



Idaho Lottery Commission Meeting Minutes

Date, Time and Place

The 244th meeting of the Idaho Lottery Commission took place on Wednesday, July 14, 2021, at Idaho Lottery Headquarters, Boise, Idaho and via Zoom.

Attendees:

Commissioners Present:

Chairman, Craig Corbett
Commissioner, Sue Kerrick
Commissioner, Peter J. Smith
Commissioner, Skip Smyser

Lottery Staff Present:

Director, Jeff Anderson
Chief Operating Officer, Becky Schroeder
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
Krista Stepa-Ammeter, Pollard Banknote
Jeremy Pisca, Risch Pisca
Steve Poole, Intralot
Ashley Clifton, Risch Pisca
Jennifer Westbury, Pollard Banknote
Amanda Harper, Division of Financial Management
Byron Peterson, Pollard Banknote

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 May 20, 2021, and June 21, 2021, meetings. Commissioner Smith seconded the motion. The vote was unanimous for approval.

3. Director Update

Fourth Amendment to Intralot Contract

Director Anderson described the proposed Fourth Amendment to the Intralot Contract. Given population growth and expansion of retailer locations we have a need for an additional Customer Service Technician (CST) provided by Intralot. Intralot has agreed and the addition of one CST is included in the fourth amendment if approved by the Commission.

Commissioner Smith moved to approve the Fourth Amendment to the Intralot Contract. The motion was seconded by Commissioner Kerrick. The vote was unanimous for approval.

Commission Vice-Chairman Selection

Chairman Corbett served as the Commission's Vice Chairman before becoming Chairman so we need to fill the Vice Chairman position from within the Commission.

Commissioner Kerrick nominated Commissioner Smith to serve as Vice Chairman. Commissioner Smyser seconded the nomination. The vote was unanimous in favor of Commissioner Smith and he has been appointed as Vice Chairman.

Audit Committee

Within the Commission is an Audit Committee that participates in initial discussions with the firm that provides the external audit of the Lottery financial statements before they are presented to the Commission. Commissioner Michael served as a member of the Audit Committee and, given his retirement from the Commission, we now need a new member.

Commissioner Smith moved that in addition to Commissioner Kerrick (the remaining member of the Audit Committee) that Commissioner Smyser serve as the second member of that committee. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

Powerball Update

Powerball is the largest single game that contributes to our dividend. As you know, we have had some trouble getting a statutory change that would allow us to participate in an international offering of Powerball. We are bringing the legislative idea for this session to see if we can get it passed. In the meantime, we are taking the opportunity to promote our Thanks a Billion campaign that will help us educate

and inform all stakeholders regarding what Powerball means to the Lottery and our beneficiaries around the State with recognition events. It is Idaho's favorite game and one of the most profitable games we offer. It is one of the highest margin profit games we offer and it is huge. Powerball is changing to \$3 in Idaho and will now have a third drawing on Mondays starting August 23.

Changes to Intralot Corporate Structure

Intralot is a Greek company and the US entity is a subsidiary of that Greek company. Intralot is changing their corporate structure where US will be its own, standalone company, which will help allow Intralot to control US resources better. We will bring more information to the Commission as it becomes available.

4. Current Sales Report

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

5. Marketing Division Update

Director Anderson provided the Marketing Division review. One of the promotions we have going on is Beat the Heat where with the second chance draw players can earn more money the hotter the temperature. Because of the very high temperatures we have been having we are giving away lots of money for the second chance draw which is great, and players have been loving it!

Lucky for Life and Idaho Cash will now be moving to daily draws which ultimately draws attention and brings increased sales and we are looking forward to this. We have also begun advertising our Thanks a Billion campaign as well in all media channels. Sherie will be sending the Marketing Plan to Commissioners for review.

6. Sales Division Update

Deputy Director of Sales, Larry Polowski, reported that we are starting to see a little receding of our sales levels as people begin to return to other forms of entertainment. However, we are still seeing healthy growth and lift in our base sales. We are now searching for a new Sales and Key Accounts Manager as our current employee in that position, Addie Merrill, has submitted her resignation.

As of the first of July, the Jacksons corporation has purchased Tobacco Connections and Big Smoke tobacco shops. This brings Jacksons locations to over 150 in Idaho selling Lottery products - and makes them by far our largest retailer group.

7. Security Division Update

Director of Lottery Security, Tony Pittz, reported that we have hired a new Draw Manager who works in the evenings managing all the draws and this brings us back to a full crew in that position. He also reported about changes made to the Onsite Security Guard's position, where he is now working daytime hours and not as late into the evening. This means he is in the office more during regular business hours to help complete tasks and take on more duties, which is good for everyone and will help during the day.

We have had a few companies attempt to bring additional forms of gaming into the marketplace and we have been assisting with measures to stop that from happening, as most of them are illegal.

8. Set Future Commission Meeting Date

Commissioner Kerrick moved to set the next meeting for September 23, 2021, at 10:00 AM in Boise, Idaho. Commissioner Smyser seconded the motion. The vote was unanimous for approval.

9. 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