

CALIFORNIA STATE LOTTERY COMMISSION

Minutes – March 28, 2019

Sacramento, California

1. **Call to Order**

Chairman Gregory Ahern called the public meeting of the California State Lottery Commission to order at 10:00 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

Commissioner Rowena Libang-Bobila

Commissioner Nathaniel Kirtman III

CSL Staff and Presenters:

Hugo López, Director

Vincent Espinosa, Acting Deputy Director of Operations

Nicholas Buchen, Deputy Director of Finance

Jon Schlussler, Deputy Director of Information Technology Services

Sharon Allen, Deputy Director of Sales and Marketing

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 March 28, 2019 agenda as proposed. Kirtman made the motion to approve the agenda; seconded by Libang-Bobila. The agenda passed unanimously (3-0).

5. **Approval of Minutes**

Ahern asked if there were any additions or corrections to the January 17, 2019 minutes. Kirtman made the motion to approve the minutes; seconded by Libang-Bobila. The minutes passed unanimously (3-0).

6. **Director's Report**

Director's Comments

7. Consent Calendar

8. Action Items

a. Fiscal Year 2019-20 Vehicle Procurements

Staff requested approval to procure 104 new Lottery vehicles because they have exceeded the replacement mileage criteria and have incurred or will incur mechanical repair costs that exceed the vehicle's value. In addition, the Lottery has added new staff positions. Presented by Vincent Espinosa, Acting Deputy Director of Operations.

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.

Kirtman made the motion to approve Action Item 8(a); seconded by Libang-Bobila. The motion passed unanimously (3-0).

b. Program Management Services Contract Amendment

Staff requested approval of a contract amendment for Capital Program Management, Inc. that provides additional time for program management services to support the completing of the Facilities Master Plan construction projects. Presented by Vincent Espinosa, Acting Deputy Director of Operations.

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.

Kirtman made the motion to approve Action Item 8(b); seconded by Libang-Bobila. The motion passed unanimously (3-0).

c. Statewide Construction Services Contract Amendment

Staff requested approval of a contract amendment for DPR Construction that provides additional time for construction services to support the completion of the Facilities Master Plan projects. Presented by Vincent Espinosa, Acting Deputy Director of Operations.

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.

Kirtman made the motion to approve Action Item 8(c); seconded by Libang-Bobila. The motion passed unanimously (3-0).

d. Inspector of Record Contract Amendment

Staff requested approval of a contract amendment for Premier Inspection Services that provides additional funds and time for inspection services to support the

completion of the final Facilities Master Plan construction project. Presented by Vincent Espinosa, Acting 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.

Kirtman made the motion to approve Action Item 8(d); seconded by Libang-Bobila. The motion passed unanimously (3-0).

e. Lottery Investment Strategy and Investment Policy

Staff requested approval with no modifications to the Lottery's existing Investment Strategy and Investment Policy for 2019, which focus on: 1) ongoing investment activity in support of SuperLotto Plus®, Mega Millions®, Powerball®, and various Scratchers® games and 2) maintenance of the Lottery's Investment Portfolio that includes monitoring and mitigating potential investment risk. Presented by Nicholas Buchen, Deputy Director of Finance.

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.

Kirtman made the motion to approve Action Item 8(e); seconded by Libang-Bobila. The motion passed unanimously (3-0).

f. Network Maintenance Contract

Staff requested approval of the procurement of the proposed three-year network maintenance and support contract with ePlus Technology, Inc. Having a support and annual maintenance contract ensures that the Lottery's network will not be exposed to security vulnerabilities and receives regular software updates which can improve performance, stability, and functionality. Presented by Jon Schlussler, Deputy Director of Information Technology Services.

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.

Kirtman made the motion to approve Action Item 8(f); seconded by Libang-Bobila. The motion passed unanimously (3-0).

g. General Market Advertising Services Payment

Staff requested approval for a purchase order to make a payment to David & Goliath, LLC, for services performed at agreed-upon rates during FY 2017-18. 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.

Kirtman made the motion to approve Action Item 8(g); seconded by Libang-Bobila. The motion passed unanimously (3-0).

9. Commissioner General Discussion

10. Scheduling Next Meetings

The next Commission Meetings are tentatively scheduled for May 23, and June 13, 2019, in Sacramento.

11. Public Discussion

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

12. Adjournment

Meeting adjourned at 10:31 a.m.