

DRAFT MINUTES

ARKANSAS LOTTERY COMMISSION
LEGISLATIVE OVERSIGHT COMMITTEE

Thursday, January 08, 2015

The Arkansas Lottery Commission Legislative Oversight Committee met on Thursday, January 8, 2015, at 1:30 p.m., in Room B of the Multi-Agency Complex, Little Rock, Arkansas.

Committee members present: Senators Jimmy Hickey, Stephanie Flowers, and Missy Irvin. Representatives Mark Perry, Chair; Mathew Shepherd, and John Vines.

Other legislators present: Member-elect Representative Bob Johnson.

Representative Perry called the meeting to order.

Review of 2nd Amendment to Intralot Online Lottery Game Services and Lottery Gaming System and Services Contract [Exhibits B-1 and B-C]

Mr. Bishop Woosley, Director, Arkansas Lottery Commission, presented the proposed contract extension for the Intralot Online Lottery Game Services and Lottery Gaming System and Services. He stated the seven-year term of the current contract, excluding renewal options of up to three additional times in one-year increments or a portion thereof, will be expiring in August 9, 2016. Mr. Woosley explained the proposed contract extension includes all three available 1-year extensions to the contract commencing August 15, 2016 through August 14, 2019. Intralot will continue to be compensated at the current rate of 2.45% of net sales until July 1, 2015. From that point forward the rate will be reduced to 2.165%. In addition, Intralot will provide a one-time marketing allowance of \$100,000 to be used by ALC during the term of the agreement and its three-year extension and will continue to provide \$25,000 annually for system audit fees and \$25,000 for charitable contributions supported by ALC. The proposed contract extension will generate a savings of \$99,750 per month, translating to an annual savings of \$1,197,000 and a total of \$4,937,625 savings for the life of the contract.

Senator Hickey questioned the quorum of the committee. Representative Perry, co-chair, immediately recessed the meeting. Representative Perry reconvened the meeting with the following members in attendance: Representative Perry, Senator Flowers, and Representative Vines.

Senator Flowers made a motion to review the proposed 2nd Amendment to Intralot Online Lottery Game Services and Lottery Gaming System and Services Contract. Representative Perry stated, without objection, the amendment stands reviewed.

With no further business, the meeting adjourned at 1:30 p.m.