



Idaho Lottery Commission Meeting Minutes

Date, Time and Place

The 233rd meeting of the Idaho Lottery Commission took place on Thursday, May 28, 2020 at 10:00 AM, Idaho Lottery Headquarters, Boise, Idaho and via Zoom web conference.

Attendees:

Commissioners Present Via Web Conference:

Acting Chairman, Craig Corbett
Commissioner, Susan Kerrick
Commissioner, Gary Michael
Commissioner, Grant Brackebusch

Lottery Staff Via Web Conference:

Director, Jeff Anderson
Chief Operating Officer, Becky Schroeder
Human Resources & Admin. Officer, Jennifer Quinno-Miller
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

Others Present Via Web Conference:

Brad Surkamer, CLM
Billy Mitchell, Mitchell Palmer
Tom Donahoe, Mitchell Palmer
Troy Keeping, Diamond Game
Arica Todd, Risch Pisca
Ryan Belveal, International Gamco/Diamond Game
Jeremy Pisca, Risch Pisca
Emily Patchin, Risch Pisca

1. Meeting Called to Order

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

2. Approval of the Minutes

Commissioner Michael moved to approve the March 19, 2020 and April 27, 2020 meeting minutes. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

3. Director Update

Chairman Fisher Resignation

Director Anderson reported that Chairman Mel Fisher has decided to resign from the Commission and wishes him well. Vice Chairman Craig Corbett will serve as acting Chairman until another Chairman is appointed.

Current State of the Lottery

Director Anderson reported that given everything that is going on, the current state of the Lottery is quite healthy. Our response to the pandemic has been effective and our sales have remained positive. The things that we can control are the things that are still doing well, including Scratch ticket sales. Right now we are forecasting a dividend between \$53 million and \$54 million. Sales Reps are starting to enter back into the field and the majority of our office workers are working from home. We are following the Governor's and Division of Human Resources guidance closely and everyone seems to be doing ok.

Strategic Initiatives

We are continuing our work on our Strategic Initiatives, mostly via web conferences. We are working to turn this disruption into positive outcomes and working to recoup the sales we've lost as a result of the current events. We are working on new opportunities for our portfolio including iLottery and other digital opportunities. Growing our number of players remains our top priority as well.

We are continuing to promote our Do Good programs Bucks for Books, Scratch for Schools, and Classroom Wishlist, which all continue to be very successful.

As we move into Fiscal Year 2021 we are making an assessment of what we are doing, what we need to keep doing, what we should be doing less of, and what we should be doing differently. Brad Surkamer provided a recap of various scenarios and studying to use to our advantage.

Diamond Game PullTab Contract

We have a current contract with Diamond Game for PullTabs that requires a 365 day notice of intent to exercise the two year extension or go out to bid. That time period is fast approaching. We are pleased with Diamond Game and are working on determining if we will exercise the two-year extension or not. We will bring this to the Commission at the next meeting.

4. Administration Update

Chief Operating Officer Becky Schroeder reported that we are working hard to get our player lobby back open. We are planning on reopening in a couple of weeks with all the protections and safeguards in place. We are very proud that we have continued to pay all players as tickets were mailed in or dropped off. We set up a drop box here in the office for those who show up to claim their prize, and this has worked great. We are being flexible getting people paid if they come to the office from out of town so they can claim their ticket quickly. Our office set up is great for keeping people safe and socially distant.

We have three of our 2012 Kias off to the auction and we are interested to see how much they sell for.

5. Current Sales Report

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

6. Marketing Division Update

Deputy Director of Marketing, Sherie Moody-St. Clair, reported to the commission that they have had to make some modifications because of the COVID situation, including delaying the launch of the Idaho Parks tickets, other promotions and scheduled events. We have worked hard to orchestrate our plan and keep players engaged during this time. Name That Scratch Game was extended and we were able to continue to have people enter scratch game names from home.

We are focusing on bringing the message back to our Do Good initiatives and have expanded our Classroom Wishlist program. We are working to do multiple rewards each week with things that are needed right away such as supplies to support digital learning, etc. Through the pandemic we have realized the importance of keeping in contact with our players through the VIP club, and we continue to offer new prizes and entries for signing up for the club and participating.

In June we are rolling out our Mystery Cash Cooler in an effort to support local companies. We partnered with Nampa based Cordova Coolers to offer chances to win a cooler filled with mystery prizes each week. Then in July we are launching the Idaho

Parks ticket where we have partnered with Idaho Parks and Recreation to create the tickets using their Park artwork. This ticket includes a digital experience along with a second chance prize option.

7. Sales Update

Deputy Director of Sales, Larry Polowski, that in alignment with Governor Little's Idaho Rebounds plan, the Reps are starting to move back into the field after being out for six weeks doing their jobs from home. Up until now it has been very rare that they went out into the field and they did a wonderful job. Addie has done a wonderful job coordinating them all over the phone and via Zoom. While in the field the Reps have all sanitation and cleaning products needed to stay safe and healthy and are instructed to wear and have been provided with masks. Scratch ticket sales have been phenomenal. This weekend, if we move to Stage 3, the age-controlled environments can open and that will open up sales for our PullTab and TouchTab products. If that happens we will expect to see a quick rebound of our sales on those products.

8. Security Update

Deputy Director of Security, Tony Pittz, reported that most of Security has moved into telework, they haven't missed a beat and all draws are happening as they should. With Scratch ticket sales being high, tickets are flying out of the Warehouse which is keeping them very busy moving, shipping and managing tickets. With any downturn, crime always increases and we have opened a lot more cases, many with requests for warrants, one arrest and quite a few others we are investigating. We are inundated with second chance draws but keeping up.

9. Set Future Commission Meeting Date

Commissioner Michael moved to set the meeting to declare the dividend for June 30, 2020 at 10:00 AM, and the next regular meeting for July 16, 2020 at 10:00 AM. The motion was seconded by Commissioner Kerrick. The vote was unanimous for approval.

10. Adjournment

Commissioner Michael moved to adjourn, seconded by Commissioner Brackebusch 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