

# CALIFORNIA STATE LOTTERY COMMISSION

Minutes – November 21, 2019

Sacramento, California

## **1. Call to Order**

Chairman Gregory Ahern called the public meeting of the California State Lottery Commission to order at 10:01 a.m. at California State Lottery Headquarters, 700 North 10th Street, Sacramento, CA 95811.

## **2. Pledge of Allegiance**

Ahern led the Pledge of Allegiance.

## **3. Roll Call**

Ahern asked Elisa Topete to call the roll.

### Commission Members Present:

Chairman Gregory Ahern  
Vice Chair Rowena Libang-Bobila  
Commissioner Peter Stern  
Commissioner Keetha Mills

### CSL Staff and Presenters:

Alva V. Johnson, Director  
Fernando Aceves, Chief Counsel  
Harjinder Chima, Chief Deputy Director  
Jeremy Linson, Acting Deputy Director of Security and Law Enforcement  
Nicholas Buchen, Deputy Director of Finance  
Tiffany Donohue, Deputy Director of Operations  
Roberto Zavala, Deputy Director of Internal Audits  
Sharon Allen, Deputy Director of Sales and Marketing  
Jim Hasegawa, Deputy Director of Business Planning  
Elisa Topete, Assistant to the Commission  
Rebecca Estrella, Recording Secretary

## **4. Consider Approval of the Agenda**

Ahern asked if any of the Commissioners wanted to make changes to the November 21, 2019 agenda as proposed. Stern made the motion to approve the agenda; seconded by Libang-Bobila. The agenda passed unanimously (4-0).

## **5. Approval of Minutes**

Ahern asked if there were any additions or corrections to the September 26, 2019 minutes. Libang-Bobila made the motion to approve the minutes; seconded by Stern. Mills abstained. The minutes passed (3-0).

**6. Director's Report**

- a. Director's Comments
- b. California State Lottery Facilities Development Update

**7. Consent Calendar**

**8. Action Items**

- a. Ratification of the California Highway Patrol Inter-Agency Agreement  
Staff requested approval to ratify an Interagency Agreement (IA) between the Lottery and the California Highway Patrol (CHP). Under the IA, the Lottery will reimburse CHP for salaries and benefits for two CHP employees who will serve in vacant leadership positions within the Lottery's Security and Law Enforcement Division. Presented by Harjinder Chima, Chief Deputy Director of Sales and Marketing.

Ahern asked if anyone from the audience had any questions on Action Item 8(a). No one came forward, so he proceeded to the motion of approval.

Libang-Bobila made the motion to approve Action Item 8(a); seconded by Stern. The motion passed unanimously (4-0).

- b. Ratification of Emergency Six Month Contract Extension with Stanley Convergent Security Solutions, Inc.  
The Lottery entered into a six-month contract with Stanley Convergent Security Solutions, Inc. for security system services on October 31, 2019. Ratification of the contract is needed to ensure that these critical services are maintained while the Lottery conducts a formal competitive procurement. Presented by Jeremy Linson, Acting Deputy Director of Security and Law Enforcement.

Ahern asked if anyone from the audience had any questions on Action Item 8(b). No one came forward, so he proceeded to the motion of approval.

Mills made the motion to approve Action Item 8(b); seconded by Stern. The motion passed unanimously (4-0).

- c. Request to Add Positions  
Staff requested approval of seven new positions. Three additional engineer positions are needed for the Operations Division to fully support the Lottery's 12 owned facilities. Four new positions are needed in the Security and Law Enforcement Division to support proper managerial oversight and administration. Presented by Nicholas Buchen, Deputy Director of Finance.

Ahern asked if anyone from the audience had any questions on Action Item 8(c). No one came forward, so he proceeded to the motion of approval.

Stern made the motion to approve Action Item 8(c); seconded by Libang-Bobila. The motion passed unanimously (4-0).

d. Amendment to Modular Furniture Contract

Staff requested approval of an amendment to the current contract with Western Contract Furnishers of Sacramento. The Lottery headquarters building has reached capacity given its existing modular furniture configuration and the amendment is needed to allow for the purchase of additional modular furniture and related reconfiguration and installation services. Presented by Tiffany Donohue, Deputy Director of Operations.

Ahern asked if anyone from the audience had any questions on Action Item 8(d). No one came forward, so he proceeded to the motion of approval.

Libang-Bobila made the motion to approve Action Item 8(d); seconded by Mills. The motion passed unanimously (4-0).

e. Appointment of California State Lottery Audit Committee Members

The Audit Committee (Committee) is established to satisfy Government Code sections 13886(a) and 13887(b), requiring the establishment of a Committee to ensure the independence of internal auditors of the Lottery and that their audit findings are reported to the appropriate levels of government. The Lottery does not have any active members because Committee members have since left the Commission. Staff recommended that the Commission approve three Lottery Commissioners to serve as Committee members to resume regularly meeting and assisting the Commission in its oversight responsibilities. Commissioners Mills, Stern and Libang-Bobila volunteered to be on the Committee with Mills serving as lead. Presented by Roberto Zavala, Deputy Director of Internal Audits.

Ahern asked if anyone from the audience had any questions on Action Item 8(e). No one came forward, so he proceeded to the motion of approval.

Mills made the motion to approve Action Item 8(e); seconded by Libang-Bobila. The motion passed unanimously (4-0).

f. SuperLotto Plus® Amended Regulations

Staff requested approval of amending the regulations to modify the SuperLotto Plus annuity structure to a 5 percent graduated annuity rate, which will reduce the prize expense and increase funding for education. Presented by Sharon Allen, Deputy Director of Sales and Marketing.

Ahern asked if anyone from the audience had any questions on Action Item 8(f). No one came forward, so he proceeded to the motion of approval.

Libang-Bobila made the motion to approve Action Item 8(f); seconded by Stern. The motion passed unanimously (4-0).

g. Extension of Control Group Companies LLC Service Contract

Staff requested approval for a two-year extension to the ControlTek contract for Polyethylene bag services for the shipment and delivery of Scratchers products to Lottery retail partners. Presented by Sharon Allen, Deputy Director of Sales and Marketing.

Ahern asked if anyone from the audience had any questions on Action Item 8(g). No one came forward, so he proceeded to the motion of approval.

Mills made the motion to approve Action Item 8(g); seconded by Stern. The motion passed unanimously (4-0).

h. Communication Effectiveness Tracking Study Services Contract Amendment

Staff requested approval to exercise a one-year extension with Alter Agents to continue to receive communications effectiveness tracking study services. The California State Lottery Act states that the Lottery is to conduct an ongoing study of “the reaction of citizens of the State to existing or proposed features in Lottery Games.” Presented by Jim Hasegawa, Deputy Director of Business Planning.

Ahern asked if anyone from the audience had any questions on Action Item 8(h). No one came forward, so he proceeded to the motion of approval.

Libang-Bobila made the motion to approve Action Item 8(h); seconded by Stern. The motion passed unanimously (4-0).

**9. Commissioner General Discussion**

Chairman Ahern welcomed the Lottery’s newest Commissioner, Keetha Mills.

**10. Scheduling Next Meetings**

The next Commission Meeting is tentatively scheduled for January 16, March 19, May 28 and June 25, 2020, in Sacramento.

**11. Public Discussion**

Ahern asked if anyone from the public had anything to discuss. No one came forward, so he proceeded to the next item on the agenda.

**12. Adjournment**

Meeting adjourned at 11:00 a.m.