



Idaho Lottery Commission Meeting Minutes

Date, Time, and Place

The 258th meeting of the Idaho Lottery Commission took place on Thursday, May 18, 2023, at Idaho Lottery Headquarters, Boise, Idaho and via Zoom.

Attendees:

Commissioners Present:

Chairman, Craig Corbett
Commissioner, Sue Kerrick
Commissioner, Skip Smyser
Commissioner, Peter Smith
Commissioner, Joni Stright

Lottery Staff Present:

Director, Jeff Anderson
Chief Operating Officer, Becky Schroeder
Director of Lottery Security, Tony Pittz
Deputy Director of Sales, Larry Polowski
Deputy Director of Marketing, Sherie Moody-St. Clair
Chief Financial Officer, Ben Klotthor
Management Assistant, Gaby Perez
Public Information Specialist, David Workman
ADA & Charitable Gaming Coordinator, Tina Miller
Sales & Key Accounts Manager, Belinda Unger

Others Present:

Brad Surkamer, CLM
Ryan Belveal, Diamond Game
Steve Poole, Intralot
Shay Wahl, Schafer Retailer Solutions
Pat Sullivan, Sullivan & Reberger
Phil Reberger, Sullivan & Reberger
John Sheldon, Sullivan & Reberger
Russ Ludlow, Bingo Raffle Board Member – via Zoom
Rayelle Anderson, Bingo Raffle Board Member – via Zoom
Hannah Caudill, DFM- via Zoom
Alex Williamson, LSO - via Zoom
Meghan Dondero, Scientific Games - via Zoom

1. Meeting Called to Order

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

2. Approval of Minutes*

Commissioner Kerrick moved to approve the minutes from the March 16, 2023, meeting. Commissioner Smyser seconded the motion. The vote was unanimous for approval.

Commissioner Stright moved to approve the minutes from the March 23, 2023, meeting. Commissioner Smith seconded the motion. The vote was unanimous for approval.

3. Recommended changes to Idaho Code Title 67 Chapter 77-Charitable Gaming*

Director Anderson discussed the recommended changes we would like to bring forward to the 2024 legislative session from the Bingo-Raffle Advisory Board. That document is entered into the minutes as an attachment. Those changes include the following:

- Change 'must' to 'shall' where appropriate;
- Change who can approve bingo games from bingo-raffle advisory board to Idaho Lottery Commission (ISLC);
- Reduce board size from six to three;
- Clean/update language;
- Vacate defined geographic districts. In the future, Board members would be appointed by the Governor, with approval of senate, to at-large positions for three-year terms;
- Vacate political party restriction. The Board is advisory only and reports up to the five- member ISLC which does have a political affiliation requirement in law that no more than three ISLC members allowed of the same political party;
- Change the number of times the bingo-raffle advisory board must meet from three (3) times a year to two (2);
- Clarify and reorder sections to make them easier to read and follow. Nearly all the people who are responsible for and manage their games are volunteers with little to no knowledge or experience in reading statutes;
- Change the administrative expense for bingo from a maximum of eighteen percent (18%) to twenty-five percent (25%);
- Change the value of the maximum cash prize that can be won at a raffle from one thousand dollars (\$1,000) to a maximum of five thousand dollars (\$5,000);

- Change the number of faces an electronic bingo device can monitor from fifty-four (54) to one hundred and eight (108).

Commissioner Stright moved to approve the recommended changes to Idaho Code Title 67 Chapter 77 concerning Charitable Gaming. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

4. Director Update

Approval for Digital Menu Board Purchase*

Director Anderson introduced the Digital Menu Boards from Schafer Retailer Solutions which will display our products digitally, as well as promotions and advertisements. These boards are a major procurement, and a \$10,000 credit was included in Pollard's response to the Scratch Ticket RFP, therefore we are asking for approval to purchase 100 of these boards and pilot 6 of them in Liquor stores. The boards cost about \$1,700 each. The boards have been successful in other states and have increased lottery sales anywhere from 11%- 25%.

Commissioner Smyser moved to approve the purchase of the Digital Menu Boards. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

(Commissioner Smyser left the meeting at this point for a previously discussed arrangement)

MUSL Update

Director Anderson updated the commission on the addition of the NFL game to Powerball that has been discussed in previous meetings. Currently, MUSL is working on negotiations and as of now there is not enough time to start the game this football season. The addition will possibly be delayed until the football pre-season of 2024. Powerball has also announced that Australia will be joining the game in March of 2024 and potentially the United Kingdom in 2025.

Retailers - Legislation

Director Anderson revisited the subject of adding debit cards in our lottery vending machines. An electronic form of payment is highly sought after by our retailers and this will be pursued by the industry, not the Lottery, as an initiative. This requires a change in law and our retailers are looking forward to seeing this happen.

5. Current Sales Report

Ben Klotthor, Chief Financial Officer, reviewed the current sales report as well as the quarterly financial statement, those reports are entered into the minutes as an attachment.

6. Marketing Division Update

Deputy Director of Marketing, Sherie Moody-St. Clair, updated the Commission on the Marketing Plan Executive Summary. She highlighted our key goals and objectives. She informed the Commission of the addition to our **Do Good** Classroom Wishlist program - the Golden Buzzer. The Golden Buzzer will offer additional funding to the Classroom Wishlist program that can occur four times a year and allow for a quarterly \$10,000 fund to approve large projects. Another update to the **Do Good** program, Bucks for Books, is allowing our VIP members to see what schools they are donating their points to. Currently our VIP Club members donate their points to fund purchases of books, however, they do not know where their points are going, and we think our players will enjoy knowing which schools their points are funding. She also announced that next year is the 35th Anniversary of the Lottery, we are preparing with a family of games which will introduce a second chance prize with a rolling jackpot each month.

6. Sales Division Update

Deputy Director of Sales, Larry Polowski, updated the Commission on his experience at the Capital for a Day event that occurred in Malad City, and indicated that the Idaho Lottery was well received. The Sales Division is in great shape, performing well and keeping our retailer's stocked.

7. Security Division Update

Director of Lottery Security, Tony Pittz, updated the Commission that our second Detective, Carie Peterson, has passed her challenge test to be a sworn officer in the state of Idaho and is now POST certified.

He updated the Commission on the "gray machines" that are illegal in our state, he will be attending a court hearing on June 15th regarding these illegal machines.

Tony is closely monitoring what is happening with UPS and a possible strike as they have the Lottery shipping contract throughout the state. He has met with different companies to have something in place in case this occurs.

Lastly, he informed the Commission on a scam that is going around right now claiming to be Mega Millions. We have alerted our players and have advertised that this is happening.

Set Future Meeting Date*

The Commission agreed to meet via teleconference to set the dividend on Friday June 30, 2023, at 10:00 AM. There was also discussion concerning the following meeting, for the Dividend Presentation. We are awaiting feedback concerning the Governor’s schedule and will notify Commissioners concerning dates when we hear back.

Commissioner Kerrick moved to approve the call and Commissioner Stright seconded the motion. The vote was unanimous for approval for both meetings.

8. Adjournment

Commissioner Smith moved to adjourn, seconded by Commissioner Kerrick and the meeting was adjourned.

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