

**WYOMING LOTTERY CORPORATION**  
**Special Session Board Meeting Minutes**  
Monday, June 27, 2022  
Zoom Video Conference

**Board Members present via Zoom:** Jim Willox- Chairman, Gina Monk- Vice Chairwoman, Ed Liebrecht- Secretary, Dave Bonner- Treasurer, Dave Snyder, Todd Peterson, Sandra Wallop, and Lori Brennan.

**Board Members not present:** Mary Throne

**Staff Members Present:** Jon Clontz- CEO, Robin Medina- COO, Loy Jackson- CFO, David Stevens- Chief of Security, and Jessica Baldwin- Executive Assistant.

**Guests Present via Zoom:** Matt Kaufman-Legal Counsel

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**Establish Quorum:**

Chairman Jim Willox called the meeting to order at 8:30 a.m. with a roll call of board members and staff members. It was noted that Mary Throne would not be in attendance.

**Agenda Approval:**

Chairman Willox presented there were no additions or changes requested.

**CEO Report:**

Wyoming Lottery Corporation (WLC) CEO Jon Clontz reported and discussed the following:

- Main happenings
  - Keno
    - On time and on target for the September 18<sup>th</sup> launch
    - Keno training has picked up as well
      - Retailer trainings are happening
      - Social media has been used to get the training information out
      - 150 people have attended the forums for Keno
      - Wyoming Downs has been a big retailer for Keno
      - 70 new locations for Keno
  - MH&P Audit
    - Preparing for the audit In July
  - Performance Management System
    - In place and John Bernard will be attending the July board meeting
    - He will review the details with the Board during that time
    - He will go through the monthly target review

- All former board members will be invited to the Keno launch in Casper
  - Will send official invites to all past and current board members
  - September 15<sup>th</sup> at 2:00pm is the first event in Casper
  - Keno will make the WLC portfolio full
    - Scratch products are TDB

**Revised Budget Presentation:**

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WLC CFO Loy Jackson and WLC Robin Medina presented an overview of the proposed budget and sales projections.

**Proposed Budget Sales / Comparison to what was presented in April (Robin Medina)**

- Revised Sales
  - Powerball
    - Reduced to \$135,000 per week
  - Mega Millions
    - Reduced to \$85,000 per week
  - Cowboy Draw
    - Reduced to \$150,000 per week
  - Lucky for Life
    - Keep it at \$56,000 per week
  - 2by2
    - Reduced to \$30,000 per week
  - Keno
    - \$9 Million for the year
- Total
  - \$32 Million for the year

**Proposed Changes to the Budget / Comparison to what was presented in April (Loy Jackson)**

- Revised Budget
  - Total Revenue
    - Reduced to \$32.7 Million for the year
  - COGS
    - Reduced accordingly to the sales projections
  - Total Gross Profit
    - \$25.3 Million
  - Operating Expenses
    - Accounting
      - Decreased by \$4,500
    - GLI Testing
      - Increased by \$13,000
    - Keno Compensation Bonus
      - Reduced by \$15,000
    - IT

- Increased by \$1,600
- Communications
  - Decreased by \$900
- Employee Conference and Training
  - Decreased by \$25,000
- Total Net Income
  - \$3 Million

## Final Proposed Budget Review

- Games are projected to be under the current year
  - Total Income
    - \$32.7 Million
  - Prizes paid out
    - \$19 Million
  - Total Gross Profit
    - \$25.3 Million
  - Operating Expenses (highlighted)
    - Business expenses
      - Increased over the prior year by \$7,600
        - Part-time employees
    - Insurance
      - Increased over the prior year by \$1,700
    - Accounting
      - Decreased over the prior year by \$4,400
    - Legal Fees
      - Decreased by \$12,000 over the prior year
    - Marketing
      - Increased due to:
        - Warehouse 21 contract increasing due to having another game
        - Digital Mobile Marketing
        - App Enhancements
        - Public Relations
    - Keno
      - \$1.3 Million
        - Includes budget amounts unused from FY'22
    - IT
      - Over the prior year by \$60,000
    - Fleet Expenses
      - Reduced over the prior year by \$30,000
    - Travel
      - Reduced over the prior year by \$12,000
    - Employee Benefits
      - Increased over the prior year by \$13,000

- Interest Expense
  - Increased over the prior year by \$1,700
- Total Expenses
  - Decrease over the prior year by \$44,000
- Net Income
  - Increase over the prior year by \$356,000
- State Transfer Projection
  - \$2.2 Million
- Retained Net Proceeds
  - \$739,000

Board Member Liebzeit requested the Profit / Loss Actuals for FY'22 to be presented with the proposed budget report.

Board Treasurer Dave Bonner made a motion to approve the Sales Projections and Budget for FY'23 as presented. The motion was seconded by Board Vice Chairwoman Gina Monk, and the motion passed by a unanimous vote.

The Problem Gambling account will need to be replenished due to surveys and training. Mr. Clontz will be sending a reminder before the July board meeting

**Governance Report:**

Dave Stevens, Chief Security Officer

- Keno Rules
  - Review of draft rules
    - Board Secretary Liebzeit would like the rules to be amended to have the maximum betting disclosure to page one (1)
    - All rules are posted on the website
    - Twenty (20) ticket dispensing machines
      - WLC and Intralot are doing site visits to determine where the twenty (20) machines will be used
        - Must have high foot traffic

Board Secretary Liebzeit made a motion to approve the Keno Rules as presented and amended. The motion was seconded by Board Member David Snyder, and the motion passed by a unanimous vote.

**Executive Session:**

The motion was made by Board Treasurer Bonner to move into Executive Session. The motion was seconded by Board Secretary Liebzeit, and the motion passed by a unanimous vote.

**Meeting Adjournment:** Chairman Willox announced the closure of the meeting at 10:30am.