



Idaho Lottery Commission Meeting Minutes

Time, Date and Place:

The 229th meeting of the Idaho Lottery Commission took place on Thursday, January 16, 2020 at 10:00 AM.

Attendees:

Commissioners Present:

Chairman, Mel Fisher
Commissioner, Craig Corbett
Commissioner, Susan Kerrick
Commissioner, Gary Michael

Present Via Teleconference

Commissioner, Grant Brackebusch

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
Director of Lottery Security, Tony Pittz
Chief Financial Officer, Jay Prickett
Public Information Specialist, David Workman
Graphic Design & Media Production, Kait Inman

Others Present:

Billy Mitchell, Mitchell Palmer
Tom Donohoe, Mitchell Palmer
John Sheldon, Sullivan & Reberger
Pat Sullivan, Sullivan & Reberger
Brad Surkamer, CLM
Ryan Belveal, International Gamco/Diamond Game
Steve Poole, Intralot
Paul Ostendorf, Intralot
Christos Tzoumaras, Intralot

1. Meeting Called to Order

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

2. Approval of the Minutes

Commissioner Michael moved to approve the minutes from the November 21, 2019 meeting. Commissioner Corbett seconded the motion. The vote was unanimous for approval.

3. Director Update

Powerball and Mega Millions

There are newly proposed add-ons to the Powerball and Mega Millions games that have been proposed by the multi-state game groups which we have been considering adding to our games. We have decided that we will be adding them in April.

Administrative Rules

This last week our Administrative Rules were approved in both the House and the Senate.

Legislation Updates

As you know, we have a proposed change to Title 67, Chapter 77 which is the statute that addresses Charitable Gaming. These were approved by the Commission, and now DFM and the Governor to move forward to the Legislature.

Board and Commission Appointments

We have three Board and Commission appointments this session. Commissioner Kerrick has had her Senate State Affairs committee hearing already and that vote will take place tomorrow for confirmation. Rayelle Anderson and Craig Corbett will have hearings coming up soon.

Dividend Discussion

Because of the lack of performance from the high jackpot games, we are anticipating a lower than predicted dividend come the end of the year. We are doing everything we can to minimize the decrease.

There are some things we are doing to help sales which includes "growing n", with "n" being the number of people who play our games. While overall sales have increased, the number of tickets sold has been decreasing every year. One of the hypotheses we have is that \$1 players eventually move up to higher price point tickets. To arrest this decline, we are doing something we have never done before and that is to promote \$1 tickets. We are introducing "New and Improved" \$1 tickets that have a higher prize

payout and better odds of winning. We are offering 2nd Chance Draws for prizes every week where they can enter these tickets to win. We are hopeful this will prove to be an effective strategy and we will keep the Commission informed on the results.

4. Administration Update

Chief Operating Officer, Becky Schroeder, updated the Commission on the four new Ford Escapes that are being delivered to start our process of swapping out the Kias from the Sales Rep vehicle fleet. Once the Escapes are registered and wrapped they will be distributed to the Reps and then we will work on getting the Kias to the auto auction.

We have been working with Health and Welfare who are working to track that food stamp recipients have not also been Lottery winners and we are finalizing an MOU with them to report winners of \$3500 or more each month to cross-reference with their recipients.

5. Current Sales Report

The report is entered into the minutes as an attachment.

6. Marketing Division Update

Marketing Deputy Director, Sherie Moody-St. Clair, reported that Scratch Game sales are doing great, we exceeded our goal on the Wheel of Fortune campaign entries, and she also presented a chart of holiday Scratch sales. We had the most successful holiday Scratch sales ever. Our Wooh Crew events for Quarter 2 have been the most successful ever, as well. Right now we are in the middle of our Idaho 2020 campaigns, which we are using across two categories, InstaPlay and Scratch, to increase sales with 2nd Chance Draws. The Name That Scratch Game campaign is coming next and will run through March.

Last, we have completed the RFP process for the interactive game to go along with the Idaho Parks Scratch Ticket. The review committee has finished scoring the submissions and Mitchell Palmer received the highest score, with a score of 90. We are looking for Commission approval to move forward with awarding Mitchell Palmer the contract for this interactive game.

Commissioner Kerrick moved to award Mitchell Palmer the Idaho Parks Interactive Game bid. Commissioner Corbett seconded the motion. The vote was unanimous for approval.

7. Sales Division Update

Deputy Director Polowski reported that the last Walmart is being stocked and employees are being trained right now which will complete our installations at that chain. We are seeing sales at these locations ramping up and will continue to monitor them. Next week we will begin installing an in-lane sales option for Ridley's Markets throughout the state. There will be 12 locations that will be selling quick pick only draw games in the lanes at checkout. This is a pilot program which we will monitor closely. We will have one "Lucky Lottery Lane" in each of the stores. Last, we are taking out the Game Station vending machines from retailers, as these will be used in another jurisdiction. Those machines were not performing well for us so we are pleased with them being removed.

8. Security Division Update

Deputy Director Pittz recognized Monica Blackwood, who is the Investigative Assistant who processes all of the second chance draws, and for which there are many. He commended her for all of her hard work, keeping up with processing these every day. He reported on cases of theft and other internal thefts at retail locations.

9. Set Future Commission Meeting

Commissioner Michael moved to set the next Commission Meeting for March 19, 2020 at 10:00 AM in Boise. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

10. Adjournment

Commissioner Corbett moved to adjourn. Commissioner Brackebusch seconded the motion. 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.

Jeffrey R. Anderson, Executive Director
Lottery Commission Secretary

Date