



Idaho Lottery Commission Meeting Minutes

Date, Time and Place

The 242nd meeting of the Idaho Lottery Commission took place on Thursday, May 20, 2021 at Idaho Lottery Headquarters, Boise, Idaho and via Zoom.

Attendees:

Commissioners Present: Chairman, Craig Corbett
 Commissioner, Sue Kerrick
 Commissioner, Peter J. Smith
 Commissioner, Charles 'Skip' Smyser

Lottery Staff Present: Director, Jeff Anderson
 Chief Operating Officer, Becky Schroeder
 Deputy Director of Marketing, Sherie Moody-St. Clair
 Deputy Director of Sales, Larry Polowski
 Director of Lottery Security, Tony Pittz
 Human Resources & Admin. Officer, Jennifer Quinno-Miller
 Chief Financial Officer, Jay Prickett
 Public Information Specialist, David Workman

Others Present: Ryan Belveal, Diamond Game
 Brad Surkamer, CLM
 Tom Donahoe, Mitchell Palmer
 Krista Steppa, Pollard Banknote
 Jeremy Pisca, Risch Pisca
 Steve Poole, Intralot

1. Meeting Called to Order

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

2. Approval of the Minutes

Commissioner Kerrick moved to approve the minutes from the March 18, 2021 and May 6, 2021 meetings. Commissioner Smith seconded the motion. The vote was unanimous for approval.

3. Director Update

Director Anderson reported that Commissioner Gary Michael has submitted his resignation from the Commission to the Governor, which he has been considering for some time. He has served as the Chairman of the Audit Committee on the Commission as well and we will need to appoint a new Chairman.

Creative Services RFP

The Idaho Lottery recently issued an RFP for our creative services contract. We received bids from four companies interested in this contract which were reviewed by the evaluation committee. After the evaluation period, the committee made the recommendation to the Director that CLM be awarded the contract and Director Anderson is recommending that to the Commission as well. CLM scored well with both their written and oral presentation of their bid.

Commissioner Kerrick moved to approve the Creative Services contract be awarded to CLM. Commissioner Smith seconded the motion. The vote was unanimous for approval.

Powerball Update

The Multi-State Lottery Association (MUSL) had discussions and negotiations with several states in Australia as well as the United Kingdom to have them join the Powerball game. Idaho and Wisconsin had Statutory prohibitions against this which does not allow participation with these international countries. Wisconsin was able to change their statutory prohibitions with their Legislature and this is no longer an issue for them. Idaho is now the only jurisdiction that would not be allowed to participate in the game if it was offered on an international basis. Our Legislative Idea was approved by the Commission, Governor's Office and DFM, but we did not expect it as contentious as it ended up being. We are proposing it again in the 2022 Legislative Session with a new Legislative Idea that addresses the House State Affairs concerns. It is the same language as a revised version in 2021 that was not allowed a hearing. While the date for international expansion has been pushed back to Q4 2022, it is inevitable.

Powerball Legislative Idea Approval

Director Anderson presented the new Legislative Idea to the Commission which would allow the Idaho Lottery to continue to participate in Powerball should it be sold on an international basis with Australia or the United Kingdom.

Commissioner Smith moved to approve the Legislative Idea. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

4. Current Sales Report

The current sales report is entered into the minutes as an attachment.

5. Fleet Vehicle Order Request

Chief Operating Officer reminded the Commission that we are moving away from the Kia Soul and as we have funds we are purchasing new Ford Escapes for the Sales Reps in the field. We are requesting approval to purchase four new Ford Escapes from Mountain Home Auto Ranch on the State Purchasing Contract at the price of approximately \$20,500 each.

Commissioner Smyser moved to approve the purchase of the new vehicles. Commissioner Smith seconded the motion. The vote was unanimous for approval.

6. Marketing Division Update

Deputy Director of Marketing Sherie Moody-St. Clair reported that the Lottery just released a new game, 2by2, and that Weekly Grand moved to daily draws at the same time. We are moving into our summer promotion called Beat the Heat. It is centered around our \$10 Beat the Heat Scratch ticket. We have a fun promotion to go along with it where players can enter their non-winning tickets for a chance to win cash, where the prize given out will be higher the higher the temperature in the State gets. After this we are moving into our Dividend presentation and promoting the fact that we have surpassed the \$1 billion mark for money given back to our beneficiaries with "Thanks a Billion" campaign.

We just finished designing our Holiday Scratch Games and put them out to our research group to decide which ones they like best that we will go with. Last, the Marketing Plan is almost complete for the coming year and will be presented to the Commission once it is complete.

7. Sales Division Update

Deputy Director of Sales Larry Polowski reported to the Commission that the job of the 15 Sales Reps out in the field is to service retailers. The two biggest tasks they are faced with right now is to make sure the supply of Scratch tickets is full, which has been difficult when we are up so much in sales, most of which is in Scratch ticket sales, and the second being placing our vending machines into high performing locations and maximize the machines as much as possible.

8. Security Division Update

Director of Lottery Security, Tony Pittz reported that Security and the Warehouse are also working diligently to keep tickets out in the field. We have been evaluating Warehouse staff and procedures to make sure we are working as efficiently as possible and determining any changes that needs to be made.

We are also evaluating our Draw Manager position as one of them has put in her notice and we are determining whether we can absorb those hours between the other Draw Managers or if we will need to hire a new person.

As a Law Enforcement agency we have access to ILETS, the Idaho State Law Enforcement Telecommunication System, where we can check criminal histories and driver's license records. Every couple of years the FBI sends someone out to audit the use of ILETS to review our policies, employee access and use of the system. Our audit was just completed and there were zero findings and we were deemed compliant.

9. Set Future Commissoin Meeting Date

Commissioner Kerrick moved to set the meeting to declare the dividend for June 30, 2021 at 10:00 AM, and the next regular meeting for July 15, 2021 at 10:00 AM. Commissioner Smyser seconded the motion. The vote was unanimous for approval.

10. Adjournment

Commissioner Smith moved to adjourn, seconded by Commissioner Smyser 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