



WYOMING LOTTERY CORPORATION

Board Minutes

June 21, 2016

Teleconference

Board Members Present:

Mark Macy-Chairman, Gerry Marburger-Treasurer, Dave Bonner-Secretary, Ross Newman, Brian Gamroth, Sandra Wallop, Sandi Chitwood, Jim Whalen,

Board Members Absent:

Staff Members Present:

Jon Clontz-CEO, Mike Scissons-CFO, Kayla Runkel-Director of Marketing, Justin Ballard-Sr. Research Analyst, Robin Grandpre-Project & Performance Manager, Jennifer Blair-Administrative Assistant

Guests: Matt Kaufman-Lawyer, Laura Lewis -Intralot, Mark Larson - CWPMA, Michelle Panos – Governor's Office

Chairman Macy called the meeting to order at 2:03 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 May 25, 2016 meeting. The motion seconded by Gerry Marburger and the motion passed by a unanimous 8/0 vote.

Chairman Macy: comments: The meeting is required by statute at the end of the fiscal year. Matt Kaufman is working on the transfer policy. We will look into that at the governance meeting. Erin Taylor resigned her position on the board. Been in touch with the Governor's office, they are starting a list of prospective candidates. Jon do you have a meeting scheduled to discuss new board member?

CEO Clontz: Nothing scheduled yet

Chairman Macy: Michelle, do you have any input?

Michelle Panos: I do not know of any progress on that.

Chairman Macy: If anyone has an idea for a candidate please email me.

Dave Bonner: Should we formally acknowledge Erin's resignation so it is in the minutes?

Chairman Macy entertains a motion to acknowledge the resignation

Motion to accept resignation of board member Erin Taylor made by Brian Gamroth, second by Dave Bonner and the motion passed by unanimous vote 8/0

CEO Report:

CEO Clontz: This is a special end of the year session as required by statute. There really is no agenda for today's meeting other than to satisfy the requirement.

Other updates:

- Trip to Cleveland for NASPL and MUSL, talked about Powerball caps, the discussion of slowing the adjustment and increase of the Powerball jackpot once it reaches a certain amount. Discussion about matrix change in Mega Millions, it will be discussed by MM consortium. There was a L4L consortium meeting with nothing new. In the process of getting L4L set up and launched by thanksgiving, promoting over summer. Discussed the appointment of new CEO of MUSL. Elected Bret Toyne, long term deputy director. Was COO of MUSL. We asked that, due to infrastructure issues, Mr. Toyne will be put on a 1 year contract, if his performance is satisfactory, he will be given a new longer term contract. Majority vote elected to do thing this way with MUSL.
- After Cleveland and went to Riverton to address the TRW, Justin attended as well. I presented for about an hour, it went well, covered everything in great detail. Questions and statements about problem gambling. One question Representative Clem regarding our interpretation of the \$200,000 threshold for addressing problem gambling. Asked about the transfers, we got kudos for transferring \$1 mil, Rep Clem asked how much the next transfer would be. I said it was dependent on sale. Our reports were thorough and well received.
- We are preparing for our annual third part MHP audit, initial entry will be in a couple of weeks. Then in July to complete the audit. Security audit was performed last week, we will go over the results and send out the update to the board.

Chairman Macy: Any questions, comments or concerns?

Brian Gamroth: TRW question. Is there anything going forward on problem gambling and pari-mutuel.

CEO Clontz: The very first question for Charlie Moore was: what has pari-mutuel been doing for problem gambling? Someone asked if he had cured any problem gamblers. It is clear they have not been able to get too involved. When we addressed our progress we mentioned had 9 people referred for treatment because they had identified as having a gambling issue.

Ross Newman: Interpretation of \$200,000 statement. My impression based on our discussion, is that we fully intend to spend the \$200,000. We don't want to control the dollars, we want to have oversight in how it is spent.

CEO Clontz: The statute does say that the amount of money we spend is intended to go towards the problem gambling issue and the board and WLC are highly invested in addressing the issue. We agreed that the board does have the authority to dictate how the money is spent, we have a memorandum to make sure the money goes toward PG. I reassured them we are not treatment providers, DOH provides that. We just make sure we know where the money is going. We clarified what "up to" and "in consult" means.

Brian Gamroth: Were there any questions about scratch tickets?

CEO Clontz: Nothing was brought up about that, it surprised me. We have all seen the articles about it, and I thought I would get questioned about it pretty hard, regarding products and the \$9 million amount we came up with. They went right to the problem gambling issue, not one word was said about scratch tickets

Chairman Macy: Didn't we have someone doing some training at DOH?

CEO Clontz: We did do two research projects on the problem gambling issue, through the hotline and getting them to treatment have been working. We had 6 people want to go to the conference, but there is currently a travel ban and they cannot go. We have 6 DOH people enrolled in an online problem gambling certification program. We have that, research, people in treatment but were not able to get them to the conference. We have a board formed and getting good attendance. Whatever the size of the problem, let's get them help and treatment. The best news is that we had some people come forward and we were able to get them treatment

Chairman Macy: Do we have a budget in line?

CEO Clontz: We discussed a budget, Matt has something he is working on, Justin is working on a budget with DOH. Hopefully by the next board meeting we will have a budget to look at

Brian Gamroth: Since Michelle is here, Michelle can we get the travel ban lifted for the DOH employees that want to go to the conferences?

Michelle Panos: I will have to look into it and discuss it, when is the conference?

CEO Clontz: It is July 13-17 in Tarry town, NY

Michelle Panos: Let the Governor's office touch base on that topic. DOH does not go by DOH, it goes by WDH.

Chairman Macy: As a backup if we can't get the travel approved, would it be possible to get someone to come out to Wyoming?

Justin Ballard: I will talk with someone at NCPG to see if we can get someone out here.

Roundtable Discussion:

Chairman Macy starts the discussion. Gerry Marburger brought out the issue of the governance book, we have had some good feedback from everyone, books only about \$13 at Barnes and Noble. We should buy books for board members and senior staff. Dave Bonner do you have anything to add?

Dave Bonner: Email reference about goal setting for FY17, how do you want to go about approving the goals? How do we adopt and memorialize the goals? I have a suggestion: to make it even better, we talked about a goal to work to make subcommittee presentations more complete to present at board meetings.

Chairman Macy: Does anyone else have anything to add about the goals that Jon sent out that I forwarded on to the board. We will add those to the next board meeting to discuss.

Gerry Marburger has nothing to Add

Brian Gamroth: I was tickled to see Jim Whalen out there pushing for scratch tickets. At some point we discuss our talking points on scratch tickets and not rely on those with a vested interest in the notion, but focus the discussion on what scratch tickets can do for the state of Wyoming.

Sandra Chitwood: has nothing to add. It all sounds good as far as WDH and I am glad that everyone seems to be happy with that. On the scratch tickets Brian has a good point about the scratch tickets, moving forward on that is a great idea. Nothing further

Sandra Wallop: Bringing resources to Wyoming for WDH from NCPG is the best and most cost effective way to get more people trained.

Ross Newman: Nothing to Add

Jim Whalen: The board member resignation is news to me. Are we waiting for a new member and are we going to choose a new vice chair?

Ross Newman: didn't get an email either.

Michelle Panos: I want to make sure there is clarity on the problem gambling event, if we can't go can we bring it here? Is this training or is this just a convention?

CEO Clontz: We have 6 members attending the Minnesota training right now. The opportunity in July is nothing more than an annual convention. We suggested it because it is the place where all lotteries involved in problem gambling will be there. It is a great way to network and get involved with the problem gambling community.

Executive Session: Motion to move to an executive session by Brian Gamroth, seconded by Dave Bonner. Chairman Macy called the executive session to order at 2:45 p.m. with a roll call of board members and clarified that guests had exited the conference line. Executive discussion conducted and called to adjourn at 3:27 p.m.

Closing:

Dave Bonner announced closure of meeting. Meeting was adjourned at 3:32 p.m. by a unanimous 8/0 vote.