

**MINUTES**  
**KANSAS LOTTERY COMMISSION**  
**Wednesday, May 16, 2007**  
**11:15 a.m.**  
**128 North Kansas Avenue**  
**Topeka, Kansas 66603-3638**

**Call to Order**

The regular monthly meeting of the Kansas Lottery Commission was called to order on Wednesday, May 16, 2007, at approximately 11:15 a.m. by Chairperson Harold Nye. The meeting was conducted via telephone conference with the Commissioners and was open to the public at Lottery headquarters, 128 North Kansas Avenue, Topeka, Kansas. Security Director Gary Herman determined compliance with the *Open Meetings Law*. Minutes were recorded by Executive Secretary Mary Metzler.

**Attendance**

<b>Commissioners Present</b>	<b>Commissioners Absent</b>
Harold Nye, <i>Chairperson</i> - Hays	
Jeanine McKenna - Reading	
Michael Gayoso, Jr. - Pittsburg	
Joni Franklin - Wichita	
Robert Van Cleave - Overland Park	

**Staff:** Ed Van Petten, Executive Director  
Keith Kocher, Assistant Attorney General  
Gary Herman, Director of Security  
Dave Mackey, Director of IT  
Wayne Tomasewski, Procurement Officer  
Gail Kennedy, Business Operations Director  
Stan Patterson, Corporate Accounts Representative  
Jim Giordono, Director of Auto Ship  
Mary Metzler, Executive Secretary

**Visitors:** List of signed-in visitors attached and incorporated by reference to the official minutes.

By Phone:

Matthew Clark, *Pittsburg Morning Sun*

### **Introduction of Attendees**

Executive Director Ed Van Petten introduced the attending guests to the Commission. All other attendees were staff members known to the Commission.

### **Approval of Minutes**

Minutes of three previous meetings were submitted to the Commission in their online agenda packets. Those minutes included the regular meeting conducted on April 18, 2007, a special meeting on April 26, 2007, and a special meeting on May 2, 2007. There were no additions or corrections to any of the minutes as presented. **Commissioner Franklin moved to approve the minutes as presented; Commissioner McKenna seconded;** motion approved unanimously.

### **New Business:**

#### **(1) RULES ..... Assistant Attorney General Keith Kocher**

Assistant Attorney General Keith Kocher presented a written summary of the rules prior to the meeting, a copy of which is filed with the official minutes. He also presented the rules to the Commission for approval as follows:

#### **New Instant Game Rules**

<b><i>Specific Instant Game Rules</i></b> .....	<b><i>Article 4</i></b>
K.A.R. 111-4-2567 .....	Texas Hold 'Em - Game No. 673
K.A.R. 111-4-2568 .....	Magic Line Bingo - Game No. 684
K.A.R. 111-4-2569 .....	Extra Change - Game No. 685
K.A.R. 111-4-2570 .....	Hot \$50s - Game No. 686
K.A.R. 111-4-2571 .....	Harvest of \$100s - Game No. 687
K.A.R. 111-4-2572 .....	Easy 8s - Game No. 688
K.A.R. 111-4-2573 .....	Bonus Crossword - Game No. 689

Hearing no questions or comments from the Commissioners, Chairman Nye called for a motion to approve the rules. **Commissioner McKenna moved to approve the rules as promulgated**

by Assistant Attorney General Kocher. Commissioner Franklin seconded; motion carried unanimously.

**(2) EXPANDED GAMING: Action and Reports . . . Executive Director Ed Van Petten  
Assistant Attorney General Keith Kocher**

Executive Director Ed Van Petten updated the Commission with recent events pertaining to Expanded Gaming.

Dan Biles. Mr. Van Petten informed the Commission that the Lottery had received permission from the Division of Purchases to enter into an agreement to hire Dan Biles. Mr. Biles, an attorney with the law firm of Gates, Biles, Shields & Ryan in Overland Park, will assist the Lottery with implementation of the Kansas Expanded Lottery Act (KELA), including drafting rules, regulations, and contracts, as necessary.

Racing & Gaming's Need for Additional Services. Mr. Van Petten informed the Commission that the Racing and Gaming Commission will be issuing a Request for Proposals (RFP) to contract for additional services needed by their agency to implement the KELA.

Updates with Governor's Staff. Mr. Van Petten informed the Commission that regular bi-weekly meetings had been scheduled with the Governor's staff as well as the staff of the Lottery and Racing & Gaming during the implementation process of the KELA.

Mr. Van Petten turned the floor over to Assistant Attorney General Keith Kocher.

Dan Biles. Mr. Kocher added to Mr. Van Petten's comments regarding the hiring of Dan Biles by saying that Mr. Biles would be keeping the "constitutionality" issues in mind when providing services to the Lottery.

Crawford County. Mr. Kocher provided the Commissioners with documents relating to Crawford County in their agenda packets. In addition, the same documents were distributed to all attending persons at the meeting. Those documents pertaining to Crawford County included:

- (a) Waiver request received from the Crawford County Commission;
- (b) Informal Opinion received from the Office of the Attorney General; and
- (c) Letter and Affidavit received from Crawford County Clerk, R. J. Wilson.

Those documents referenced immediately above are attached and incorporated as part of the official minutes.

Assistant Attorney General Kocher informed the Commission that the counties had 180 days from the effective date of the KELA to conduct their county-wide votes. He further

informed the Commission that under the provisions of SB 66, the Kansas Lottery Commission may waive the requirement of an additional election if there was an election administered by the county election officer in accordance with Kansas election law, held after December 31, 2004, and before April 19, 2007, conducted pursuant to the county's home rule authority, and where a majority of the votes cast and counted was in favor of the proposition(s). Mr. Kocher informed the Commission that such a waiver request was received from the Crawford County Commission (attachment (a)), and that Crawford County Clerk R. J. Wilson had supplied the affidavit (referenced above as attachment (c)) indicating compliance with the waiver request.

*Discussion among the Commissioners ensued.*

Commissioner Franklin asked if the Lottery had received information from any citizen or group in Crawford County regarding the waiver request. Executive Director Van Petten said, "None known."

Commissioner Franklin asked that if the county were to conduct an additional election, whether it would be an expense that the county had not anticipated. Mr. Van Petten said, "Yes," and R. J. Wilson, Crawford County Clerk who was in attendance, concurred.

Commissioner Gayoso asked if the affidavit submitted by R. J. Wilson satisfied the request from the Attorney General's office. Both Messrs. Kocher and Van Petten said, "Yes."

*Motion.*

**Commissioner Franklin moved that the Kansas Lottery Commission waive the requirement that Crawford County conduct an additional election and that the Kansas Lottery Commission accept the Crawford County vote conducted on April 5, 2005, as delineated in the affidavit submitted by Crawford County Clerk R. J. Wilson. Commissioner McKenna seconded. Motion approved unanimously.**

*(Note regarding motion: Via phone conference, the recording secretary heard the motion seconded by Commissioner McKenna, followed immediately by another "second" from Commissioner Van Cleave. The Executive Secretary recorded the first second that was heard by Commissioner McKenna.)*

*Additional Comments.*

Commissioner Van Cleave said that he had the opportunity to review previous legislative documents and concluded that SB 66 as well as the election conducted in Crawford County in 2005 both had the same intent.

Executive Director Van Petten informed the Commission that Sumner County had also requested a waiver and that information pertaining to this request was currently at the

Attorney General's Office. He said that the waiver request for Sumner County would be on the agenda for the Lottery Commission's next regular meeting scheduled in June 2007.

Commissioner Franklin said that at the June meeting she would be asking questions regarding Sumner County identical to those she posed earlier in the meeting conducted this date regarding Crawford County.

Commissioner Gayoso asked if there was any activity on a "trailer bill" in the legislature. Mr. Van Petten said, "No."

**(3) DIRECTOR'S REPORT ..... Executive Director Ed Van Petten**

- (1) Sales. Executive Director Van Petten reported that sales were ahead of last year by 1.49% at this meeting date. He said that instants and pull tabs continued to do well, but that Powerball was behind this year due to lack of large jackpots.
- (2) Promotions. Mr. Van Petten informed the Commission that winner of the GMC truck drawing at the 3i Show was from Argonia, Kansas. He said that the Cobalt boat would be given away this weekend in a drawing at the Wichita Riverfest.
- (3) Speedway Event. Mr. Van Petten reported that the recent Speedway event was successful, with sales over \$16,000, which was higher than past event sales.
- (4) Midwest Millions. Mr. Van Petten said that the multi-state instant game planned with Iowa was progressing. He said ticket launch was tentatively scheduled at the State Fair in September.
- (5) \$20 Game. Mr. Van Petten reported that the \$20 game was selling well, with a sell-out projected prior to the drawing. Another \$20 game is currently in the planning stages.
- (6) Online Contract. Mr. Van Petten informed the group that the Procurement Negotiating Committee (PNC) met last week to discuss the online contract. He said that the PNC was acquiring additional information which was expected to be received by Purchasing this meeting date. He said that a decision regarding "Intent to Award" was expected soon.

**Other Business**

Commissioner Franklin asked if and when the Kansas Hold 'Em game would be expanded. Executive Director Van Petten explained that the answer was complex, based on the online contract award. He said that one of the bidding vendors would "expand" the game, while the other vendor would develop and expand a game that was very similar to Kansas Hold 'Em.

### **Announcements**

Executive Director Van Petten informed the Commission that he had a meeting conflict the same date as the next regularly scheduled Commission meeting. After discussing alternative dates, the Commission agreed that the next meeting would be held as an “in person” meeting at Lottery headquarters in Topeka, on Friday, June 22, 2007, commencing at 1:30 p.m.

### **Adjournment**

Having no further business, **Chairperson Nye called for a motion to adjourn. Commissioner McKenna moved to adjourn the meeting; Commissioner Franklin seconded.** Meeting adjourned at approximately 11:45 a.m.