

WYOMING LOTTERY CORPORATION

Board Meeting Minutes

July 29th, 2019

Cheyenne, Wyoming

Board Members Present: Sandi Chitwood-Chairman, Gerry Marburger-Vice Chairman, Dave Bonner-Secretary, Gina Monk- Treasurer, Sandra Wallop, Mary Throne, Jim Willox, Todd Peterson and Ed Liebzeit.

Board Members via Teleconference: None

Board Members Absent: None

Staff Members Present: Jon Clontz-CEO, Robin Medina-COO, Loy Jackson-CFO, Dave Stevens- Security Manager, and Sarah Shoden- Executive Assistant and Social Media Coordinator.

Staff Members via Teleconference: None

Guests Present: Matt Kaufman-Legal Counsel, Zeke Chemodurow and Jennifer Bohlig of Intralot.

Guests via Teleconference: None

Establish Quorum:

Vice Chairman Gerry Marburger alongside Chairman Sandi Chitwood called the meeting to order at 8:30 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 Board Secretary Dave Bonner to approve the minutes from the April 26th Board Meeting with amendments and approval of the June 12th minutes from Special Session as presented. The motion was seconded by Board Member Jim Willox and the motion passed by a unanimous 9/0 vote.

Amendments made by Secretary Dave Bonner for the minutes for April 26th Minutes:

Update on page 4 update of the word “Legislature” to “Legislation” and page 12 update the spelling of the term “amicus brief”.

Board Appointment:

Mr. Matt Kaufman, Wyoming Lottery’s legal counsel, presented to the board the vote tally in regards to the Treasurer position. The voting had taken place previously through an email administered by Mr. Kaufman. Board Member Gina Monk was named as the Treasurer of the board.

Motion was made by Board Member Mary Throne to approve the Treasurer Appointment. The motion was seconded by Secretary Bonner and the motion passed by a unanimous 9/0 vote.

CEO Report:

Wyolotto CEO Jon Clontz presented the following Quarter Four (Q4) overview report:

Mr. Clontz began by acknowledging the two new board members, Mr. Todd Peterson and Mr. Ed Liebszeit. Mr. Clontz noted that he had the opportunity to meet with both members individually and thanked them for their time and expressed his welcome to them both to the board.

Mr. Clontz then noted that the annual employee evaluations were completed. He made note that these have been an ongoing development to tie these evaluations to performance evaluations and management systems. He continued on to note that they are in the process of having Chief Operations Officer, Robin Medina certified with the Society of Human Resource Management to be the dedicated HR resource for the Wyoming Lottery Staff.

He then made note of the upcoming required 3rd party audit. He continued by stating that McGee, Hearne & Paiz, LLP (MHP) has already been into the office to begin gathering the paperwork they need to conduct the audit that will begin on August 12th. Mr. Clontz noted that he anticipates a successful audit and that Mrs. Brandy Marrou from MHP will be presenting the final audit review during the October Board Meeting.

Mr. Clontz then made note of the recent Travel, Recreation, Wildlife & Cultural Resources (TRW) meeting that both he and Mr. Kaufman attended at the end of June in Gillette. This was due to a lottery update that was requested by the council. He noted it was a general overview of financials, operations and plans for future games. During this meeting they were also questioned about their thoughts in regard to the Gaming Commission. Mr. Clontz followed up that they responded with the same feelings that the board has expressed in the past, that any gaming should be required to give back to the state and that there should be regulations set in place to ensure fairness and integrity. He concluded that he felt that the meeting overall went well.

Mr. Clontz then covered the planning and coordination that lead up to the recent Cheyenne Frontier Days (CFD) sponsorship. He felt that the overall experience was successful and

presented the Wyoming Lottery with great brand exposure and engagement with players. He explained that since the event had just ended the day prior they did not have a full ROI report, but a full report would be completed in the near future to be sent out to the board members. Mr. Clontz made mention of Wyolotto Ragtime Raffle. He noted the additional boost of sales leading up to the end of the game, as well as the big push at the end to sell as many tickets as possible. He made mention that more details about Ragtime Raffle would be covered during Executive Session.

Mr. Clontz then reviewed the complexities of running a lottery, noting the review specific for the new board members. He covered the major categories he felt necessary for a lottery including security, game integrity, fair play, sales revenue, compliance, transfers, audits and interactions with stakeholders. He then continued that the other side of the business included player engagement, public interest and partnership with the retailers. He felt confident that based on the successful audits they had received that Wyoming Lottery had these categories successfully in place. He then recalled what was charged to him upon arrival to the Wyoming Lottery which were; to keep money in Wyoming, create an economic boost for businesses, transfer money to the Treasury and finally to create entertainment value for the players. Mr. Clontz then shared that in the six years from start to now, those things have been accomplished and that the numbers validate that statement. He concluded that he felt that the Wyoming Lottery has a healthy player base that had positive reception to the newest game, Ragtime Raffle.

Mr. Clontz then covered the topic of Keno. He noted that based on the direction from the board the next step was to start development of Keno after the completion of Ragtime Raffle. He made note that they were able to overcome some of the political pushback in regards to Keno and have received a great deal of support from community organizations and important stakeholders. He also noted that various options for funding sources had been developed to be further reviewed during Executive Session. Mr. Clontz then noted that some other circumstances have arisen that may slow the pace of Keno development and that alongside legal council would also be reviewed during Executive Session.

Mr. Clontz concluded his report that he felt very confident and proud by this fiscal's end. He made note that they had not been sponsors of CFD for a few years, but due to the singular year contract that they were provided, they were able to sponsor this year. He said going forward the overall ROI will be reviewed to determine which sponsorships will fit with the overall view for FY20. He made note that due to the busy summer event schedule the overall schedule for the Wyolotto app was moved back. He followed up that now that events had concluded the schedule would begin to ramp back up and development would continue forward.

This concludes Mr. Clontz's report.

Vice Chairman Marburger questioned how extensive the need was to utilize the Wyoming Lottery staff during the sponsorship of CFD. Mr. Clontz responded that to best support the sponsorship to its fullest potential it did require the efforts of every member of his staff. He also

made mention that this year in particular he has two of his staff members attend professional development which is provided through NASPL. This timing of this training did coincide with the timing of CFD, which did put an additional shortage of staff. He followed up that due to this staffing requirement there were times periodically that the main headquarters did have to close. He then made mention that Intralot and their team provided a great deal of support of staff during this time as well at the bus at CFD.

Secretary Bonner questioned if at this time they would review the sales data on Raffle. To this, Mr. Clontz responded that it would be fully covered but later on during the sales review.

Board Member Willox followed up by questioning if the ability to sell tickets from the Wyolotto bus at CFD was a part of the sponsorship or was an available opportunity without the sponsorship. Mrs. Medina responded that the space they sold from was a part of the sponsorship; she included that alongside the bus location for ticket sales they had (2) additional sale kiosks within the park as well as ticket sales at the CFD gift shop. She concluded that the sales location within the gift shop will continue after CFD has commenced and will be an ongoing retailer for the lottery.

At this time Board Member Ed Liebzeit excused himself from the board meeting due to a personal matter of which he had already discussed with both Chairman Chitwood and Mr. Clontz. This was at 9:05 a.m.

Board Member Sandra Wallop took this time to ask about the status of the problem gambling initiative. Mrs. Medina responded that this topic would be covered in full during the marketing report.

Finance & Accounting Report:

Wyolotto CFO Loy Jackson presented the Quarter Four (Q4) Financials Report.

Q4 Financials:

Mrs. Jackson began by commenting on the success of this fiscal year and that year over year she is seeing great success for the Wyoming Lottery. She began with the review of the balance sheet in comparison to the prior year. She made mention of the \$2 million difference in the checking account balance in comparison to last year, she explained that this was due to the Powerball \$2 million dollar win that had not yet been claimed at the end of last year's fiscal. She followed up that the amount was later claimed in July of this fiscal. She then covered the difference in the unclaimed prizes account which is higher than the previous fiscal. She explained that this was due to the high jackpot amounts and that the 6 month time frame after those, this account saw a large influx.

She then covered the account of "other receivables" where there was \$386,000 in the account which did not have funds the prior. She explained that this was due to a MUSL receivable for a

Lucky for Life win in January of 2019, which was not claimed until June of 2019. Those funds were processed in the beginning of July which now leaves that account once again at \$0.

Board Member Willox asked if the funds for the Lucky for Life win did not come in from MUSL until July. Mrs. Jackson responded that was correct, and that the funds are set aside and the Wyoming Lottery initially funds those wins out of pocket and then later are refunded by MUSL. He then asked if Powerball and Mega Millions were different as the funds were sent to pay the winner directly, to which Mrs. Jackson confirmed.

Mrs. Jackson then covered the savings account. She made mention that due to the change to statute starting next fiscal in Q1 the way in which it is reported may change.

She then covered the assets, making note that no new assets were acquired this fiscal. She then made mention of the \$140,000 decrease which was due to the selling of the previous bus.

Mrs. Jackson made note of the difference of \$272,497 in regard to the transfer to the state. She explained that was only for the quarter comparison and that the overall fiscal transfer was significantly higher than the previous.

She then covered the unearned revenue, noting the large difference between the two. She explained that this was due to Ragtime Raffle where the majority of the sales took place in June but the prizes were awarded in July. The resulting report was due to the end and beginning of the two different fiscals.

Mrs. Jackson then covered the profit and loss statement for Q4. She noted that due to great sales this quarter was very successful which included the sales of Raffle. She then reviewed the overall comparison noting the new game development expense which was tied to Ragtime Raffle. Board Member Willox questioned if those funds included any expenses tied to Keno, to which Mrs. Jackson responded that no expenses have occurred in regard to Keno. She also made mention of the outside services fees for this fiscal which were due to expenses tied to Jonathan Downing. Mrs. Jackson also made note of the increase in salaries, wages and benefits line. She explained that this was due to the pension expenses being finalized as well as the increase in benefits due to the increase of total employees. She noted that in the finalized version of the report the pension expense will be updated. She also explained that in this quarter \$120,000 was able to be moved to the reserve account and \$82,303 was available to move into the Cowboy Draw reserve account as well. Mrs. Jackson concluded that they utilized \$427,196 of the infrastructure development account to fund the development of Ragtime Raffle.

Board Member Willox questioned if the total of the infrastructure development was utilized only for Ragtime Raffle. Mrs. Jackson responded that a majority of those funds were for Ragtime Raffle, but that this account can also cover other expenses such as marketing, new items purchasing, swag, etc. Mr. Clontz included that they've reviewed the account setups with MH&P to ensure they are within compliance and everything has checked out.

Mrs. Jackson then reviewed the profit and loss statement for the fiscal in comparison to the previous. She once again noted the large jackpots had positive impacts on sales and that total prizes awarded to players was almost \$5 million over the previous year. She continued to highlight that the cost of goods sold increased by \$1.7 million in comparison to last fiscal, to which she followed up was almost a direct correlation to the increase of the transfer to the state.

Mrs. Jackson made mention of the \$85,000 in sales and \$85,000 in prize expense payout for Ragtime Raffle FY19. She continued that the prize expenses did decrease some due to not selling either the 60,000th or 80,000th ticket which were tied to \$5,000 promotional prizes each. The final total sales for Ragtime Raffle are roughly over \$1.7 million, which ends with an approximate 92% payout for the game overall leaving lottery with a profit of 8%. Mrs. Jackson included that she felt based on what she had heard from other lotteries that she felt that the Raffle was a success for the Wyoming Lottery as they were able to cover the prize expenses for the first year of the game. She then continued to cover the different line items with no major noting.

Mrs. Jackson noted that \$225,000 was set aside into the reserve account and \$82,000 were reserved into the Cowboy Draw account. She then noted that in total there are approximately \$424,000 in the infrastructure account with a majority of those funds being set aside for Keno. She followed up that if those funds are not utilized they would then go towards the state transfer. Mrs. Jackson then explained that during high sales periods funds are set aside as needed. Board Member Willox asked if the numbers shown were just the funds transferred, to which Mrs. Jackson responded that was correct. He then followed up by asking if the balances were readily available. Mrs. Jackson responded that the total for the responsible gambling would be covered soon and that the total in the reserve account was approximately \$955,000, the prize account had approximately \$965,000 and that the \$424,000 in the infrastructure account was the balance.

Mrs. Jackson then reviewed the budget versus the actual for the quarter. She noted that due to the board strategy session being pushed into the next fiscal due to scheduling, the funds were not utilized but will then rollover into the next fiscal. She then continued with no major notings. She then reviewed the business expenses, contract services and operations without any major notings. She made note of the salary difference being a result of the Executive Assistant position being filled in mid November and the IT position not being filled.

Mrs. Jackson then noted the interest income for Q4 of \$17,000 and then the loss on the sale of the bus of \$6,000. In summary the net income of \$7,242,066 was an increase over the planned budget of \$4,953,919 by \$2,288,147. She concluded that overall the report shows that sales continue to be over projection and that budgets continue to be lower than previous fiscals to best optimize the overall expenses and transfers to the state. Board Member Willox questioned the interest income and if this was being utilized to its full extent by setting up a systematic process of determining the amount of funds that go into that account. Mrs. Jackson responded

that it does fluctuate, sometimes daily, but that she does put the largest amount possible that works in accordance with everything else into that fund. She continued that after the previous meeting, she had taken the time to research other options like money markets. She then explained that she was continuing her research to see if there was another option for savings that could work, but may require more oversight. She concluded that at this time she felt confident that they were maximizing that savings account to its fullest.

Mrs. Jackson then reviewed the profit and loss statement for the Responsible Gambling budget versus actual. She explained that the remaining \$75,834 would roll over into the next fiscal and that Mrs. Medina would explain it further during her marketing report.

Board Secretary Bonner then brought up the issue of the Raffle income and expenses spanning two fiscal years. He brought up the suggestion of amending the budget for fiscal year 2020 to better reflect the sales and prizes awarded for Raffle based on the fact that not all tickets were sold and not all prizes awarded. Vice Chairman Gerry Marburger responded that he understood that the plan was to run Ragtime Raffle again next year, which is why there is the reported \$2 million in revenue reflected in the budget for FY'20. Mrs. Jackson then responded that the budget was set up to have \$1 million in June of FY'20 and \$1 million in July of FY'20 and that the only numbers reported for FY'19 currently were \$85,000. She continued that she felt an amendment could be possible if the set up for prizes and ticket sales was set up different for the next run of Ragtime Raffle. It was determined that as time comes closer to Ragtime Raffle re-run perhaps they further discuss the possibility of a budget amendment as needed.

Board Member Mary Throne questioned about the transfer to the state amount and if the under estimated budget was ever brought up by the Appropriations Committee. Mr. Clontz responded that there has not been any question brought up in regards to the amount being over what was estimated thus far. Mr. Clontz responded that as they continue to develop their game portfolio, which he felt a full portfolio was roughly (7-8) games in total, that there are the possibilities that certain games may not perform as well as initially planned. He continued that he has always conveyed this to any board or committee he has spoken to in regards to sales revenue and transfer amounts to the state. He then stated that since the beginning the introduction of Ragtime Raffle was based primarily on an entertainment level and to bring new excitement to the state and that the revenue would only give a small boost to the overall transfer to the state.

Board Member Throne then responded that she had concern that when the budgets are created and they may base their budget around an amount that the lottery then over exceeds if that causes issues for the state. Mr. Clontz responded that he has always encouraged cities, towns and counties to try to not budget with the lottery money as it can fluctuate so quickly based on jackpot totals. He continued that because the Wyoming Lottery is still a young lottery without a full lottery portfolio, and that it will take years to be able to accurately predict the estimated transfers. He then explained that they will continue year after year to gather data to best provide that estimate, but until the full portfolio is in place and has had a few years of running, it will continue to be a best case possible on the estimated revenue and transfer amount.

Board Member Todd Peterson then questioned that based on the statute the required amount transferred is 75% but based on his calculation it appeared that the total transfer was closer to 91% of revenue. He then asked how that transfer amount was being calculated. Mrs. Jackson responded that herself alongside Mr. Clontz and Mrs. Medina meet weekly to review the sales versus expenses and everything not accounted for would be set aside for the transfer to the state. She continued that based on the change in statute the calculations would change to reflect the transfer of 75% and that the remaining can be put aside into the savings account as needed. She said that typically they have transferred around 80-85% each week. Mr. Clontz concluded that all funds are still managed within the approved budget. Chairman Chitwood responded that the jackpot amounts cause these to be very unpredictable and have so since the beginning of the Wyoming Lottery. She continued that not only the total amount of jackpots affect this, but also the hits on the Cowboy Draw jackpot. Mr. Kaufman, also included that the 75% determination was a new development due to the recent statute change. He continued that the previous wording only specified that all remaining net proceeds had to be transferred.

Mr. Clontz then continued that because jackpot totals can be so impactful on the revenue and transfer amounts, he will continue to push for non-jackpot driven games. Currently the only constant game that offers this is Lucky for Life. Mrs. Medina included that based on their current budget planning in place, it allows them to best anticipate the expected expenses and plan accordingly alongside the transfer amounts.

Board Member Willox followed up to the original question posed by Board Member Throne responding that the budget committees have only been reviewing actuals and have not been taking into account the estimated amounts. He then mentioned that he continues to manage expectations in those meeting in regards to the totals for the transfer. Board Member Throne responded that her primary concern is the Joint Appropriations Committee recognizing the transfers funds as new revenue stream and could deduct funds from the cities, towns and counties. Chairman Chitwood included that the reports that Mr. Clontz, Mrs. Medina and Mrs. Jackson create in regard to the weekly transfer meetings are sent out to all necessary recipients and she felt confident that their review was of the final number and less on the estimates leading to it. She concluded that she felt confident that those reports were very thorough and that they trusted the state on how those funds were then utilized.

This concludes Mrs. Jackson Q4 financial report. Motion was made by Board Treasurer Gina Monk to accept the financials as presented. The motion was seconded by Board Secretary Bonner and the motion passed by a unanimous 8/0 vote.

Marketing & Sales Report:

Wyolotto COO Robin Medina presented the Quarter Four (Q4) Marketing Report.

Mrs. Medina provided the following marketing updates:

She began by thanking the board members for traveling to Cheyenne to attend both the CFD events as well as the board meeting. She also thanked their staff and all those who provided support during CFD as well. She followed up by sharing appreciation to Mr. Clontz for his participation in the Ragtime Raffle announcement. She also thanked Warehouse Twenty One for their ability to move quickly when needed for the marketing efforts.

She then covered the sales update. She began with the total sales for FY19 in comparison to the projection. She shared that the sales for this year were the best to date for the Wyoming Lottery. She made mention that the previous year to hold that title was in 2016 with the first billion dollar jackpot for Powerball, where total sales were \$33 million.

She also included that Raffle had beginning sales of \$424,000. She followed up that the product hit the ground running with the loyal player base. She then noted that the total sales for Ragtime Raffle was over \$1,070,000 with 53,853 tickets sold. She included that the final day of sales, July 28th, had a large increase of over \$40,000 in sales for that day alone. She included that there was marketing for Ragtime Raffle both prior and during the game. She then followed up that since the game had such a short run it was hard to get the word out quickly and with enough frequency to get the big impact for a new brand. She felt confident that should Ragtime Raffle run again, there would be more brand awareness in place from this first run. She also felt that further education for retailers could help in upcoming runs for the Raffle.

Board Secretary Bonner questioned if the \$1,070,000 was gross revenue to which Mrs. Medina responded that it was. He then followed up by asking how far off that number was from breaking even with total expenses for the game. Mrs. Medina responded that they had figured that to break even would have required the sale of 70,000 tickets.

She then continued into the sales report with the sales comparison between FY19 and FY20. In total there was an increase from the previous fiscal by over \$8.8 million dollars. She then covered the weekly sales compared to the previous fiscal, noting that the weekly sales average was \$722,143 which was over the pace amount of \$505,000. Mrs. Medina then noted in the comparison of the actual versus projected for Q4, there was a 13% increase. She then covered the comparisons for each game to the previous fiscal, noting that all games had increases. Chairman Chitwood then brought up the game changes for both Powerball and Mega Millions that did change the matrix of the games. Mrs. Medina then shared the increase in total round up sales as well.

Mrs. Medina then covered the marketing report. She began with big stories of the quarter including the largest state transfer, the Powerball giveaway winners, jackpot ticket sales and the launch of Ragtime Raffle. She included that ad equivalency for these media updates was over \$27,000. She then covered the different corporate communication channels and concluded that all channels continued to perform well and grow in engagements. She made mention of the Powerball giveaway winners video which featured both Mr. Clontz and the mascot of the lottery,

Yolo, in which they announced the winners. She concluded that this video performed well on social.

She then reviewed the campaign updates. She reviewed the Powerball giveaway which exceeded the goal of 20,000 entries with over 80,200 valid entries. She continued by explaining that the prizes were funded by MUSL, leaving the only costs for the Wyoming Lottery were the marketing costs. Board Member Willox asked about future giveaways similar to this, to which Mrs. Medina responded that they have done giveaways similar to this in the past and will continue to plan for these types of large item giveaways in the future as they coincide with overall campaigns.

She then made note of the end of the Mega Millions campaign. She then concluded with the campaign tied to Ragtime Raffle. She explained that the brand of the campaign was tied to local rodeos across the state beginning with the Cody Nite Rodeo. Board Member Willox questioned the number tracker on the website as he had noticed it was counting up on the final days of the game. Mrs. Medina explained that after the 50,000th ticket was sold the counter on the website began to count down the remaining number of tickets instead of counting the total tickets sold. She explained this was a strategic plan to encourage urgency in buying tickets before they ran out. She continued that this did cause some confusion and that this was a learning opportunity for any future ticket counters in the future.

Mrs. Medina then covered the status of the Wyoming Responsible Gambling Coalition. She covered the media buy which ran from February until April in the state which included billboards, radio and newspaper. Board Member Throne made a comment on the billboards stating that the visibility was not clear on the text on the billboard she had seen in Cheyenne. Mrs. Medina responded that due to the long run of the billboard without any other media replacing those assets, that the billboards did begin to fade. Mrs. Medina then began to explain that she alongside Mr. Clontz were beginning to discuss resourcing to best support future plans for the coalition as the lottery staff was not able to support it with the new game launch for Ragtime Raffle. Mr. Clontz followed up that they were continuing to find the right balance of support coming from the lottery as they are not treatment facilitators. Board Member Throne asked which division of the Wyoming Department of Health was involved with the coalition, to which Mr. Clontz responded it was Behavioral Health. Board Member Wallop suggested that alongside the marketing efforts, there is the ability to utilize the board of licensed counselors within the state. She went on to explain that as she is a member they do all send out emails throughout the state and that they could possibly send out information that should anyone want to be certified in treating problem gambling, they the costs would be covered. She continued that this would be a way to cover the issue in a more direct way without getting overly involved. Chairman Chitwood responded that they had done so before in the past with limited responses, however it may be a good time to relook at that opportunity. Board Member Wallop then brought up the suggestion of hosting a training in Cheyenne, to which Chairman Chitwood responded that could be a viable option, but that they may just provide the funding and allow others to coordinate the logistics of it. Mrs. Medina responded that she felt the appropriate next step

would be another regroup with the Wyoming Department of Health. Board Member Willox made a comment that as the gaming commission conversation continues to gain traction this topic may arise again. Mr. Kaufman agreed and they plan to pull together a report of the problem gambling status prior to legislative session. Mrs. Medina concluded that the marketing campaign tied to Problem Gambling was a finalist at the NCPG this year.

Mrs. Medina then covered the upcoming steps for marketing. She made mention of the upcoming sponsorship of the Wyoming Cowboys Football and the BOGO promotion that will be tied around their home game wins. She then made mention of the app development and emphasized its importance for the lottery. Board Secretary Bonner asked on the date of release, to which Mrs. Medina responded that at this time the teams are currently reviewing schedules but tentatively planning for the end of the year. Mr. Clontz included that due to the busy schedule tied to CFD there was a pause put on schedules until the event had ended.

This concludes Mrs. Medina's sales and marketing presentation for Q4.

Governance Update:

Mr. Kaufman presented the following updates:

Wire Act Update:

Mr. Kaufman updated the board that he has recently been in contact with the Wyoming US Attorney in regard to the Wire Act. Currently the Department of Justice has issued a further update to all the US Attorneys to not act until the litigation settles the issue. He continued on to share that the New Hampshire ruling was in favor of New Hampshire. So at this time there is no prosecution taking place and that only (6) congressman have taken up the issue in Washington. Mr. Kaufman felt that at this point there would be an update to the Wire Act and that no further action needed to be taken by the Wyoming Lottery. He did explain that there were a few states possibly looking to take further legal action to best support the New Hampshire ruling, but the Wyoming Lottery has only been asked to join these actions by (1) state, to which they decided against. Board Member Throne asked if any contact has been made to reach out to our Congressional Delegation. Mr. Kaufman responded that they had considered doing so, but at this time had not. He continued to explain that due to the less concerning level of the issue at this time, they did not feel it necessary to concern the Delegation on this matter. He concluded that should a bill begin circulation, perhaps a letter from the Lottery Board to the Delegation may be the best first step.

Gaming Commission Update:

Mr. Kaufman explained that further information would be discussed during Executive Session, but that he and Mr. Clontz attended the recent TRW meeting in Gillette where Mr. Clontz presented. Mr. Kaufman felt at this time that the TRW committee was surveying the current gaming taking place in Wyoming. Mr. Kaufman noted that they had been given verbal confirmation that the Wyoming Lottery would not be included in the Gaming Commission bill. He continued that as the upcoming session would be a Budget Session he did not feel that the

issue of sports gaming would come up. Mr. Kaufman then shared that during the Gillette TRW session the Gaming Commission bill was defeated, but in the recent meeting in Thermopolis it was brought back up for consideration. He noted that the lottery was not included in that bill once again.

Executive Session:

Motion to move into Executive Session was made by Board Secretary Bonner. The motion was seconded by Board Member Willox and the motion passed by a unanimous 8/0 vote.

Meeting Adjournment:

Chairman Chitwood announced the closure of the meeting, with the motion being made by Board Member Willox. The motion was seconded by Board Treasurer Monk and passed with a unanimous 8/0 vote. The meeting was adjourned.