



September 15, 2023
COMMISSION
REPORT

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NOTICE OF PUBLIC MEETING AND EXECUTIVE SESSION OF THE ARIZONA STATE LOTTERY COMMISSION

Pursuant to Arizona Revised Statute (A.R.S.) § 38-431.02, notice is hereby given to the members of the Arizona State Lottery Commission and to the general public that the Arizona State Lottery Commission will hold a meeting open to the public on **September 15, 2023, at 10:00 a.m.**, in the **Arizona Lottery Board Room, located at 4740 East University Drive, Phoenix, Arizona.** The public is welcome to join the meeting in person, via telephone, or Internet through **Google Hangouts Meet**. The following are instructions on joining the meeting via Google Hangouts Meet:

Join the meeting online by entering the following link into your URL

meet.google.com/guc-uece-uyy

OR

Join the meeting US Toll Free by phone at 406-686-2820 when prompted, enter Access Code 846 044 593 **followed by the pound key (#)**

If you are having problems with connecting, please contact 480-921-4493.

Pursuant to A.R.S. § 38-431.02(B), further notice is hereby given to the Arizona State Lottery Commission and members of the public that the Arizona State Lottery Commission may vote to go into Executive Session, which will not be open to the public, for the purpose of obtaining legal advice pursuant to A.R.S. § 38-431.03(A)(3) regarding any of the agenda items. The Commission may also vote on any item listed on the agenda. All members of the Commission will be participating by means of telephonic communication.

Call to Order

1. Call for Quorum
2. Call for Notice
3. Approval of Minutes for August 18, 2023, Public Meeting

Agency Reports

1. Director's Presentation
2. Financial Report – Presentation
3. Products & Marketing - Presentation
4. New Games Introduction – No Presentation

New Business

1. Discussion and possible action on new instant scratch game profiles: *Arizona Adventure* #1425, *Cash Craze Crossword* #1443, and *Double Dollars* #1446.
2. Discussion and possible action on new promotion game profile: *Winning Wonderland* #130.

Call to the Public

Consideration and discussion of comments from the public. Members of the public wishing to address the Commission need not request permission in advance and will be given approximately five minutes for their comments and requests. Action taken as a result of public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration at a later date to comply with A.R.S. § 38-431.02.

Announcements

1. The next Commission meeting will be held on **October 20, 2023, at 10:00 a.m.**

Adjournment

Materials

A copy of the agenda and background material provided to Commission members, which is not exempt by law from public inspection, is available for public inspection at least 24 hours in advance of the meeting at the Lottery Office located at 4740 East University Drive, Phoenix, Arizona.

Notice

Any amendments or additions to the agenda will be made available at least 24 hours prior to the meeting.

Dated this 6th day of September 2023

Alec Esteban Thomson
Executive Director

Persons with a disability may request a reasonable accommodation by calling (480) 921-4486. Requests should be made as early as possible to allow time to arrange the accommodation.
The Commission reserves the right to change the order of items on the agenda.

PUBLIC MEETING OF THE ARIZONA LOTTERY

Commission Minutes of August 18, 2023, Meeting

PRESIDING Chair Jeff Weintraub (In-Person)

COMMISSIONERS Todd Newman, Tim Baumgarten, (In-Person) Julie Katsel, and Tereza Fritz (Teleconference)

LOTTERY Executive Director; Alec Esteban Thomson, Russ Harben; Deputy Director of Operations & Chief Financial Officer, Todd Terrell; Deputy Director of Security and Investigations, Mia Lemke, Human Resources, Christopher Rogers; Deputy Director of Products & Marketing, Kome Akpolo; General Counsel (In-Person) Raynie Hosto; Deputy Director of Customer Service & Sales, (Teleconference)

Luanne Mansanares, Jacob Rusywick, Ray Ortega, Stacey Henderson, Trinity Trammell, Sean Williams (In Person) Alexandra Adukeh, Shelby Alessi, Debra Andrego, Jimmy Arwood, Anjali Dang, Karla Henriksen, Michael Jennings, Susan Kalember, Anakaren Lemus, Jenny Lewis, Mia Marquez, Cheyenne Mcmurtry, Vicki Nelson, Robin Peters, Lisa Schartz, Ron Schartz, Lynda Sellers, Orion Steen, Adam Tollefson, Art Uthaisri, Nicholas Wagner, Jennifer Wenger, and Steven Wood (Teleconference)

GUESTS Attorney General Representative: Pam Peiser (In Person)

Scientific Games Representatives: Topper Wilson, Hanna Balamut, and Gabriel Reed (Teleconference)

Pollard Banknote Limited Representatives: Brad Thompson (In Person) Jessica Velardi, Travis Priest, and John Papile

Owens Harkey Representatives: Hannah Balamut, Jessica Guffey (Teleconference)

PUBLIC Javon Jennings (In-Person)

Call to Order

1. **Call for Quorum:** Pursuant to the Public Notice dated August 10, 2023, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:00 a.m. by Chair Jeff Weintraub. A quorum was present, with Chair Weintraub, Vice Chair Newman, Commissioner Baumgarten (appearing in person), Commissioner Katsel, and Commissioner Fritz joined virtually.
2. **Notice:** Notice was posted by Susan Kalember on August 10, 2023, at 1:50 p.m., at the Arizona State Lottery, located at 4740 E. University Dr., Phoenix, Arizona.
3. **Approval of Minutes:** Chair Weintraub entertained a motion to approve the June 16, 2023, Public Meeting minutes. Vice Chair Newman moved; Commissioner Baumgarten seconded. The vote was unanimous, with Chair Weintraub, Vice Chair Newman, Commissioner Katsel, Commissioner Baumgarten, and Commissioner Fritz all voting aye. The motion carried.

Agency Reports

1. **Director's Presentation:** Executive Director Alec Esteban Thomson introduced the newly appointed general counsel, Kome Akpolo. Jimmy Arwood provided a Legislative update, and Chris Rogers presented information on the Gives Back Beneficiary of the Month.
2. **Retailer of the Year** – Presented by Stacie Davis, and Stacey Henderson.
3. **Financial Report** – Presented by Russ Harben. A member of the public Javon Jennings, asked a question regarding the financial presentation. Russ Harben answered the question.
4. **New Games Introduction – No Presentation**

New Business

1. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new instant scratch game profiles: *Millionaire Extraordinaire* #1431, *Six Figures* #1437, *Double Bingo* #1441, *Triple Red 7's* #1442, and *Unlock the Loot* #1445. There was no response from the public.

In accordance with A.R.S. §5-554(C), Chair Weintraub entertained a motion to approve the orders and authorize the Director to issue the orders regarding new instant scratch game profiles: #1431, #1437, #1441, #1442, and #1445. Commissioner Baumgarten moved; Commissioner Katsel seconded. The vote was unanimous, with Chair Weintraub, Vice Chair Newman, Commissioner Katsel, Commissioner Baumgarten, and Commissioner Fritz all voting aye. The motion carried.

2. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new instant tab game profiles: *Eagles Nest* #191, *American Jackpot* #192, *Cash Treasure* #193, *Deep Dive Dollars* #1096, *My Sweet Riches* #1097, *Desert Delights* #1098, *Wild 1's* #1099, and *Casino Cash* #1100. There was no response from the public.

In accordance with A.R.S. §5-554(C), Chair Weintraub entertained a motion to approve the order and authorize the Director to issue the order regarding new instant tab game profiles: #191, #192, #193, #1096, #1097, #1098, #1099, and #1100. Commissioner Baumgarten moved; Vice Chair Newman seconded. The vote was unanimous, with Chair Weintraub, Vice Chair Newman, Commissioner Katsel, Commissioner Baumgarten, and Commissioner Fritz all voting aye. The motion carried.

3. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new Fast Play™ game profile: *Windfall Willie Doubler* #162. There was no response from the public.

In accordance with A.R.S. §5-554(C), Chair Weintraub entertained a motion to approve the order and authorize the Director to issue the order regarding new Fast Play™ game

profile: #162. Vice Chair Newman moved; Commissioner Katsel seconded. The vote was unanimous, with Chair Weintraub, Vice Chair Newman, Commissioner Katsel, Commissioner Baumgarten, and Commissioner Fritz all voting aye. The motion carried.

Call to the Public

Chair Weintraub invited members of the public to speak before the Commission.

A member of the public stated yes.

Chair Weintraub requested the member of the public to state his name—response from the public, Javon Jennings. Chair Weintraub invited Javon Jennings to speak.

After speaking, Chair Weintraub thanked Mr. Jennings for his thoughts and input.

Mr. Chris Rogers informed Mr. Jennings that the Arizona Lottery has been researching his last inquiry and can provide him with information.

Assistant Attorney General, Pamela Peiser immediately introduced herself to the Commission and to the public. Pamela Peiser informed the Commission and members of the public that the Arizona Lottery cannot discuss this matter in this forum as it is not on the agenda.

Mr. Rogers informed Mr. Jenkins he would be happy to provide him with information after the meeting.

Chair Weintraub asked if any other members of the public would like to speak before the Commission. There was no response.

Announcements

The next Commission meeting will be held in person on September 15, 2023, at 10:00 a.m.

Chair Weintraub asked if there were any other announcements. There was no response.

Adjournment

Chair Weintraub stated with nothing remaining on the agenda, we are adjourned. The meeting adjourned at 10:38 a.m.

Materials

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Agency Reports
Report to Arizona Lottery Commission
September 15, 2023

Director's Presentation

Financial Report – Presentation

Products & Marketing – Presentation

New Game Introductions – No Presentation

New Game Introductions

The following Scratchers games were introduced since the last commission meeting: *Instant Jackpot* #1418, *Sunshine Slingo*[®] *Trio* #1419, *Triple Bonus Crossword* #1421, and *Triple \$\$\$* #1422.

More information on these games are available by visiting the Scratchers section at ArizonaLottery.com

No games have ended since the last commission meeting.

ATTACHMENT A

Dashboard Report September 2023

SERVING ARIZONA FOR 42 YEARS



21.77%

vs. Proj (FYTD)

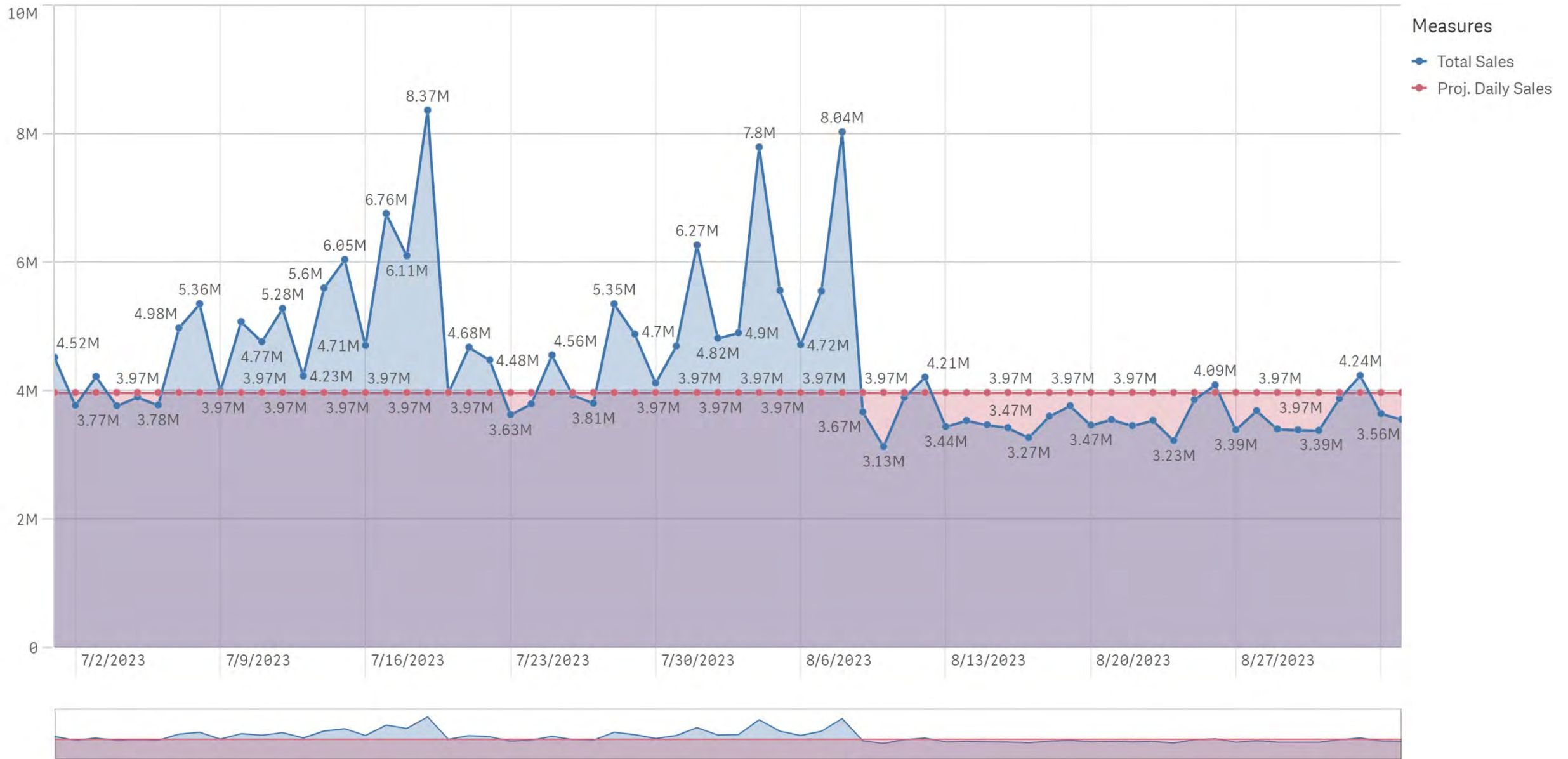
Total Sales (FYTD)
\$292,082,286

9.62%

vs. PYTD

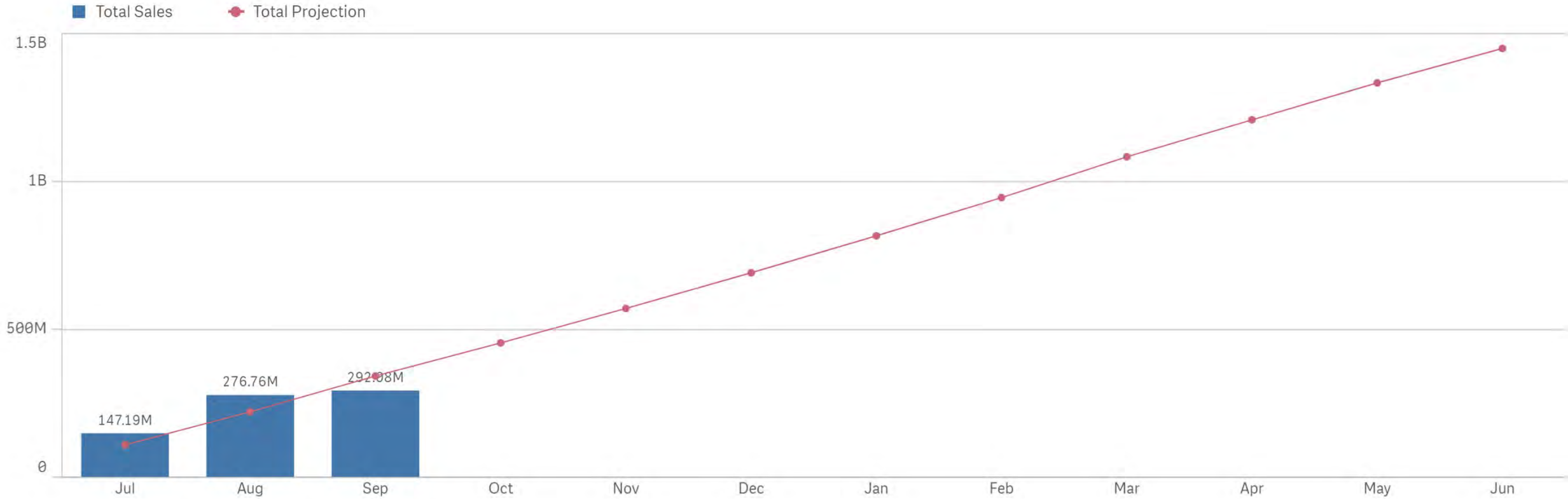
119.17%	Draw Sales \$112,933,799 ^{38.7%} <small>%Total Sales</small>	34.15%	Draw Sales : From 7/1/2018 - To 9/4/2023 Fast Play Sales : From 7/1/2018 - To 9/4/2023	-4.88%	Instant Sales \$179,148,487 ^{61.3%} <small>%Total Sales</small>	-1.71%
vs. Proj (FYTD)		vs. PYTD		vs. Proj (FYTD)		vs. PYTD
204.54%	Multi-State \$86,996,201 ^{77.0%} <small>%Draw Sales</small>	41.77%		-4.83%	Scratchers Sales \$176,719,087 ^{98.6%} <small>%Instant Sales</small>	-1.73%
vs. Proj (FYTD)		vs. PYTD		vs. Proj (FYTD)		vs. PYTD
3.72%	In-State \$15,516,510 ^{13.7%} <small>%Draw Sales</small>	8.14%		-18.28%	Charitable Pulltab Sales \$1,333,200 ^{0.7%} <small>%Instant Sales</small>	-12.88%
vs. Proj (FYTD)		vs. PYTD	vs. Proj (FYTD)		vs. PYTD	
-7.81%	Quick Draw \$493,209 ^{0.4%} <small>%Draw Sales</small>	23.40%	Pulltab Sales : From 7/2/2018 - To 9/1/2023 Scratcher Sales : From 7/1/2018 - To 9/4/2023	4.27%	Age Rest. Pulltab Sales \$785,160 ^{0.4%} <small>%Instant Sales</small>	16.51%
vs. Proj (FYTD)		vs. PYTD		vs. Proj (FYTD)		vs. PYTD
32.96%	Fast Play \$9,927,879 ^{8.5%} <small>%Draw Sales</small>	22.95%	18.84%	Other Pulltab Sales \$311,040 ^{0.2%} <small>%Instant Sales</small>	30.91%	
vs. Proj (FYTD)		vs. PYTD	vs. Proj (FYTD)		vs. PYTD	

Daily Sales vs Goal



YTD Sales vs. Projection

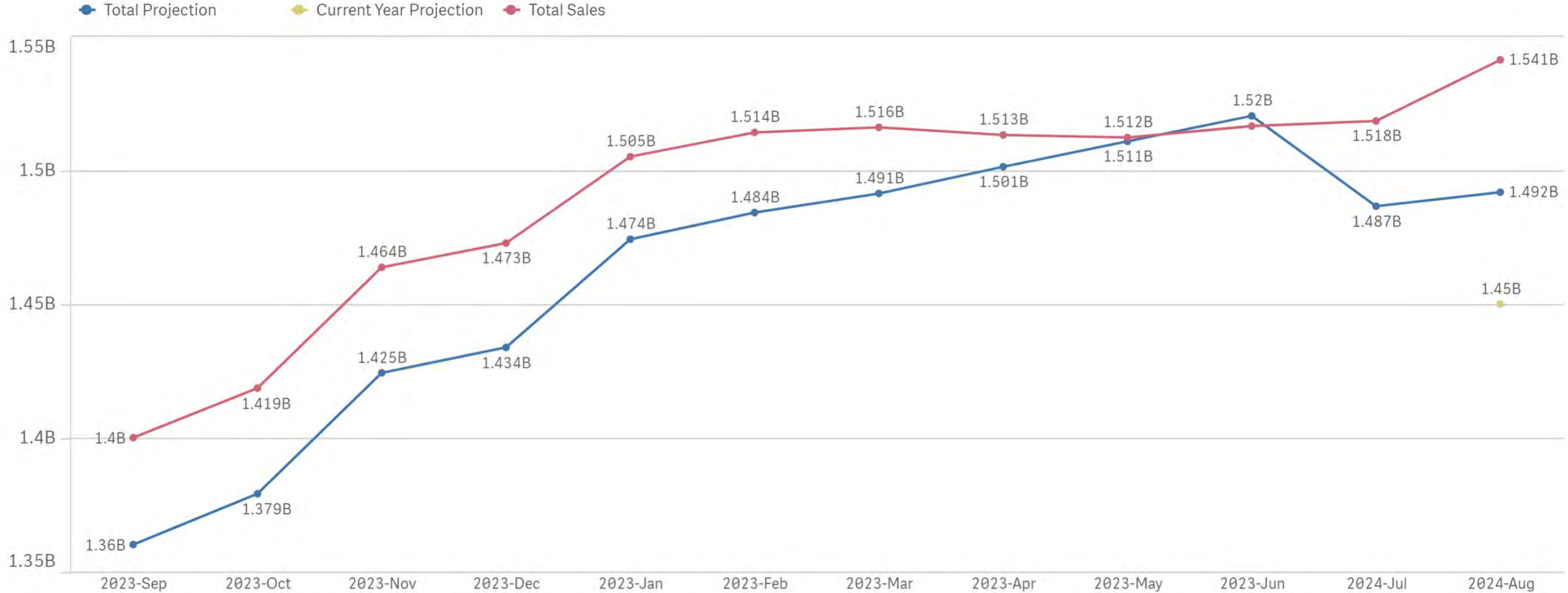
FY 2024 Total Sales vs. Projection



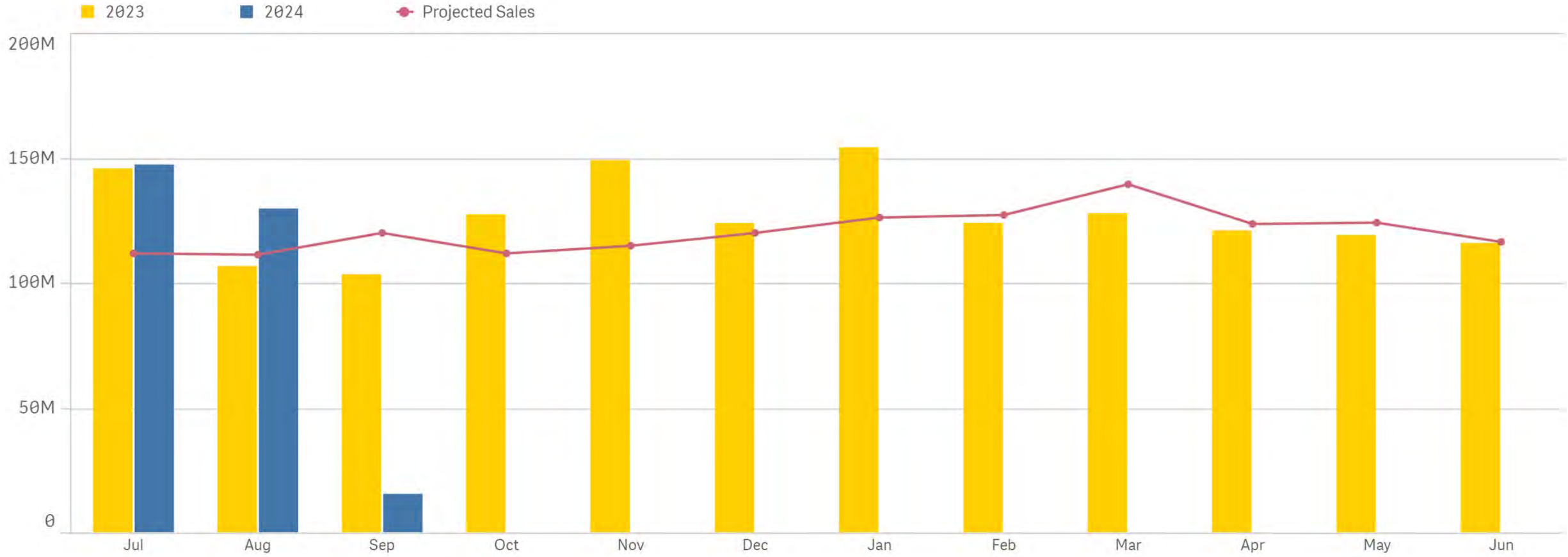


Rolling 12 Month Total Sales

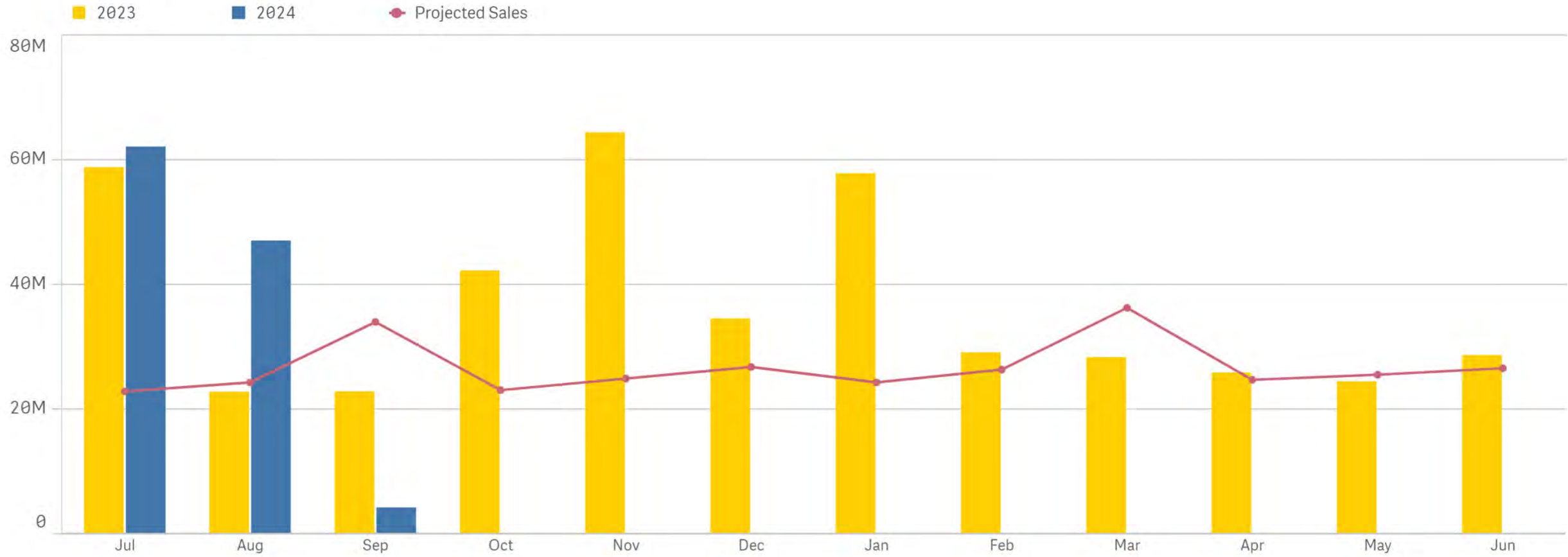
Rolling 12 Month Sales



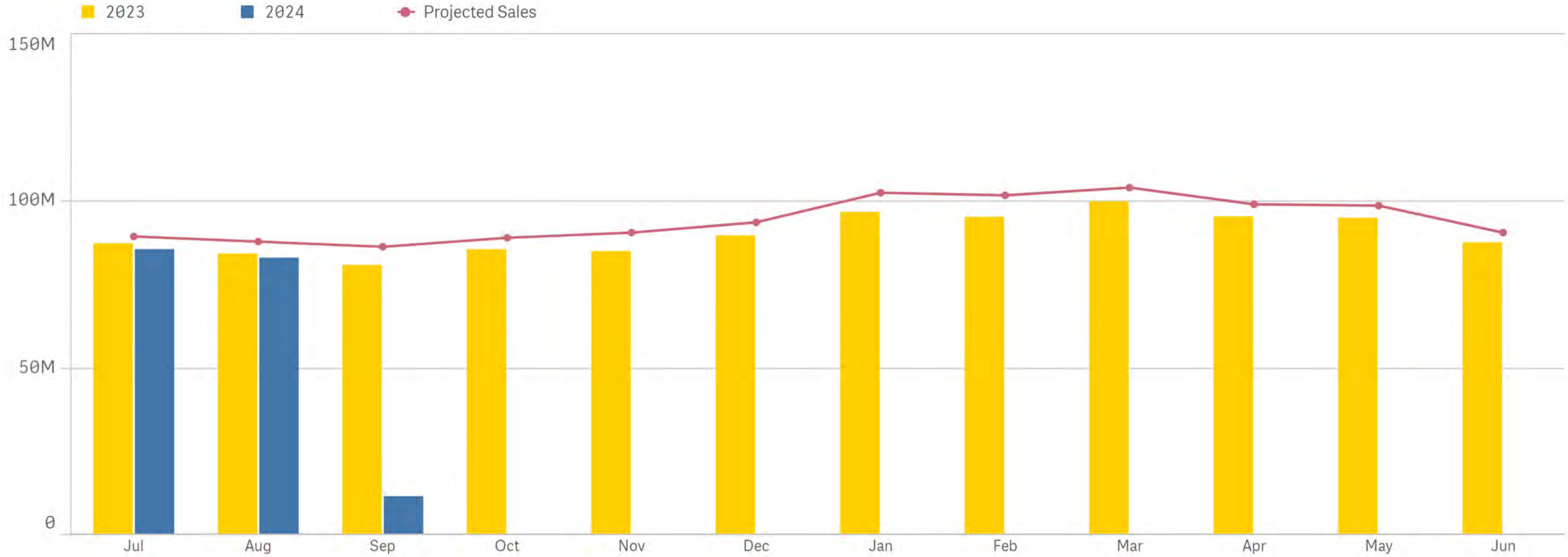
Total Sales FY 2023 vs. 2024 vs. Projection



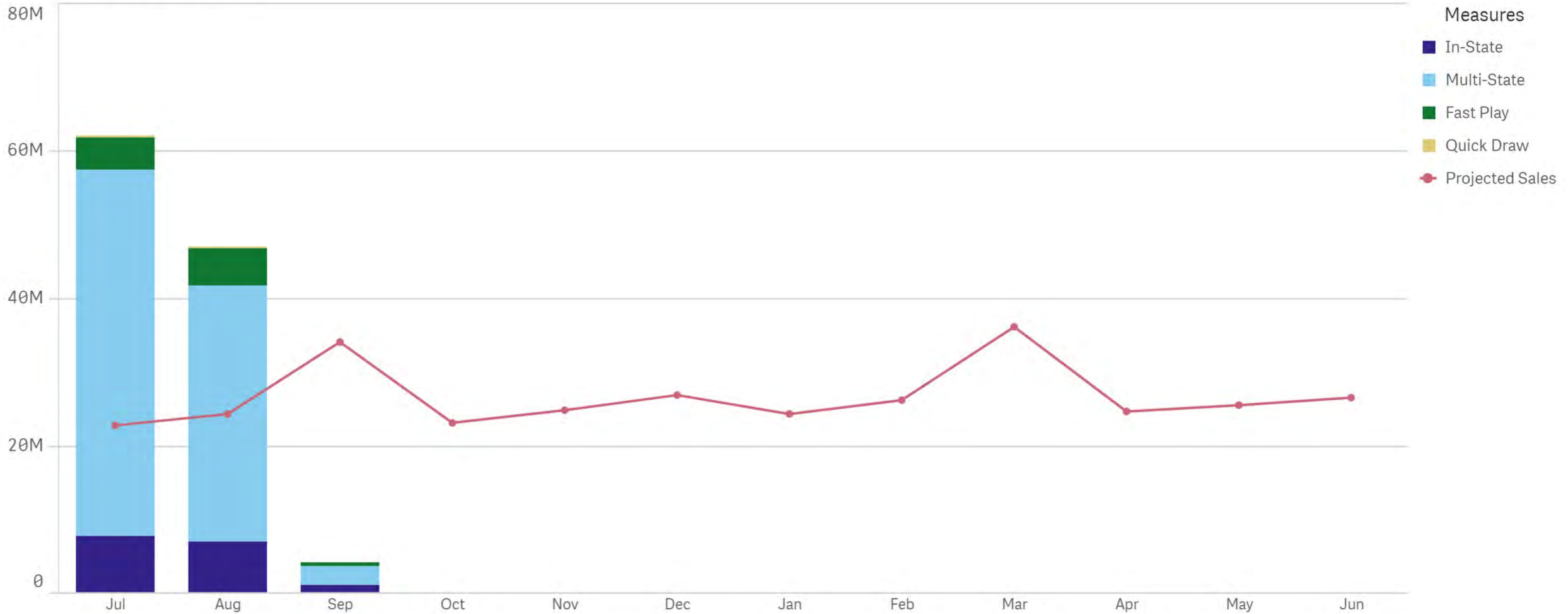
Draw Sales FY 2023 vs. 2024 vs. Projection



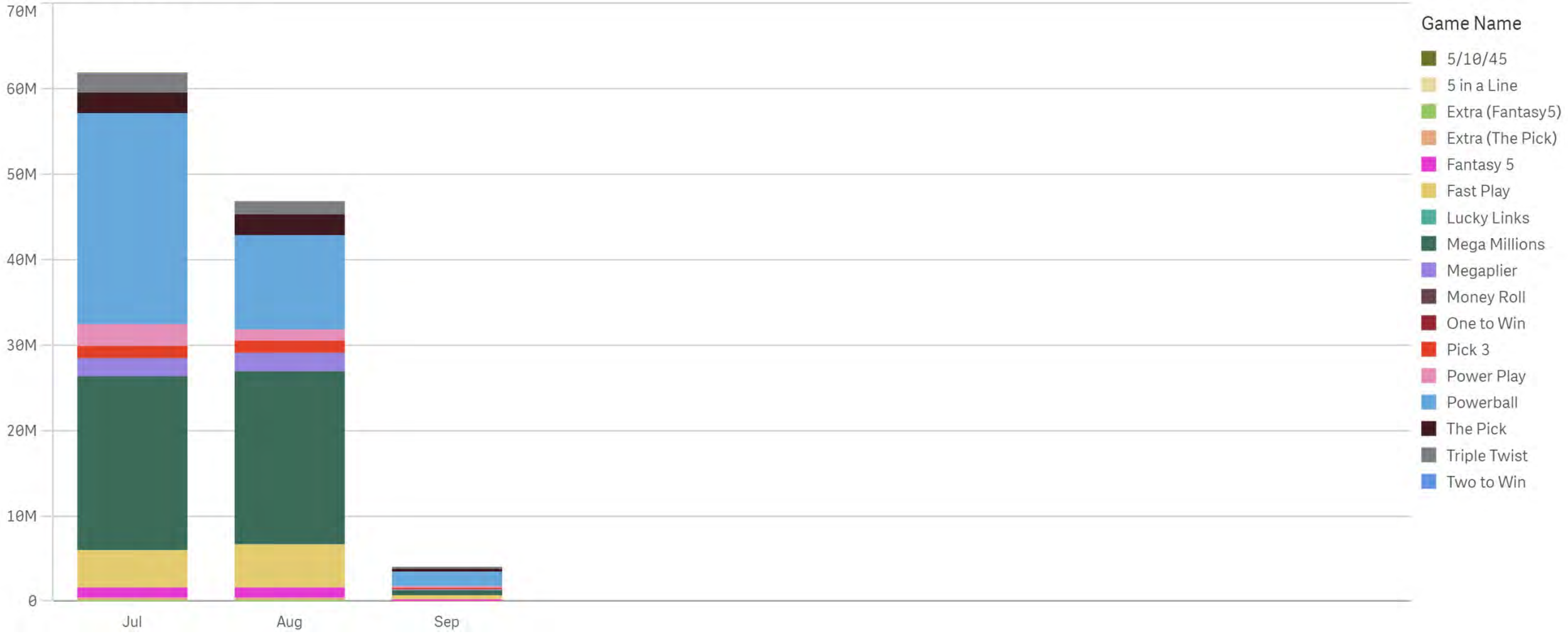
Instant Sales FY 2023 vs. 2024 vs. Projection



FY 2024 Draw Sales by month



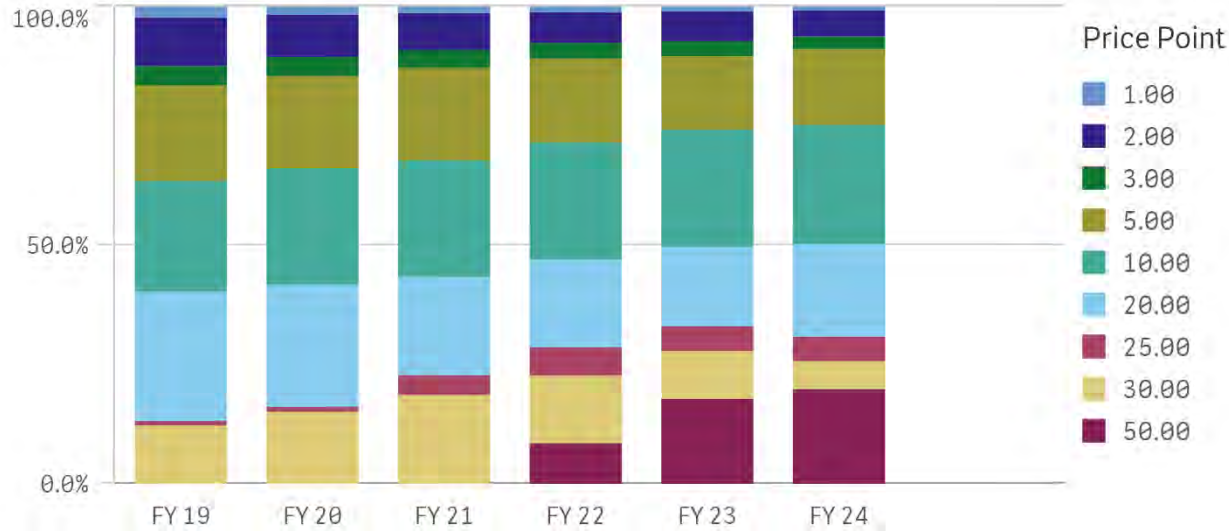
FY 2024 Draw Sales by Game



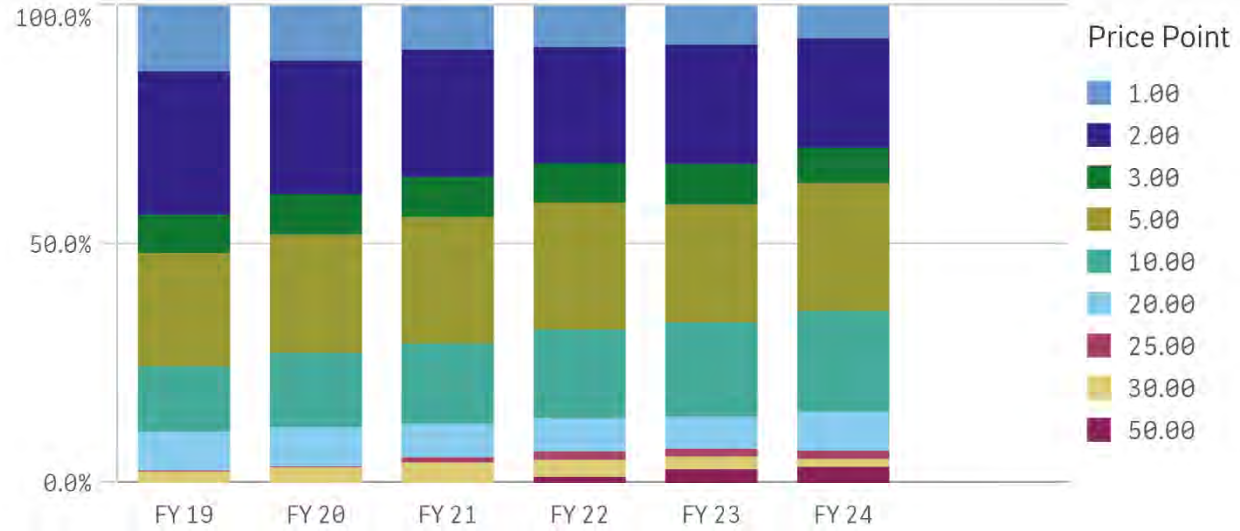


Scratcher Sales by Price Point

Based on Dollars Sold



Based on Tickets Sold



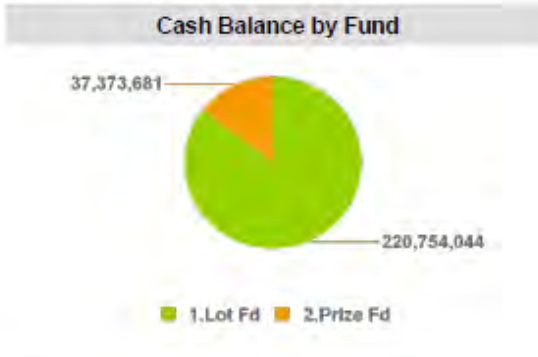
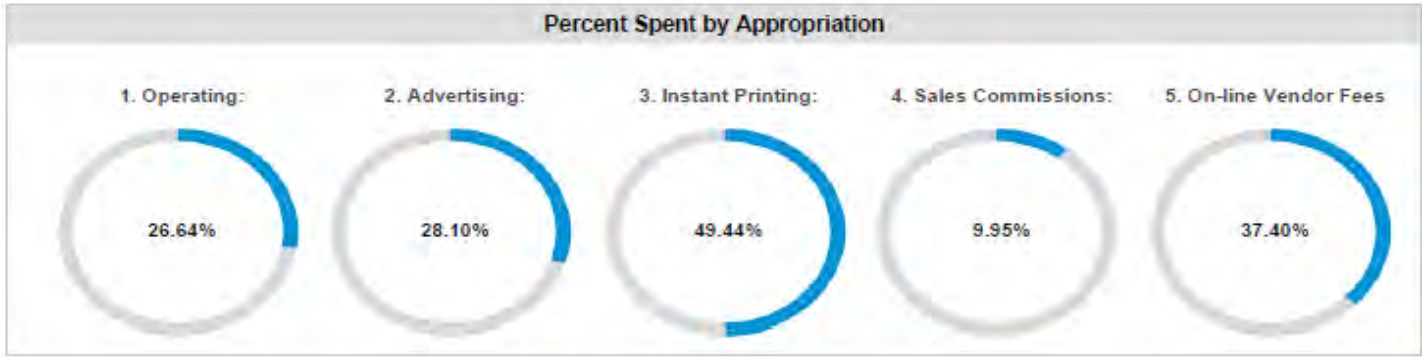
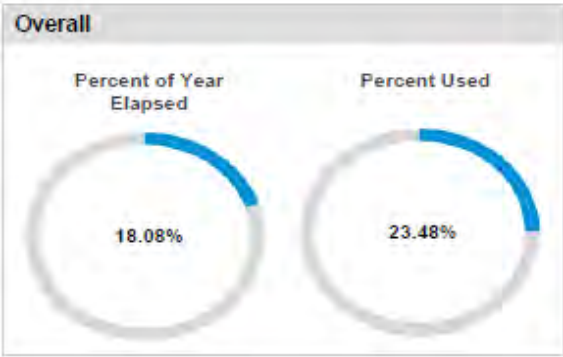
Price Point	FY 20	FY 21	FY 22	FY 23	FY 24	Price Point	FY 20	FY 21	FY 22	FY 23	FY 24
1.00	\$15,243,692	\$14,836,696	\$12,025,050	\$10,754,616	\$1,417,318	1.00	15,243,692	14,836,696	12,025,050	10,754,616	1,417,318
2.00	\$74,204,632	\$86,605,472	\$67,053,928	\$66,225,952	\$9,647,546	2.00	37,102,316	43,302,736	33,526,964	33,112,976	4,823,773
3.00	\$33,795,897	\$40,770,039	\$34,325,706	\$33,645,018	\$4,624,803	3.00	11,265,299	13,590,013	11,441,902	11,215,006	1,541,601
5.00	\$163,624,105	\$214,810,495	\$183,329,755	\$163,422,570	\$28,070,020	5.00	32,724,821	42,962,099	36,665,951	32,684,514	5,614,004
10.00	\$207,204,520	\$271,076,850	\$256,301,440	\$261,194,770	\$44,208,590	10.00	20,720,452	27,107,685	25,630,144	26,119,477	4,420,859
20.00	\$217,273,740	\$228,944,840	\$192,016,600	\$177,090,260	\$34,267,700	20.00	10,863,687	11,447,242	9,600,830	8,854,513	1,713,385
25.00	\$8,628,650	\$45,939,625	\$61,671,325	\$55,168,325	\$8,982,000	25.00	345,146	1,837,585	2,466,853	2,206,733	359,280
30.00	\$128,434,380	\$206,849,550	\$147,402,630	\$106,327,170	\$10,406,610	30.00	4,281,146	6,894,985	4,913,421	3,544,239	346,887
50.00	\$0	\$0	\$89,036,700	\$189,160,850	\$35,094,500	50.00	0	0	1,780,734	3,783,217	701,890



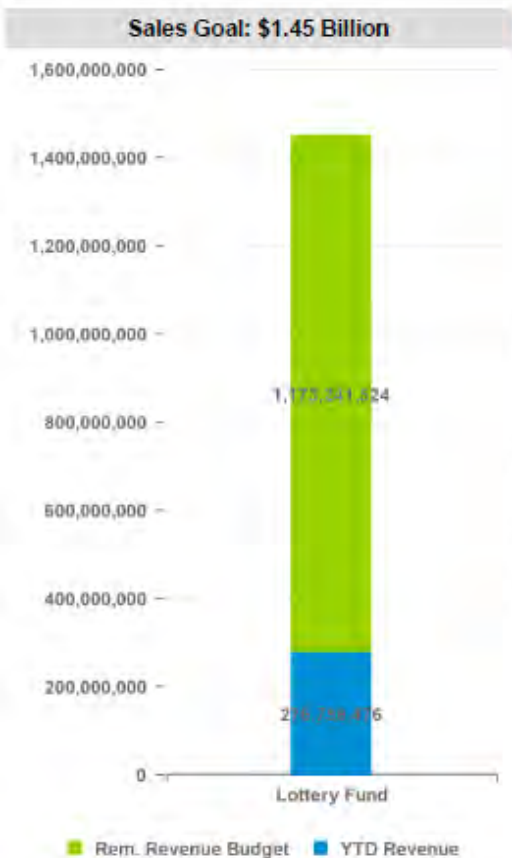
Instant Game Monthly Sales

Month	SCRATCHERS	CHARITABLE PULL-TABS	AGE-RESTRICTED PULL-TABS	TOTAL INSTANT SALES CURRENT FY	TOTAL INSTANT SALES PREVIOUS FY	% of Change
Jul	\$84,054,174	\$678,120	\$338,040	\$85,232,334	\$86,972,100	-2.0%
Aug	\$81,487,423	\$610,260	\$442,800	\$82,672,243	\$83,921,307	-1.5%
Sep	\$11,177,490	\$44,820	\$4,320	\$11,243,910	\$80,521,614	-86.0%
Oct	\$0	\$0	\$0	\$0	\$85,187,320	-100.0%
Nov	\$0	\$0	\$0	\$0	\$84,660,649	-100.0%
Dec	\$0	\$0	\$0	\$0	\$89,363,658	-100.0%
Jan	\$0	\$0	\$0	\$0	\$96,391,055	-100.0%
Feb	\$0	\$0	\$0	\$0	\$94,882,087	-100.0%
Mar	\$0	\$0	\$0	\$0	\$99,547,113	-100.0%
Apr	\$0	\$0	\$0	\$0	\$95,031,689	-100.0%
May	\$0	\$0	\$0	\$0	\$94,661,354	-100.0%
Jun	\$0	\$0	\$0	\$0	\$87,296,525	-100.0%

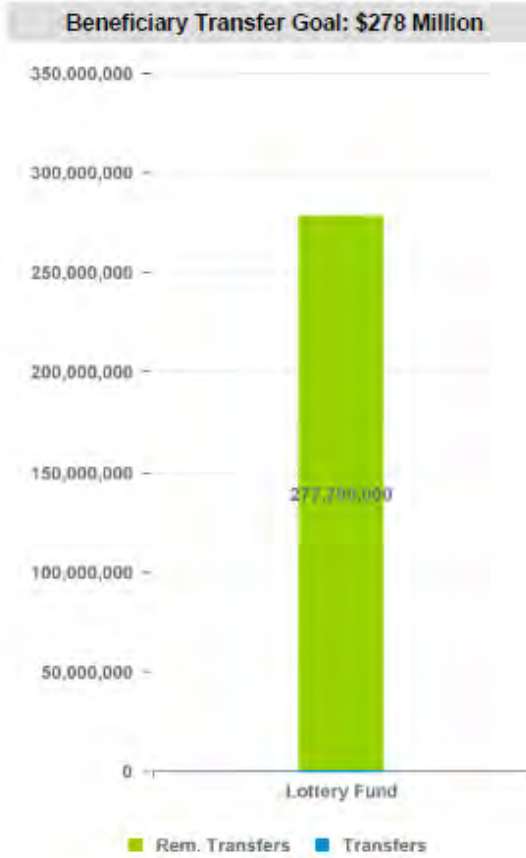
FY24 Year-to-date Financial Status



Budget by Appropriation Type and Object Class



Appropriation	Object Class	Budget	Expenditures	Encumbered	Remaining	% Used
1. Operating:	0000 - Appropriation Budget	10,475,200	-	-	10,475,200	
	6000 - Personal Services	-	713,278	-	-713,278	
	6100 - Employee Related Expenditures	-	273,289	-	-273,289	
	6200 - Professional And Outside Services	-	73,775	474,165	-547,940	
	6500 - Travel - In-State	-	3,974	2,000	-5,974	
	6800 - Travel - Out-Of-State	-	10,865	19,587	-30,451	
	7000 - Other Operating Expenditures	-	224,808	906,386	-1,131,194	
	8500 - Non-Capital Equipment	-	3,903	-	-3,903	
	9100 - Transfers Out	-	35,156	49,806	-84,962	
Total:		10,475,200	1,339,048	1,451,943	7,684,208	26.64%
2. Advertising:	0000 - Appropriation Budget	15,500,000	-	-	15,500,000	
	7000 - Other Operating Expenditures	-	873,498	3,482,300	-4,355,797	
	Total:	15,500,000	873,498	3,482,300	11,144,203	28.10%
3. Instant Printing:	0000 - Appropriation Budget	37,965,000	-	-	37,965,000	
	7000 - Other Operating Expenditures	-	1,847,287	16,921,583	-18,768,870	
	Total:	37,965,000	1,847,287	16,921,583	19,196,130	49.44%
4. Sales Commissions:	0000 - Appropriation Budget	97,086,500	-	-	97,086,500	
	7000 - Other Operating Expenditures	-	9,659,196	-	-9,659,196	
	Total:	97,086,500	9,659,196	-	87,427,304	9.95%
5. On-line Vendor Fees:	0000 - Appropriation Budget	16,041,700	-	-	16,041,700	
	6200 - Professional And Outside Services	-	3,883,878	2,116,122	-6,000,000	
	Total:	16,041,700	3,883,878	2,116,122	10,041,700	37.40%
Grand Total:		177,068,400	17,602,908	23,971,948	135,493,545	



The logo for the Arizona Lottery is positioned in the bottom right corner. It features the word "Arizona" in a white, sans-serif font above the word "Lottery" in a white, cursive script font. The "Lottery" text is enclosed within a white outline of a five-pointed star. A small "TM" trademark symbol is located at the bottom right of the star's outline. The background of the entire image is a vibrant blue with a sunburst pattern of rays emanating from the right side, and scattered white stars and starburst graphics.

New Business Item #1
Instant Scratch Game Profiles
Report to Arizona Lottery Commission
September 15, 2023

This report has been provided to the Lottery Commission regarding game profiles planned for Arizona Lottery instant scratch games. The Commission is requested to approve these game profiles. After Commission approval, staff will commence with plans for printing, distribution, and sales of these games.

NEW GAME PROFILES

Attached for the Lottery Commission's action is new instant scratch game profiles: *Arizona Adventure* #1425, *Cash Craze Crossword* #1443, and *Double Dollars* #1446.

Arizona Adventure #1425. This \$5 game has a top prize of \$50,000. This game will be printed at a quantity of approximately 2 million tickets.

Cash Craze Crossword #1443. This \$10 game has a top prize of \$100,000. This game will be printed at a quantity of approximately 4.5 million tickets.

Double Dollars #1446. This \$2 game has a top prize of \$10,000. This game will be printed at a quantity of approximately 2 million tickets.

Attachments (Commissioners only)

New Business Item #2
Players Club Promotion Profile #130
Report to Arizona Lottery Commission
September 15, 2023

This report has been provided to the Lottery Commission regarding the Winning Wonderland Promotion Profile. The Commission is requested to approve this Promotion Profile.

NEW PROMOTION PROFILE

Attached for the Lottery Commission's action is new Promotion Profile: Winning Wonderland

Winning Wonderland Promotion Profile #130

Starting October 3, 2023 players will be able to enter winning and non-winning eligible instant Scratch and Fast Play™ game tickets for a chance to win cash prizes.

Attachments (Commissioners only)