



Idaho Lottery Commission Meeting Minutes

Date, Time and Place

The 237th meeting of the Idaho Lottery Commission took place on Thursday, November 19, 2020 at 10:00 AM, Idaho Lottery Headquarters, Boise, Idaho and via Zoom web conference.

Attendees:

Commissioners Present Via Teleconference:

Chairman, Craig Corbett
Commissioner, Susan Kerrick
Commissioner, Grant Brackebusch
Invited Potential Commissioner, Peter Smith

Lottery Staff Present:

Director, Jeff Anderson
Chief Operating Officer, Becky Schroeder
Human Resources & Admin. Officer, Jennifer Quinno-Miller
Deputy Director of Sales, Larry Polowski
Chief Financial Officer, Jay Prickett
Director of Lottery Security, Tony Pittz
Public Information Specialist, David Workman
Senior Product Manager, Joe King

Others Present Via Teleconference:

Ryan Belveal, International Gamco/Diamond Game
John Sheldon, Sullivan & Reberger
Billy Mitchell, Mitchell Palmer
Tom Donahoe, Mitchell Palmer
Brad Surkamer, CLM
Phil Reberger, Sullivan & Reberger
Nick Schell, IGT Printing
Megan Dondero, Scientific Games
Shannon Struempf, IGT
Krista Stepa-Ammeter, Pollard

Steve Poole, Intralot
Krissy Veseth, Division of Financial Management
Bobby Lawrence, Eide Bailly
Keith Cash, IGT Printing

1. Meeting Called to Order

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

2. Introduction of Peter Smith

Director Anderson introduced Peter Smith from Coeur d'Alene, who is in the process of being appointed to the Commission.

3. Approval of the Minutes

Commissioner Brackebusch moved to approve the minutes from the September 17, 2020 Commission Meeting. The motion was seconded by Commissioner Kerrick. The vote was unanimous for approval.

4. Financial Audit Approval

Bobby Lawrence with Eide Bailly presented to the Commission the findings of the Financial Statements Audit conducted by Eide Bailly. The Financial Statements are entered into the minutes as an attachment.

Commissioner Brackebusch moved to approve the Financial Statements. The motion was seconded by Commissioner Kerrick. The vote was unanimous for approval.

5. Director Update

Scratch Ticket Printer RFP

The Idaho Lottery issued an RFP for Scratch ticket printing services and received a bid from all three printing companies, Scientific Games, IGT, and Pollard Banknote. Senior Product Manager, Joe King, reviewed the RFP process and outcome with the Commission and presented the Evaluation Committee's recommendation to the Commission as well. The RFP was issued at the end of July, with proposals due mid-September and since then the committee has been evaluating the proposals. The committee conducted the technical evaluation weighted at 70% of the score as well as the pricing evaluation weighted at 30% of the score to make the final recommendation. The technical evaluation was completed before the committee opened any pricing.

Based upon all of these findings, Joe reported that the committee is recommending that the primary vendor be Pollard Banknote and the secondary vendor be Scientific Games and asked for Commission approval.

Commissioner Kerrick moved to approve the scratch ticket printing recommendation, awarding Pollard Banknote as the primary vendor and Scientific Games as the secondary vendor. Commissioner Brackebusch seconded the motion. The vote was unanimous for approval.

CLM Media Extension

CLM is the current vendor for our media vendor contract. We like and appreciate their service and wish to extend the contract for another year. We are asking the Commission to approve a one-year contract extension to CLM for Media Services for January 1, 2021 to December 31, 2021.

Commissioner Kerrick moved to approve the one-year contract extension with CLM. The motion was seconded by Commissioner Brackebusch. The vote was unanimous for approval.

2by2 MUSL Game

The Lottery is interested in joining a game group with the Multi-State Lottery Association and to begin participation in a game called 2by2. It is a daily, niche game that is played in other states already. It is a fun game that we are able to add to our lineup. If approved by the Commission we intend to begin in March 2021.

Commissioner Brackebusch moved to approve joining the MUSL game 2by2. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

Powerball International Sales

Powerball is considering licensing the game internationally. The Commission has previously given approval for the Lottery to present a legislative change to law which currently prohibits the Idaho Lottery from participating in a game that is offered in the international marketplace. With all the uncertainty happening right now, we are unsure whether it will make it through the legislature, and we don't know what is going to happen once the legislature convenes in January. Recently the Powerball game group agreed to changes to the game that will become effective August 23, 2021, adding a third draw to the game on Monday nights and an add-on feature called Double Play. We aren't sure if we will be participating in the Double Play at this time. Also, the group will be considering an agreement with a third-party operator that conducts games in Australia to potentially begin selling Powerball in Australia, and if that is approved we will absolutely have to have this statutory change or we will have to cease selling Powerball in August.

6. Administration Update

Chief Operative Officer Becky Schroeder provided an update to the Lottery's Rulemaking. We are continuing to go through the steps required to get the Administrative Rules approved and will keep the Commission updated on this moving forward.

7. Current Sales Report

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

8. Marketing Division Update

Director Anderson provided an update on the upcoming launch of the new game, Pick 4.

The Idaho Lottery is in the process of upgrading our loyalty program and a request for bid was issued for the upgrade services in September this year with bids due October 21. We received 7 bids from a variety of different companies. A comprehensive evaluation process was used to evaluate each bid and the review committee has recommended the Idaho Lottery go with Brandmovers for this project if the Commission approves.

Commissioner Brackebusch moved to approved awarding the VIP Club bid to Brandmovers. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

9. Sales Division Update

Deputy Director of Sales Larry Polowski reported the that while sales are going tremendously well, the team is working hard to keep stores stocked and things running properly, but that all is good out in the field.

10. Security Division Update

Director of Lottery Security Tony Pittz updated the Commission on the Scratch for Schools program that was implemented a little different this year than years past, where the kickoff was held virtually and then packs of tickets were sent out to schools individually. Once tickets are scratched by the school and sent back, Security is hand-counting the tickets to make sure every single ticket has been returned and then the check can be processed.

We started a project to clean up our restitution process. When a retailer is stolen from we reimburse the retailer and then we go after the thief to collect the restitution. We are looking for old restitution that hasn't been paid and seeking reimbursement.

We made a change to our ADA Survey process as well. We had been using a temp employee through a temp agency to go out and conduct the survey. Angie, our ADA Coordinator, is now traveling the State a couple times per year conducting those surveys as we were able to bring them in house to be completed.

Finally, we have updated our retailer contract to include dealing with harassment issues and a formal process for the retailers to follow and be held accountable to adhere.

11. Set Future Commission Meeting

Commissioner Kerrick moved to set the next meeting for January 21, 2021. Commissioner Brackebusch seconded the motion. The vote was unanimous for approval.

12. Adjournment

Commissioner Brackebusch moved to adjourn, seconded by Commissioner Kerrick 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