



Idaho Lottery Commission Meeting Minutes

Date, Time and Place:

The 231st meeting of the Idaho Lottery Commission took place on Thursday, March 19, 2020 at 10:00 AM, Idaho Lottery Headquarters, Boise, Idaho.

Attendees:

Commissioners Present Via Teleconference

Vice Chairman, Craig Corbett
Commissioner, Susan Kerrick
Commissioner, Gary Michael
Commissioner, Grant Brackebusch

Lottery Staff Present:

Executive Director, Jeff Anderson
HR & Administrative Officer, Jennifer Quinno-Miller
Chief Operating Officer, Becky Schroeder
Deputy Director of Sales, Larry Polowski
Director of Lottery Security, Tony Pittz
Public Information Specialist, David Workman
Chief Financial Officer, Jay Prickett

Other Present:

Pat Sullivan, Sullivan & Reberger
Brad Surkamer, CLM

Others Present Via Teleconference

Steve Poole, Intralot
Ryan Belveal, International Gamco/Diamond Game
Billy Mitchell, Mitchell+Palmer
Troy Keeping, Diamond Game

1. Meeting Called to Order

Vice Chairman Corbett called the meeting to order at 10:00 AM

2. Approval of the Minutes

Commissioner Michael moved to approve the meeting minutes from January 16, 2020, seconded by Commissioner Kerrick. The vote was unanimous for approval.

Commissioner Michael moved to approve the meeting minutes from February 13, 2020, seconded by Commissioner Brackebusch. The vote was unanimous for approval.

3. Director Update

Marketing Agency Contracts

Director Anderson provided a review of the Creative Services contract with Mitchell Palmer and the Strategic Planning Services contract with CLM, both of which are up for renewal. The Lottery is very satisfied with the services we are receiving from both agencies and wish to extend each contract.

We are recommending that the Commission approve a one-year extension with Mitchell+Palmer for the Creative Services contract.

Commissioner Kerrick moved to approve a one-year extension for the Creative Services contract with Mitchell+Palmer. Commissioner Brackebusch seconded the motion. The vote was unanimous for approval.

We are also asking the Commission to approve a one-year contract extension for Strategic Planning Services for CLM.

Commissioner Brackebusch moved to approve a one-year contract extension for Strategic Planning Services with CLM. Commissioner Michael seconded the motion. The vote was unanimous for approval.

Legislative Update

With input over the past two-plus years from the Bingo Raffle Advisory Board, we identified potential and desired changes to the Charitable Gaming statute (Title 67, Chapter 77) that we presented to DFM and the Governor for advancement to the Legislature. The recommendations were approved, a bill was printed and passed the Senate, but did not make it out of the House State Affairs Committee. After speaking about reasons why it was being rejected with the Chairman, we agreed it would be best to hold it in Committee. We may choose to bring those change requests back in the future. In the meantime we have developed agency guidelines, at the directive of the Governor, which are documents explaining how to interpret our regulatory

authority that will be published on our website and help charitable gaming operators more clearly understand guidelines.

COVID-19

We are in the process of making plans regarding how to deal with the Coronavirus and how that will affect our business, including making teleworking arrangements with our employees and determining how that will occur and all of the resources needed to make it happen. We continue to ship tickets to retailers at this time. We have started to see some concerns with retailers and how they will remain open, whether or not they will have limited hours, etc. In particular we are closely monitoring the situation with the TouchTab retailers in social environments and working to determine how this will affect our business and how we will move forward.

4. Administration Update

Chief Operating Officer Becky Schroeder spoke about the coronavirus preparations being developed, determining who can work from home, who has equipment and making sure everyone is set up.

We will be asking the Commission for another scheduled meeting in the next month or so to hold an Executive Session to discuss the evaluation of the Director in preparation to make a recommendation to the Governor about his performance and potential increase in pay in conjunction with the annual Change in Employee Compensation as the Commission is required in Idaho Code. We will follow up with the Commission on potential dates for that teleconference.

5. Current sales report

The current sales report presented by Chief Financial Officer, Jay Prickett, is entered into the minutes as an attachment.

6. Sales Division Update

Deputy Director of Sales, Larry Polowski updated the Commission on the Sales Division. We are monitoring very closely the Coronavirus situation as it relates to our Sales Reps, as the nature of their job puts them at higher risk due to exposure within all the retailers they visit. Currently the 15 Reps have been given direction on how to protect themselves in not only supplies to keep them safe but policies on how and

when they enter into stores. We have also received confirmation from Intralot that their Field Technicians are carrying disinfectant spray and cloths to wipe down machines in retailers.

We are closely monitoring sales and closures of retailers, mainly bars and we expect TouchTabs to be affected fairly dramatically. As for other sales, we are down about \$100,000 of sales per day. We do not know if this will continue or change. We are also up against a massive \$750 million Powerball jackpot this time last year.

7. Security Division Update

Director of Lottery Security, Tony Pittz, reported that the Security Division is 'business as usual' for the most part and that the majority of the cases they are working on are internal theft at retail locations.

The Charitable Gaming website is being revamped and we are confident the changes will make it much easier for operators out in the field to find things. Those changes, combined with the agency guidelines documents being created should ease the process for them, as well.

UPS has assured us at this point that they will be running trucks as normal and getting our tickets shipped as they have been. We are hopeful that as long as retail locations are open we can get tickets to them that deliveries will remain as normal as possible.

We are working on a retailer loss prevention program that we will implement once things are back to normal. We will be working with retailers on minimizing risk and internal theft.

8. Set Future Commission Meeting Date

Commissioner Kerrick moved to set the next Commission Meeting for Thursday, May 28. The motion was seconded by Commissioner Michael. The vote was unanimous for approval.

Commissioner Brackebusch moved to set a Commission teleconference Monday, April 20 to discuss the Director's performance and pay recommendation. The motion was seconded by Commissioner Michael. The vote was unanimous for approval.

9. Adjournment

Commissioner Michael moved to adjourn. Commissioner Kerrick seconded the motion and it was unanimous for approval.

Certification:

I hereby certify that the foregoing minutes are a true and correct record of the actions and decisions made by the Lottery Commission.

Jeffrey R. Anderson, Executive Director
Lottery Commission Secretary

Date