PUBLIC MEETING OF THE ARIZONA LOTTERY
COMMISSION MINUTES JANUARY 18, 2013

PRESIDING	Chair Jeff Weintraub
COMMISSIONERS	Vice-Chair Frank Conley, Commissioners Jeff Boehm, Chip Scutari, and via teleconference, Leo Valdez.
LOTTERY	Jeff Hatch-Miller, Executive Director; Raynie Hosto, Director of Sales; Kim McGlothlen, Director of Marketing & Advertising; Adam O'Kane Director of Audit, Accounting, & Procurement; and Steve Johnson, Director of IT Barbara Anderson, Ivy Gilio, Nick Schell, Tim Matykiewicz, Brett Moulton, Cindy Esquer, Graham Bennett, Roland Tang, Robin Peters, Jessica Reimann, Melissa Zamora, Tasha Younger, Rhonda Kaiser, and Jacqui Ayala
GUESTS	EB Lane Representatives: Carlos Pastor, Conchita Rajces Kollman, Emily Ginzl, Jamison Davis, and Jen Byron GTECH Representatives: Russ Harben and Serena Arlotta Henry & Horne Representatives: Bobby Mikkelsen and Chuck Goodmiller Attorney General Representative: LaDonna Ockinga

Call to Order. Pursuant to the Public Notice dated January 14, 2013, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:00 a.m. by Chair Weintraub. A quorum was present.

Upon request by Chair Weintraub, Vice-Chair Conley made a motion to approve the minutes of December 21, 2012; Commissioner Boehm seconded. All members voting aye, motion carried.

Financial Audit Report. Chuck Goodmiller and Bobby Mikkelsen from Henry and Horne, LLP, who conducted the annual audit, presented an overview and copies of the Audit report were provided to the Commissioners.

Retailer of the Quarter. Ms. Melissa Zamora, District Sales Representative, presented an overview of the Retailer of the Quarter, 7-Eleven 16082 in Phoenix. 7-Eleven 16082 was recognized for keeping its dispensers full, and being up 23.7% for draw game sales and 41% for instant game sales.

Director's Report. Director Hatch-Miller presented a PowerPoint overview of the Director's Report. The Director's Report is attached for the official minutes.

Retailer Survey / Out-Of-Stocks. Ms. Hosto presented results of the retailer survey conducted in November and December. She explained that the survey covers six broad categories and has some open-ended questions to allow for more detailed responses. She stated that the goal was to receive 365 retailer responses and said we exceeded the goal with 445 responses, which is 15% of our retailer base. She also stated the overall satisfaction of retailers with the Lottery increased by 1%.

Ms. Hosto also presented information on out-of-stocks, stating we ended December at 5.3%, which is historically low. She said that typically as sales go up, out-of-stocks increase. However, this was not the case with Vice-Chair Conley and his team at Safeway. Safeway was the only chain to increase sales and decrease out-of-stocks.

Chair Weintraub asked what the time frame is for larger pack sizes. Ms. Anderson explained that we are looking to move the $20 from from a 15 ticket pack to a 30 ticket pack and the $10 tickets from a 30 ticket pack to a 60 ticket pack. Ms. Hosto said there would be two ordering options available. Ms. Anderson said this may be about six months.

New Business.

Chair Weintraub asked if any members of the public would like to address the Commission regarding the new Scratchers℠ Game Profiles: *Joker's Jackpot #864, Arizona Blackjack #874, Super Match 3 #875, and Triple Payout #877.* 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 Scratchers Game Profiles: *#864, #874, #875, and #877.* Commissioner Boehm moved; Commissioner Scutari seconded. All members voting aye, the motion carried.

Marketing Update.

Ms. McGlothlen introduced Jessica Reimann, the new Marketing and Advertising Manager.

Ms. McGlothlen followed up with results of the Safeway retail activations that took place in November and December. She explained there was a grand prize winner at each of the remotes who won a VIP experience, including a $1,000 Safeway Gift card and two Arizona Cardinal tickets. She pointed out that as part of our increased digital efforts, we sent out over 71,000 E-Blasts. She said we had a 16% open rate and a 6.33% click through rate, which is almost double the industry average.

Ms. McGlothlen stated that the Lottery was the presenting sponsor of the Cardinals game held December 16, 2012. She said that our game day sponsorship was also the Salute to Troops sponsorship, so we were able to recognize and celebrate our armed forces veterans who were present at the game. She explained we were able to have the ticket trolley staffed by Safeway employees due to a change in the retailer rules. She said this was a great first for the Lottery.

Ms. McGlothlen spoke about Black Series Scratchers and played the radio spots that will begin airing Monday, January 21, 2013. She also showed the new Hall of Winners spots that will be airing.

Call to the Public. Chair Weintraub invited members of the public to speak before the Commission. No one from the public requested to speak.

Announcements. The next meeting will be February 15, 2013, at 10 a.m.

Adjournment. Upon request by Chair Weintraub, Vice-Chair Conley moved; Commissioner Scutari seconded. All members voting aye, motion carried. Meeting adjourned at 11:06 a.m.