

**Time, Date and Place:**

The 224th meeting of the Idaho Lottery Commission took place on Thursday, May 16, 2019 at 10:00 AM.

**Attendees:**

Commissioners Present: Chairman, Mel Fisher

Commissioner, Craig Corbett

Commissioner, Susan Kerrick

Commissioner, Grant Brackebusch

Commissioner, Gary Michael

Lottery Staff Present: Executive Director, Jeff Anderson

Management Assistant, Jennifer Quinno-Miller

Chief Operating Officer, Becky Schroeder

Deputy Director of Sales, Larry Polowski

Deputy Director of Marketing, Sherie Moody-St. Clair

Deputy Director of Security, Tony Pitz

Public Information Specialist, David Workman

Chief Financial Officer, Jay Prickett

Others Present Ryan Belveal, International Gamco

Brad Surkamer, CLM

Kenny Sponsler, Intralot

Billy Mitchell, Mitchell + Palmer

John Sheldon, Sullivan & Reberger

Phil Reberger, Sullivan & Reberger

Pat Sullivan, Sullivan & Reberger

**1. Meeting Called to Order**

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

**2. Approval of the Minutes**

Director Anderson pointed out an area of clarification on the March 21st minutes. He indicated that he actually misspoke when he said that the Idaho Constitution prohibited sports betting. It is actually prohibited by Idaho Code 18-3801. The minutes will be published as corrected.

There is also noted a correction to the April 11, 2019 meeting minutes. Amber French, who has retired from the Lottery, was inadvertently added as an attendee. This should have reflected attendance by the new Security Director, Tony Pittz, instead. Those minutes will also be published as corrected.

Commissioner Corbett moved to approve the minutes from the March 21, 2019; April 11, 2019; and May 7, 2019 meetings. The motion was seconded by Commissioner Kerrick. The vote was unanimous for approval.

### **3. Director Update**

#### **Diamond Game**

Director Anderson presented an agreement between Diamond Game and International Gamco, who are both wholly owned subsidiaries of Pollard Banknote, where International Gamco wishes for Diamond Game to assume responsibility for the TouchTab product, while International Gamco will continue to provide the Idaho Lottery with paper PullTab tickets. Nothing in the way we go to market with the TouchTabs will change, this is an internal change only. Our Deputy Attorney General has looked at this agreement and approves of it. We do not object to it and are asking for the Commission to approve the assignment of the electronic PullTab portion of the business from International Gamco to Diamond Game.

Commissioner Brackebusch moved to approve the assignment of the electronic PullTab portion of the business from International Gamco to Diamond Game. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

#### **Intralot**

There have been some changes at the corporate level of Intralot, and they now have an Interim CEO, Byron Boothe and one of our major advocates for the Idaho Lottery, Christos Tzoumaras, has returned, which we are excited about. With those changes as well as other changes due to our stringent contract management, many of our issues are getting solved. Our open list of production items that needed resolution have been reduced dramatically and we are very happy with those results. We are now working on improving the quarterly software releases and our recent failover to the disaster recovery site was almost flawless. Things are moving in the right direction, and we are encouraged to see this.

#### **Administrative Rules**

The Administrative Rules that were approved by the Commission's last teleconference meeting were submitted to DFM and they are now temporary pending rules. We have not received any interest in negotiated rule making and we don't expect any going forward.

#### **Bingo/Raffle Advisory Board**

The Bingo/Raffle Advisory Board is made up of six board members from around the state with different political affiliations which oversee Charitable Gaming in Idaho and make recommendations to the Commission. There are Rules that the Board would like to change, one of them being the requirement for six Board members, not having the requirement that those members be geographically specific and to not have political affiliations. The reason for this is that we cannot find interested people to serve on the Board that meet all of these requirements and we have had vacant spots for years. The

Board is unable to meet until June 10 to go over the proposed changes so we are proposing these be presented to the Commission at the end of June at the same time we set the dividend because these ideas are required to be submitted by July 12.

### **NASPL Annual Conference**

The NASPL Annual Conference is scheduled for September 17-20 in Little Rock, Arkansas. All Commissioners are invited to go.

### **4. Quarterly & Current Sales Report**

Chief Financial Officer Jay Prickett present the quarterly and current sales report. This report is entered into the minutes as an attachment.

### **5. Marketing Division Update**

Deputy Director of Marketing, Sherie Moody-St. Clair, informed the Commission that our new marketing automation tool for the VIP Club, Marketo, has launched. It has dramatically increased efficiency and broadened our reach with many new reporting capabilities. The 30th Anniversary Scratch Games have been very successful. The \$5 ticket has already claimed out and the performance indexes have been amazing. We brought the Frogger scratch ticket licensed property back and are currently have a Frogger campaign in the marketplace. We are doing a road trip across the State, bringing the 30th Anniversary celebration to all of Idaho.

Sherie also highlighted the 30th Anniversary Party, which is happening on July 19 at Payette Brewing and will include a Fastest Scratcher contest, live music, food, and an attempt to break a Guinness World Record for the most people scratching a scratch ticket at one time.

### **6. Sales Division Update**

Deputy Director of Sales, Larry Polowski, highlighted sales numbers, indicating some of our highest sales ever, much of which is attributed to the Anniversary tickets and the strategy behind the overall ticket mix and launch schedule. He elaborated on the 30th Anniversary road trip and events, indicating that we have made a huge effort to ensure we have covered all areas of the State. Lastly, he informed the Commission that we have a commitment from Ridley's Family Markets to do a pilot program with the new small Proton Terminals for in-lane sales.

### **7. Security Division Update**

Deputy Director of Security, Tony Pittz, informed the Commission that Walt Murrey, the Information Security Officer, has moved on from the Lottery. We are in the process of evaluating that position and determining the best options to move forward. We are working quite a few cases including a couple of counterfeit TouchTab tickets and a couple of convenience store employees who have stolen Lottery tickets. We are wrapping up a few cases where suspects have plead guilty so we will not have go to trial. We have been meeting with the Wooh Crew to go over sales tracking and cash balancing at events.

### **8. Set Future Commission Meeting Date**

Commissioner Kerrick moved to set the Dividend Setting Meeting for Friday, June 28 at 10:00 AM via teleconference. The motion was seconded by Commissioner Corbett.

Commissioner Brackebusch moved to set the next regularly scheduled Commission Meeting for Thursday, July 18, 2019 at 3:00 PM in Boise. The motion was seconded by Commissioner Kerrick.

Commissioner Brackebusch moved to set the Dividend Presentation for Friday, July 19, at 10:30 AM at the Capitol. The motion was seconded by Commissioner Corbett.

The vote was unanimous to approve all meetings and events.

## **9. Adjournment**

Commissioner Michael moved to adjourn the meeting. Commissioner Brackebusch seconded the motion and the meeting was adjourned. The vote was unanimous to adjourn.

### **Certification:**

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