim Whalen, and Gina Monk

Board Members Absent: None

Staff Members Present:

Jon Clontz-CEO, Macy Holmes-Administrative Assistant, Dave Stevens-Security Manager, Robin Reining-CAO, Kristi Leavitt-Marketing Manager, Loy Jackson-CFO

Guests: Matt Kaufman-Lawyer, Mark Larson -CWPMA

Mark Macy called the meeting to order at 1:02 p.m. with a roll call of board members and staff members. All guests welcomed.

Motion made by Dave Bonner to approve the minutes from the September 20, 2016 teleconference meeting with an amendment. The motion seconded by Sandi Chitwood and the motion passed by a unanimous 8/0 vote. Motion made by Jim Whalen to approve the minutes from the November 15, 2016 meeting. The motion seconded by Sandra Wallop and the motion passed by a unanimous 8/0 vote. Request made by Dave Bonner to include any amended documents from previous meeting as part of the minutes.

CEO Report:

Jon Clontz provided the following updates:
Entering fourth year this year, honor to be here

Hot Lotto case with Mr. Tipton; matter of public record from legal
Got 10 year sentence and it was discovered there were other maleficence back to 2007
Brothers turning on brothers – guy in Texas making plea deals
Meeting this year with MUSL in Denver to get another update
Wyolotto doesn't have a MUSL RNG; is impacting several lotteries having their RNG's rebuilt

Keep updated of progress of court cases; no impact on the Wyoming Lottery
Loy Jackson is the new CFO; came from local accounting firm
Part of team that came in as backup plan; “stole” her but still on good terms
Kristi Leavitt as our new Marketing Manager; occupying Kayla’s position
Well known in marketing community
Back to full staff and getting ready for a busy spring

Local experts facilitated strategic planning meeting; development and fine tuning
Moving from start up to routine operations
Will share with board once complete; working on that behind the scenes for a while
Budget scrub completed; with all staff changes and addition of new game, it was needed

Audit went well; still need to control expenses going forward
Reduce marketing & advertising to appropriate level; industry standard
Starting in February it will reduce to \$600,000 a year and stay there in the second percentile
A little above the average but in an appropriate place in percent of spend to budget
Keep an eye on that for other places to save; continue to keep brand out there for awareness
Can adequately pursue sponsorships and sales campaigns with those dollars
Can have discussion with team and sub-committee about changes if need be; significant change

Lucky for Life launched; game is out there and selling; Robin Reining to give more later
No glitches with photons; selling briskly
Jackpots need to grow; recovering slowly

Intralot visit to Georgia at their expense; looked at security equipment and new backup generator
Got to go to Wyoming “war room” to watch them monitor the game after launch
Inspecting contractual services is important; Dave Stevens does this as well
Intralot executives in town tomorrow; doing “State of the Industry” address, which is their report out on their audit and the state of their company
Will make notes to provide later to the board

Legislative session update provided; tracking bills everyday – One bill talked about removing the cap on us to go to education
Matt Kaufman added there is also Senate File 104 to create oversight by Pari-Mutuel for the non-profit operation of bingo and pull tab games; monitoring for future updates
Jon Clontz continued that we want to get with people about this but keeping an eye for now; neither have a huge impact on Wyolotto; may have some confusion on oversight of gambling
We don’t lobby; remain neutral under board direction; folks are free to put forward any bill that they choose
Compliance with legislative decision if approved; make sure to brief everyone as we have information
House Bill 131 went to committee last week with amendment; change to formulation of how money will be paid out; narrowly passed – amendment made on floor keeps \$6 million cap in place, and any excess would be split to cities, towns and counties and the other to education

No regulatory oversight we're aware of in pull tabs

Matt Kaufman stated that he is concerned about language and drafting to only provide oversight for places that are non-profit for fundraising purposes; relatively limited

Jon Clontz continued with our legislative event coming on January 30th; invites to board sent this morning; staff there and a FAQ sheet will be ready; will get those to the board beforehand

Should be able to interact with a lot of the new legislative members, including those recently off like the Esquibel brothers; happy with how it's rolling out

March will start legislative outreach tour; Kristi Leavitt and Robin Reining are working on it
Will make sure to interact at every level

Invited to go do a presentation for the Campbell County Chamber of Commerce; nothing but positive reinforcement - wanted to know the impact of transfers on Gillette and the rest of the county

Leadership Wyoming was an important group to present to; sizable group that seemed to appreciate it

Make sure we keep people updated from grassroots perspective; going out meeting people face to face has to be part of it because people respond well to that here

Report Out due on the 25th; ready to go and prepared; presentations will follow after distribution
Expect this to do well, as the others have

Finance sub-committee recommended that we open line of credit; met with Mike Williams from Jonah Bank last Friday to open line of credit in the amount of \$500,000; normal and appropriate
In the beginning, we wanted to separate from debt and move on; now we want a safety net in a line of credit and a lot of businesses do it

Should have that ready to go in a week or two

January 9th last transfer; asked for the 9th according to their vacation schedule; transfer will be higher in April

Transferred just under \$3 million; more than people had expected lottery to transfer, including former members of senate; Pleased with how much we're able to transfer

Conference next month by New Horizons; Problem Gambling related every year in Vancouver
Thanked board members for coming; maintain foothold in problem gambling and established pretty good program here; pay for training towards certification through allocations to WDH with expired tickets

Good opportunity to meet leaders in problem gambling; get valuable training in regards to our program

Have to go through the process of a line of credit; motion to approve once paperwork is done
Can do special session for approval to look at paperwork beforehand; should be able to do that pretty quickly

Any revisions to be approved by board in starting planning for performance management system; done by executive team in Jon's experience; want to see it and review to make sure it is in alignment with the board

Approve may not be the right word, accepted by the board – roughed things out before to put together plan; fine-tuned that and written value statements; will need to be evaluated by the board

Board creates vision and goals and then pass on to CEO; vision is important factor for board to develop

Our situation unique due to nature of industry; wanted to provide fundamental legwork; once you get it you can change completely or just fine tune; will be close to what you want in relation to what you've expressed; not go into it backwards so wanted to give you something to work with Up to you to decide how to tweak it; anything that needs edited can be changed

Send to governance committee once complete; down to an annual routine component from here

Can get it in the proper way this next time around; goal was to share with the board – a lot of legwork involved

Packet was weak from original start up days; board should find it acceptable; next year can back into it the way it was suggested

Don't doubt it will be in alignment; board to edit and will release documents you're comfortable with

Set timeframes in advance so it gets done; component board needs to complete

Start with sub-committees, then to entire board – won't be a ton of edits but will change to whatever board wants

Update on keno; talked briefly about it; legal review update completed on Friday; can distribute this week so everyone can approve it; not a lot of changes from original opinion

Can discuss it after review; grassroots efforts met with group that want to see keno happen

Represents more money to businesses and opportunity for significant revenue; viewed as a draw game

Board has authority to direct this if they want; not a favorable response previously but situations have changed; climate simply different than it was before so getting a much more favorable support; get more feedback and talk to stakeholders at events and come back with concrete data to add to legal review for board to decide whether it wants to kill it, get more information, or produce it

Gaming vendor will have number crunching done this week so we can have a rollout plan ready

Still probably recommend keno before instant tickets; next logical game for players

Being able to get into new businesses without saturation

So far, more favorable than last year; board can decide where to direct activity and development

Still down one board member; Jon Clontz communicated that the Governor's office will be reviewing applicants for the vacant position; working on getting someone out of Casper again

Three board positions coming up in July; positions can be reappointed and simply need to reapply – Gerry Marburger, Mark Macy, and Gina Monk

Macy Holmes has filled out applications; will offer to complete and submit to make it easier on the members

Governor's office asked us to get started on this now; Mark Macy will review once those have been completed

Finance & Accounting Report:

Loy Jackson provided the following updates:

Thanked for warm introduction

Q1 Financials:

Loy Jackson presented Q1 financials highlights:

Balance Sheet-no accrual entries in this quarter

Jonah Bank Checking at \$2,574,933.88

Prize fund account at \$1,009,516.52

Fidelity Fund account at \$377,465.42

Available cash of \$3,962,815.82

Little over \$5 million in total assets

Accounts Payable, includes state transfer, Intralot and Warehouse Twenty-one

Net Income of \$405,881.09

Profit & Loss-Total Income over \$7 million; more substantial than last year

Gross Profit of \$2,346,079.63

Out of the ordinary from last year was new game expenses

61000 contract services outlines outside marketing with Warehouse Twenty-one, which is why this number is so high; number will decrease in contractual obligation broken into 12 month periods; has to come down

At times it was difficult to bear burden of this; some internal pushback on decreasing this

Can't sustain that kind of monthly bill; will come down to \$600,000 a year, like about what North Dakota spends – significant reduction

New game launch was separate from contractual obligation; reduced footprint of the rest to accommodate

Getting historical data and what players are reacting to; appropriate in timing to reduce;

bloomed based on estimations on start up

Internal sponsorship cost included from summer promotions

Said we would do more things across the state; change way we spend to spread across the whole state – make sure we don't leave any areas out

Far less transitional traffic that go to smaller fairs; part of our strategy too

Total expenses over \$1 million

Can number financials beginning to end for convenience

State transfers for first quarter total \$797,638.43

Net Income of \$405,881.09 for Q1

Budget v. Actual condensed quite a bit

Approve budget in a very positive way; cost of goods sold under budget

Over budget on expenses; goes back to why we're cutting down in contract service

Q1 successful; over and under where it should be

Motion made by Gerry Marburger to approve the Q1 Financials, as presented. The motion seconded by Dave Bonner and the motion passed by a unanimous 8/0 vote.

Q2 Financials:

Loy Jackson presented Q2 financial highlights:

Balance Sheet-made accrual entries this quarter

Reduced net income after doing accruals

Checking account down from prior quarter

Cowboy Draw jackpot down which is due to three (3) big winners in this quarter

Ending Cash balance decreased; happy people that it went down; Nature of the business

Current Assets reflect accruals reversed

Total assets over \$4 million

Down over first quarter due to winner volume

Unearned Revenue – accrual entry

Prize Pool Liability decreased

Net income of \$114,005.39 year-to-date

Profit & Loss Q2-Total income down from 1st quarter; looked at prior year and it was very similar with timeframe

Holiday standard for this business

Gross Profit down from first quarter – up from prior year

Marketing has already gone down from prior quarter

New Game Development a lot of our expense

Normal operational expenses; employee expenses came up a little with bonuses and vacation cash outs

Increase from 1st quarter; largely due to new game

Loss in this quarter due to accrual entries

Profit & Loss YTD- Total income; increase over last year substantial

Biggest expense was marketing; new game development almost \$800,000

Lucky for Life cost less than Cowboy Draw, even with special promotions allocation

Cowboy Draw over a million dollars; will come in under that

Employee vacation accrual entry made; increased from prior year

State transfers totaling \$1,431,347.42

Transfers not done last year; nice improvement over prior year

Budget v. Actual – Total Income \$253,000 over budget this quarter

Improved favorable over budget

Expenses over for new game \$187,000 more than what was expected

Ordinary income over budget; after state transfer still over budget favorable

Income side over budget is a good thing; Net Income over \$200,000

2 weeks into next transfer buildup; sitting at \$100,000 – expect to post another \$50,000 a week in

Jackpot declines, Lucky for Life sustained through holidays

Hitting weekly minimal target in terms of transfer

Motion made by Gerry Marburger to approve the Q2 Financials, as presented. The motion seconded by Ross Newman and the motion passed by a unanimous 8/0 vote.

Unclaimed Prize Money Allocation Request:

Jon Clontz provided the following details about the request.

Where the board has exclusive authority on using that money

Explained what an unclaimed prize ticket is for the record

Manage account in accordance with the law; covered in sub-committees

Base marketing, event support such as staffing, etc.; expenses attached to promotions

Drove cost up some; additional community event to promote new game

Additional vehicle cost and SWAG; ran out quickly and directed to purchase more

All related to launch of new game; patterned off Cowboy Draw but different type of game

Resourced others who have the game to try to get to new game development budget

Had testing issues in terms of having to retest; hard to pin down what it will cost

We hadn't planned for in new game development, but felt we needed to do is brand and market appropriately

Original plan to suck up cost and pay it to Warehouse Twenty-one in addition to regular cost

Reviewed law and account can be used for special promotions and prizes; request from this account

Any money not spent operationally can go to transfers; this is just sitting there

Want to move \$350,000 from this account and documented; eliminate cost from startup of Lucky for Life

\$627,000 in unclaimed prize account currently; request of \$350,000 leaves \$277,000 in the unclaimed prize account; rapid increase by March will be back to \$370,000; highly unlikely all will be claimed; back to \$400,000 soon

All problem gambling spending, still have \$328,000 in WDH account; board has authority to put up to \$200,000 in this account; has been up to \$370,000; a lot of money not being used

Upcoming Vancouver trip will be roughly \$21,000

Strategic plan development with Warehouse Twenty-one expense cost will come from problem gambling account also

We'll have \$296,000 in account; board needs to think about or decide how much you would like to put in to account or none at all

Walk the line with WDH; help them to be creative, but not invent problems

Scope of problem is not that big, but did decide they could do the strategic plan and budget; working with them on helping them do that

Don't expect they'll spend \$50,000 this year; don't have to decide today on what to do with WDH account

This allocation will zero out Warehouse Twenty-one bill; launched Lucky for Life without borrowing any more money; able to because of jackpots – proud of this; retire all debt related to Lucky for Life

Level of present demand keeps that account idle; not obligated to spend any minimum amount and this fits the statute; legal in agreement after thorough analysis – board has absolute authority over the proceeds in that account

Almost \$300,000 left, by March almost back up to \$400,000 in the account after this allocation

Supportive to put money to good use; if we launch keno, can we utilize that as part of that new game launch to minimize expense of new game; as long as it is authorized by the board and falls under special prizes and promotions – can't use it on testing, for example

No definition in special prize promotion in statute; launching a new game is unique and special and well within the law to use

Exempts unclaimed prize money from that definition and is amount that can be utilized by lottery

Fund unclaimed prize account generously according to industry perspective; fund dollar for dollar, unlike many other lotteries

Motion made by Ross Newman to approve the unclaimed prize money allocation in the amount of \$350,000. The motion seconded by Gerry Marburger and the motion passed by a unanimous 8/0 vote.

Line of Credit Discussion:

Jon Clontz presented the following discussion:

Discussed in CEO report

Vet through SCM and review at next board meeting, unless otherwise instructed

All things noted in minutes for documentation; certainly wasn't shy about expressing opinion to me

Asked for budget for several months with no response; more money building up

Documented at meetings; Jon asked by Chairman to record requests for budget materials from WDH.

Marketing & Sales Report:

Robin Reining provided the following updates:

Through week ending 12-13-16

Sales Update:

Robin Reining presented as follows:

FY17 Actual v. Projected graph outlined – actual over projection, doing well

FY16 v. FY 17 Total Sales graph outlined – over FY16; great news

FY16 v. FY17 Actual Weekly Sales graph outlined – huge spike was Powerball run

FY16 v. FY 17 Powerball Sales v. Jackpot Amounts graph outlined – obvious where jump happens; highlighted different spikes; overall sales are up over FY16

FY16 v. FY17 Mega Millions Sales v. Jackpot Amounts graph outlined – sales up over FY16; Jackpots going up in week 26 because of Powerball run

FY16 v. FY17 Cowboy Draw Sales v. Jackpot Amounts graph outlined – overall sales up over FY16; Week 26 jackpot going up to a million; have had run of low jackpots and sales are showing it

FY17 Lucky for Life Sales graph outlined – nothing to compare to since launch; significant sales right out of the gate; have not seen sales below \$70,000 per week since launch

Proud of Cowboy Draw launch; measured against Lucky for Life, but not by sales from price point

Ticket sales measured at Lucky for Life selling more tickets than Cowboy Draw so far
Add a slide that compares all games on one graph; will look at that for next meeting
Lucky for Life not jackpot driven
Relatively new game to industry; 22 states participate and growing
Don't see great response but for us, it's a game we could have for 5-10 years
Game we have to look at one day replacing but not anytime soon
Jackpots go up and people go back to buying; can't compete with those games
Compliments current portfolio for now; entertainment value
One niche of players here, need to watch to see if players pick it up as additional game or stop spending to play keno or other as we add more games
Lotteries always evaluate game life spans on player loyalty, participation, etc.
Generous segment of the population liked bingo in Oregon; backlash to pulling the game so it was reinstated as it was still making a profit
Games can burn out, don't want to jerk games because of sales drops
Larger lotteries look at production wants vs. needs
Most games have 5-10 years, unless they become a staple like Powerball and Mega Millions

Lucky for Life:

Game Launch-live on December 4th with great effort from teams; don't schedule media on Sundays due to media coverage; media buy running from launch through end of fiscal year
Highlight and celebrate Lucky for Life winners; 5 total winners in Wyoming for \$5000 – one gone public so far
Launch Press Event Results-a lot to cover; chairman and CEO presence; announced vehicle giveaway winner, talked about new game, and released information on trip giveaway
Had at depot; scripted and Mr. Luck attended the event
Goals and achievements outlined for event; competing with UW bowl game announcement
Vehicle Giveaway-ran 10-3-16 to 11-18-16; Camaro, trike, \$3,000 cash as giveaway; results and winner outlined – tried to sell bike back to Jon
Ireland Player Giveaway-trip details disclosed and entry results outlined; winners discussed
Launched to motivate sales of Lucky for Life; winners entered all 10 times that they could
Ireland Retailer Giveaway-Modified a little on dates so it compared apples to apples vs the Powerball run; can't announce winner yet publicly because they have not gone through entire validation process; didn't get information in time to announce at meeting

Trigger Campaign:

Jackpots drive sales; really high, it's organic due to national news, etc.
Jackpots down, have to use advertising to create more sales
Creating assets to push out at different jackpot levels per game
Tactics outlined at which levels the campaign releases
Isn't a set buy; determine as we go according to game jackpots

Giving Back Campaign:

Waiting for this highlight to give back to the state
Outlines transfers; want to start talking about this

Other states highlight where it goes; we cannot do that
Much broader and more about supporting the state
Not just tactics we have, this will live with us forever; have its own page on the website

Digital Marketing Performance:

Website still popular; glitch in website showed how much our players depend on site
Phones never stop ringing; constantly making sure it's updated as it needs to be
A lot of followers on social media; Twitter is growing
Campaigns shared; continue to grow through those types of initiatives
Email tool used by players

Sponsorships Update:

UW Basketball Facebook Giveaway-did one for football
Wanted to take lucky winner and send to someplace sunny
Extremely successful campaign; quick run
Exceeded goal of entries
People are winning throughout the state – great point to emphasize

WDH – Problem Gambling Update:

Jon referenced before; bucket of money to support initiatives in the state
Armed to pull together a strategic plan; down to the nitty gritty
Wyoming doesn't have a significant problem but there are opportunities to help those in need
Take a look at research, discovery sessions on how funds can be spent; relevant expenditures

Next Steps:

Lucky for Life campaign to run through FY17
Trigger campaign evaluated winner sales
Winner support happening everyday
Giving Back campaign to launch on 2-14-17
WDH first discovery session the week of 2-7-17

Lottery Activity Update:

Dave Stevens and Jon Clontz presented the following updates:
Congratulations to Dave Stevens on Certified Fraud Examiner (CFE) completion from chairman

Governance Manual Amendments:

Page 1, section 1.3; addition covered in paragraph
Page 15, section 6.2; addition covered in paragraph
Only two (2) additions made in governance manual
Discussed and vetted at sub-committee; all comfortable with these changes

Motion made by Gerry Marburger to approve the governance manual amendments, as presented.
The motion seconded by Sandi Chitwood and the motion passed by a unanimous 8/0 vote.

Existing Game Rules Amendments:

Lucky for Life game rules approved last meeting

All game rules in line with others

Standard following along with each of them

All game rules made two (2) changes

Added ineligible players changes to outside vendors; applied due to national standard

Local lottery restriction; added to other game rules from Cowboy Draw

Amendment needed for Powerball rules, page 2, Cowboy Draw needs to be taken out and corrected to say Powerball

Motion made by Dave Bonner to approve the existing game rules, with outlined amendment. The motion seconded by Gina Monk and the motion passed by a unanimous 8/0 vote.

Travel Policy:

Asked Jon Clontz to adopt by chairman

Allowing spouses to attend lottery functions to increase lottery board participation

A lot of spouses would like to attend as well

Event attendance that is important; opportunities to vote on things, networking, training, etc.

Other jurisdictions bring spouses; level of ambassadorship expected in attendance

Common for Directors and Board members attending to bring spouses to provide support

Get more participation; not a huge expense

Short, adequate policy by legal team

Basically authorizes board members to attend certain functions to invite spouse and have coverage in per diem, etc.

Spouse provides some level of ambassadorship for the Lottery

Governance Manual states travel not covered for spouses

Exception to governance manual; that was meant for unauthorized expenses

When inviting board members to events; evaluating to make sure agenda is appropriate before attending; will apply to spouses as well

Most companies don't pay for spouses for travel; CEO the "gate keeper" on what is appropriate to attend

Whatever is presented at the event is lottery specific and an opportunity to network

Expense isn't great; benefits board participation

State agency lotteries would not do this; we're a private corporation and can do that

Not new; other boards that do this in private companies

Legally permissible; purpose behind this is to encourage participation of board as much as possible

If board decides not to do, fine, but if approved, then it can be evaluated at a later date

Dave Bonner stated that he is on another board that has this policy; gets more participation from board

Private sector considers this normal practice; public sector is a whole different issue

Ought to treat ourselves and participate in this policy to travel with spouses

Tickets distributed to events, etc.; went through ethics review, we don't fall under state agency regulations

Already doing it with regard to other opportunities, up to board to pass

Legal to do this from counsel; examples in other industries – not uncommon
Not to be abused or a substantial expense; benefits outweigh

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

Clarify language to make sense with governance manual done by legal. Approved by board with amendments. Motion made by Dave Bonner, seconded by Sandi Chitwood, passed unanimously.

Lease Agreement:

After brief introduction of space allocation logic by Mark Macy, Jon Clontz provided discussion details:

Dave Causey who didn't occupy space before now does in going full time

Security having to be behind locked doors

Brining IT function in house; conference room is only current meeting space

Need wasn't pressing last year; if we don't take advantage of the opportunity, we'll have to look elsewhere

Space and fees outlined from space allocation

Net savings from \$20,000; net monthly gain over \$18,000; numbers speak for themselves

Cost of 1st year paid up front; this gives opportunity to not incur another recycling bill per month

Money set aside to pay in advance; time to build up game and see savings

Lottery technology not upstairs; don't need same type of security

Cameras in space, keypad locks needed for security

Open reception area to sit and wait if not ready for a meeting

Office to right for reception, space for Jon's office, space for security and CFO

Downstairs would remain marketing, CAO, Security Draw Coordinator, and the potential IT person

Still hold meetings in conference room; upstairs area providing additional conference space

Old office downstairs turned into media room; have staging area for winners – invite media for interviews

Additional office space for existing employees and potential growth

Told owner to not hold space back in September due to unpredictability

Would not be available forever; Intralot on 3rd floor in same building

Advantageous for us; multiple meetings throughout

Already furnished space; comes with the rent

Might need to spend on curtains and blinds, but minimal expense

A lot of operational interference in moving somewhere else

Moving lottery technology would be difficult and time consuming

Low percentage cost; not many to criticize the expense

Had conversation last fall in regards to want or need, decided as a want at that point; propose to board when it becomes a need

8 people in relatively small space; having office equipment take up space – more is needed

Have to be objective; discussed with growth anticipation – should accommodate that as well

Could create lab opportunity if needed, would need to enhance security and draw coordinator if we add keno, etc. – would be able to do all that in this space

Can handle other games and easily handle it with the additional square footage
Well under what the norm is even for small lotteries
Ross Newman stated he is ambivalent about paying entire cost up front
Not to create an immediate burden so money was set aside; out of uncertainty on how quickly other reductions could be made – keep reoccurring bills as minimal as possible
Goal is to maximize revenue transfers to beneficiaries; no reason to prepay lease for 12 months
Keep this expense in this quarter rather than drag future expense into it
Prepared to move \$30,000 back into transfer account; 3 year lease term and will make monthly payments
Owner wants to do another 5 years for upper and lower floors; agreed on 3 years
Sign both leases as 3 year at the same time to make them come due simultaneously
Can get into space with approval of board on February 1st
Brian Scott Gamroth researched property opportunities and was getting ready to present material to the board; some concerns with moving to another building – didn't want to affect perception; has been brought up in the past
Sunset is highly unlikely, but state would take ownership of the building
Can reengage research on purchasing a building at the end of the lease terms
Thought 5 years was too long to discuss current changes needed
That would be in 4th year of transfers; by that time will know about instant tickets and keno
Board will be in a better position to discuss that as an option to purchase a building
3 year timeframe adequate with legislative changes, etc.; can become a much more significant organization to accommodate
5 year mark is the crossroads for any start up to really know company well; gives time to reach this mark – 3 years not too long
Didn't stipulate in contract that says he wants an option to renew it; he wants us to stay here as long as we can
Retain option to extend contract beyond 3 years to offer protection if we want to stay
Have legal look it over before signing and approval from the board

Motion made by Sandra Wallop to approve the addition of the new lease agreement, with the option to renew at lease term conclusion for 3 years and not to pay one year in advance but recycling payments monthly. The motion seconded by Gerry Marburger and the motion passed by a unanimous 8/0 vote.

Closing Remarks:

Chairman Macy opened the concluding discussion:
Appreciate board support; reviews and coming prepared
Next board meeting Tuesday, April 25th at 9:00 a.m. in Torrington, Wyoming
Members are in favor, we'll talk about restaurant to meet at the night before
Ross Newman to work with Macy Holmes to get something arranged; discussions to host the meeting at the ranch

Meeting Adjournment:

Chairman Macy announced closure of meeting. Meeting was adjourned at 3:57 p.m.