

**MINUTES**  
**KANSAS LOTTERY COMMISSION**  
**Thursday, September 13, 2007**  
**1:30 p.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 Thursday, September 13, 2007, at approximately 1:30 p.m. by Chairperson Harold Nye. The meeting 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     |                                 |

**Attendees**

**Participating**

**Staff:** Ed Van Petten, Executive Director  
Keith Kocher, Assistant Attorney General  
Gary Herman, Director of Security  
Sally Lunsford, Director of Communications  
Mary Metzler, Executive Secretary

**Visitors:** A list of signed-in visitors is attached and incorporated by reference to the official minutes. Some unidentified individuals listened to the meeting via conference call.

## Approval of Minutes

Minutes of the previous meeting on August 15, 2007, were submitted to the Commission in their online agenda packets. There were no additions or corrections to the minutes as presented.

**Commissioner McKenna moved to approve the minutes as presented; Commissioner Van Cleave seconded;** motion approved unanimously.

## New Business:

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

#### *Lottery Rules*

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. Mr. Kocher first presented the Lottery rules to the Commission for approval as follows:

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

|   |                                 |
|---|---------------------------------|
| <b><i>Specific Instant Game Rules</i></b> ..... | <b>Article 4</b>                |
| K.A.R. 111-4-2621 .....                         | “Lucky Lines” - Game No. 723    |
| K.A.R. 111-4-2622 .....                         | “Holiday Dough” - Game No. 724  |
| K.A.R. 111-4-2623 .....                         | “Triple Tripler” - Game No. 725 |
| K.A.R. 111-4-2624 .....                         | “Double Doubler” - Game No. 726 |
| K.A.R. 111-4-2625 .....                         | “Fat \$50s” - Game No. 727      |
| K.A.R. 111-4-2626 .....                         | “Wild \$100s” - Game No. 728    |

#### **New Drawing Rules**

|   |  |
|---|--|
| <b><i>Specific Instant Game Rules</i></b> ..... | <b>Article 4</b>                               |
| K.A.R. 111-4-2612/2615 .....                    | “Midwest Millions Second Chance Drawings”      |
| K.A.R. 111-4-2616/2620 .....                    | “Deal or No Deal Second Chance Drawing (2008)” |

#### **Amended Rules: Expanded Gaming**

|   |                    |
|---|--------------------|
| <b><i>Electronic Gaming Machines at Racetrack Gaming Facilities</i></b> ..... | <b>Article 101</b> |
| K.A.R. 111-101-16 .....   | Internal Controls  |

Hearing no questions or comments from the Commissioners, Chairman Nye called for a motion to approve the rules. **Commissioner McKenna so moved; Commissioner Van Cleave seconded;** motion carried unanimously.

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

Executive Director Van Petten and Assistant Attorney General Kocker updated the Commission regarding expanded gaming issues:

Racino Contract - Messrs. Van Petten and Kocher are currently reviewing the contract for racetrack gaming facilities.

KRGC Regulations (Kansas Racing and Gaming Commission) - Regulations have been drafted and are routing through the approval process.

AG's Lawsuit - Dan Biles will be handling any issues related to the Lottery.

Central Computer System - Specs are in semi-final form.

Gaming Application Review Process - Mr. Kocher informed the Commission that Mr. Van Petten will begin reviewing applications. He said that after a contract is signed with a potential applicant, the application will be presented to the Lottery Commission.

**(3) BUDGET . . . . . Director of Finance Carolyn Brock**

Carolyn Brock, Finance Director, presented the proposed FY 2009 budget to the Commission for review and approval. The Commission received a document for review prior to the meeting. She informed the Commission that Lottery sales were \$241.3 million in FY 07, which represented a 9% increase over the previous fiscal year. She said that sales goals for FY 08 and FY 09 were \$250 million and \$254 million, respectively. She reported that budget plans included replacement of 10 Lottery vehicles, and that seven vehicles had been replaced last fiscal year. She also indicated that due to expanded gaming actions, a supplemental request for FY 08 was needed to fund salaries.

**Commissioner Franklin moved to approve the 2009 budget as presented.  
Commissioner McKenna seconded. Motion passed unanimously.**

**Commissioner Franklin moved, and Commissioner McKenna seconded, to approve the revised 2008 budget. Motion passed unanimously.**

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

Sales. Executive Director Van Petten informed the Commission that sales were approximately 10% ahead of last year at this time.

Midwest Millions. Mr. Van Petten reported that the Lottery began selling the "Midwest Millions" ticket at the State Fair in September. "Midwest Millions" is a joint instant game with the states of Iowa and Kansas.

Santa Fe Trail Horse Race. Mr. Van Petten reported that he, along with Colleen O'Neil and Sally Lunsford, traveled to Santa Fe, New Mexico, to launch the Santa Fe Trail Horse Race.

### **Announcements**

The next Commission meeting is scheduled for Wednesday, October 17, 2007, at 11:15 a.m. via conference call. The Commission rescheduled the November meeting to Thursday, November 8, 2007, and set the December meeting for Thursday, December 13, 2007. All meetings will be via conference call through the end of the calendar year.

### **Adjournment**

Having no further business, **Chairperson Nye called for a motion to adjourn. Commissioner Van Cleave moved to adjourn the meeting; Commissioner McKenna seconded.** Meeting adjourned at approximately 2:32 p.m.