



**JANUARY 27, 2016
COMMISSION
REPORT**

Table of Contents

Notice of Public Meeting	3
Commission Minutes December 18, 2015	5
New Business Item #1	8
Instant Scratch Game Profiles	8
New Business Item # 2	9
Instant Tab Games Profiles	9

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 January 27, 2016, at 9 a.m., in the Arizona Lottery Board Room located at 4740 East University Drive, Phoenix, Arizona. Pursuant to A.R.S. § 38-431.02(B), 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, as well as for the purposes listed on the agenda under Executive Session. The Commission may also vote on any item listed on the agenda. One or more members of the Commission may participate by means of telephonic communication.

Call to Order

1. Call for Quorum
2. Call for Notice
3. Approval of Minutes for December 18, 2015, Public Meeting

New Business

1. Discussion and Action on amended instant scratch game profile *Trucks & Bucks*® #1037 and new instant scratch game profiles: Money Bag Crossword #1050 and Classic Blackout Bingo #1057.
2. Discussion and Action on new Instant Tab Game Profiles: Freedom Reign #057, Serve And Protect #058, Pass The Buck #059, Loose Diamonds #060, Liberty Bucks #061, Money In The Bank #062, Pot O' Gold PLUS #063, Poker Hand #064, Stand Up & Salute #065, Gold Bar Bonanza #066, Triple 7s #067, and Casino Cash #068.

Call to the Public

Consideration and discussion of comments from the public. Those 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

The next Commission meeting will be held February 19, 2016, 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 25th day of January, 2016

Kevin Donnellan
Interim Director

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by calling (480) 921-4486. Requests should be made as early as possible to allow time to arrange the accommodation.

**PUBLIC MEETING OF THE ARIZONA LOTTERY
COMMISSION MINUTES DECEMBER 18, 2015**

PRESIDING Chair Frank Conley

COMMISSIONERS Mike Love, Jeff Weintraub and Kristine Burnett

LOTTERY Tony V. Bouie, Executive Director; Brian Townsend, Deputy Director; Michael Schiefelbein, Director of Products; Eric Borg, Director of Operations; Raynie Hosto, Director of Sales, Steve O'Ney, Director of IT, and LaTrina Rosemond, Director of Audit and Accounting
Barbara Anderson, Shannon Nelson, Ivy Gilio, Mark Strickling, Shelby Alessi, Isaac Silva, Monica Godek, Brett Moulton, Pam DiNunzio, Kimberly Siddall, and Jacqui Ayala

GUESTS LaneTerralever Representatives: Isabelle Jazo, Kristin Jones, Bill Woodward, John Sizer, Jody Alexander, and Amy Raymer
GTECH Representatives: Russ Harben and Serena Arlotta
Scientific Games Representatives: Cory Bonogofsky, Heather Kusnitz, and Genva McCaffrey
Carlton Media Group Representatives: Fran Parker and Beth Luellen
Attorney General Representative: Deanie Reh

PUBLIC Kurt Davis, Brent Steffens, and Matt Silverman

Call to Order Pursuant to the Public Notice dated December 16, 2015, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:00 a.m. by Chair Conley. A quorum was present.

Chair Conley entertained a motion to approve the minutes of the November 20, 2015, Public meeting; Commissioner Weintraub moved, Vice-Chair Love seconded. All members voting aye, motion carried.

State Service Awards Director Bouie recognized Ivy Gilio for 20 years of state service.

Director's Presentation Director Bouie presented a PowerPoint overview of the Director's Report. The Director's Report is attached to the Commission Packet, posted on the Lottery website.

Chair Conley wanted to know what the sales projection was over last year. He said he thought we were running about 10% over last year. Director Bouie indicated the total sales projection for this year is \$814 million compared to last year's projection of \$750 million.

Vice-Chair Love wanted to know about national games since it's the national draw games are significantly below projection. He wanted to know if Arizona is doing something right or something wrong and asked if it has been a discussion on a national level. Vice-Chair Love said he believes the public is getting saturated and disinterested. He wanted to know if that theory has been proposed and addressed. Director Bouie indicated that yes it has been discussed for a long time. It is Jackpot fatigue, many people are waiting for the jackpot to get over \$150 to \$200 million. He said there are a couple of things the Lotteries have done to change that trend. First, is a national marketing campaign where every Lottery puts in money to come up with national POWERBALL® commercial that each Lottery can play at their leisure, the Second was the matrix change that recently went through and third, is a jackpot management change that will go into effect around February which will help with some of the funding so the jackpot will roll faster. Vice-Chair Love stated he looks forward to the February change. Director Bouie also stated there are discussions going on now about a national POWERBALL® cruise promotion coupled with a mobile application. However that wouldn't happen for a year and a half to two years since every jurisdiction is different and needs to get their legislation on board and their rules and their commissions.

Chair Conley wanted to know who are peer states are and how we are doing compared to those other states. Director Bouie stated that Colorado, New Mexico, Oregon, and Washington are considered our peer states. Barbara Anderson stated that when we do comparisons to other peer states they look at a combination of population and game mix. Ms. Anderson indicated that the La Fleur's Magazine does a quarterly comparison. Ms. Anderson stated that we are ahead of Colorado but behind New Mexico which is because they recently had the ability to increase their prize payouts.

New Scratcher Games Barbara Anderson provided an overview of the new scratcher game. She provided an in depth overview of the Trucks & Bucks® profile.

New Business Chair Conley asked if any members of the public would like to address the Commission regarding new instant scratch game profiles: *Trucks & Bucks®* #1037, *3 in a Row* #1056, *Triple 7's* #1058, *21* #1063, *Mad Money* #1064 and *Cash Tripler* #1065. No response from the public.

In accordance with A.R.S. §5-554 (C), Chair Conley entertained a motion to approve the order and authorize the Director to issue the order regarding new instant scratch game profiles #1037, #1056, #1058, #1063, #1064 and #1065. Vice-Chair Love moved; Commissioner Burnett seconded. All members voting aye, the motion carried.

Brand Tracking Review Fran Parker and Beth Luellen from Carlton Media Group presented the Brand Tracking Report. They shared research methods, player demographics, and recommendations.

Chair Conley wanted to know if QuikTrip was still requiring cash only for lottery purchases. Raynie Hosto stated the signs came down in stores, however, through experience with QuikTrip they still require cash but they will give you cash back on your debit card. Chair Conley asked if there was a decline in sales since they went to cash only for lottery. Brett Moulton stated that the first month QuikTrip started with the cash only there was a decline of 4.5% but it came back right after that first month.

Commissioner Burnett wanted to know if the Carlton Group was going to meet with LaneTerralever to talk about media or how would that information come together. Director Bouie stated that we would certainly use the information, however, we just received the research and when we start planning for next fiscal year we will incorporate the findings into the advertising budget.

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

Announcements The next Commission meeting will be held January 29, 2016, at 10:00 a.m.

Adjournment Chair Conley entertained a motion to adjourn, Commissioner Weintraub moved; Commissioner Burnett seconded. All members voting aye, motion carried. Meeting adjourned at 11:38 a.m.

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.

New Business Item #1
Instant Scratch Game Profiles
Report to Arizona Lottery Commission
January 27, 2016

This report has been provided to the Lottery Commission regarding instant scratch 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.

AMENDED GAME PROFILE

Attached for the Lottery Commission's action is amended instant scratch game profile *Trucks & Bucks*[®] #1037.

Trucks & Bucks[®] #1037. Playstyle corrected to state that there is only one automatic win feature.

NEW GAME PROFILES

Attached for the Lottery Commission's action are new instant scratch game profiles: *Money Bag Crossword* #1050 and *Classic Blackout Bingo* #1057.

Money Bag Crossword #1050. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 4.8 million tickets.

Classic Blackout Bingo #1057. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 2.8 million tickets.

Attachments (Commissioners only)

New Business Item # 2
Instant Tab Games Profiles
Report to Arizona Lottery Commission
January 27, 2016

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

NEW GAME PROFILES

Attached for the Lottery Commission's action are new Instant Tab Game Profiles: *Freedom Reign #057, Serve And Protect #058, Pass The Buck #059, Loose Diamonds #060, Liberty Bucks #061, Money In The Bank #062, Pot O' Gold PLUS #063, Poker Hand #064, Stand Up & Salute #065, Gold Bar Bonanza #066, Triple 7s #067, and Casino Cash #068.*

Freedom Reign #057. This 25¢ game has a top prize of \$50 and will be printed at a quantity of approximately 502,320 tickets.

Serve And Protect #058. This 25¢ game has a top prize of \$75 and will be printed at a quantity of approximately 502,320 tickets.

Pass The Buck #059. This 25¢ game has a top prize of \$60 and will be printed at a quantity of approximately 502,320 tickets.

Loose Diamonds #060. This 25¢ game has a top prize of \$75 and will be printed at a quantity of approximately 502,320 tickets.

Liberty Bucks #061. This 50¢ game has a top prize of \$150 and will be printed at a quantity of approximately 600,000 tickets.

Money In The Bank #062. This 50¢ game has a top prize of \$150 and will be printed at a quantity of approximately 600,000 tickets.

Pot O' Gold PLUS #063. This \$1.00 game has a top prize of \$250 and will be printed at a quantity of approximately 255,300 tickets.

Poker Hand #064. This \$1.00 game has a top prize of \$250 and will be printed at a quantity of approximately 600,000 tickets.

Stand Up & Salute #065. This \$1.00 game has a top prize of \$250 and will be printed at a quantity of approximately 600,000 tickets.

Gold Bar Bonanza #066. This \$2.00 game has a top prize of \$400 and will be printed at a quantity of approximately 255,300 tickets.

Triple 7s #067. This \$2.00 game has a top prize of \$400 and will be printed at a quantity of approximately 255,300 tickets.

Casino Cash #068. This \$2.00 game has a top prize of \$400 and will be printed at a quantity of approximately 255,300 tickets.

Attachments (Commissioners only)