

**PUBLIC MEETING OF THE ARIZONA LOTTERY  
COMMISSION MINUTES APRIL 22, 2016**

**PRESIDING** Chair Frank Conley

**COMMISSIONERS** Michael Love, Jeff Weintraub, Andy Anderson, and Kristine Burnett

**LOTTERY** Gregg Edgar, Executive Director; Chris Rogers, Director of Products & Marketing; Raynie Hosto, Director of Sales; Steve O’Ney, Director of IT; and LaTrina Rosemond, Director of Audit and Accounting  
Kimberly Siddall, Ivy Gilio, Pam DiNunzio, Robin Peters, Shelby Alessi, Monica Godek, Michael Schiefelbein and Jacqui Ayala

**GUESTS** GTECH Representatives: Russ Harben, Maryanne Manning, and Serena Arlotta  
Scientific Games Representatives: Topper Wilson, and Cory Bonogofsky  
LaneTerralever Representatives: Jody Alexander, Kirstin Jones  
John Sizer, and Bill Woodward  
Carlton Media Group Representatives: Melissa Kovacs  
Attorney General Representative: Deanie Reh

**PUBLIC** Armondo Milheiro

**Call to Order** Pursuant to the Public Notice dated April 15, 2016, 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 March 18, 2016, Public meeting; Vice-Chair Love moved, Commissioner Weintraub seconded. All members voting aye, motion carried.

**Arizona Lottery Director’s Vision** Director Edgar announced that Kevin Donnellan and Brian Townsend are transitioning from the Lottery back to ADOA and Governor’s Office.

Director Edgar also stated that his confirmation was confirmed and thanked the Lottery employee’s for welcoming him.

Director Edgar shared the new organizational chart and provided a detailed outline of the new positions.

Director Edgar requested that the Commissioners look through commission materials and determine if the material we are providing is useful and asked if there is any additional information that they would like to see added or removed in the future.

Director Edgar talked about the third quarter transfers and said within the next couple of weeks we hope to make an announcement with the Governor's office regarding the record setting transfers of \$64 million dollars, which is about \$20 million dollars above our normal transfer which is getting us closer to that end goal of over \$184 million. He said we feel confident that we can get to that goal and even to the \$200 million internal goal.

We are unified as a team to increasing our transfers by 30% by end of fiscal year 2018. The Lean management is a tool we are using to help us get to that goal.

**Director's Presentation** Director Edgar presented a PowerPoint overview of the Director's Presentation. The Director's Presentation is attached for the official minutes.

Chair Conley asked how many open position the Lottery has. Director Edgar stated there are about 65 position are filled, so roughly 20 open, he said he can provide the exact number. Chair Conley asked about sales position. Director Edgar stated that our sales positions have taken a big hit.

**Marketing/Products Update** Mr. Chris Rogers provided an update on the Marketing RFP. In addition, gave an update on Q4 projects, which included increase draw game play and improve player perception on our odds.

Mr. Michael Schiefelbein provided an overview of products, which included the games that are on the agenda for Commission's approval.

Mr. Schiefelbein provided a prelude to the Cash Explosion ticket.

Chair Conley asked if there was any focus group regarding the Cash Explosion ticket to ask those players why they like it. Mr. Schiefelbein stated that he knows that it has been in focus group research that we have done but did not think that it was specifically to Cash Explosion.

Director Edgar indicated that we are going to develop an advisory board. Mr. Rogers expanded more on the advisory board.

**Airport Update** Mr. Armondo Milheiro from Department of Administration gave an update on the airport construction. Some of the highlights were 1) Construction will begin on May 13, 2016, 2) 550 sq. ft. space 3) 380,000,000 budget, but hope to bring that down 4) Completion date of August 24, 2016, may get it open a few weeks earlier.

Chair Conley wanted to know how close the Lottery was to the Starbucks, staff

indicated that it is directly across from the Lottery. Chair Conley wanted to know if we had a projection of expansion. Director Edgar stated that our end goal is to get back behind security with at least vending machines.

Commissioner Burnett asked if the retailers behind security would want to add vending machine into their stores. Director Edgar stated there was not a huge desire from those retailers to have vending machines in their stores. Ms. Raynie Hosto stated that on Lottery products you make 6.5% and that was not high enough to make it worth their time.

**Conversion Update** Mr. Cory Bonogofsky from Scientific Games provided an update on the conversion. Some of the highlights were 1) 4 months left till we go live 2) project is green 3) site testing was completed on April 11, 2016 4) lottery acceptance testing on May 16, 2016 5) retailer training begins on June 6, 2016.

Chair Conley asked what if there wasn't enough space on the customer service desk for both terminals. Mr. Bonogofsky stated that they are working out the details

**Brand Tracking Review** Ms. Melissa Kovacs from Carlton Media Group provided a review on brand tracking.

Commissioner Weintraub wanted to know the demographic behind the 19% of the frequent players. Ms. Kovacs was unaware but could provide that information to the Commissioners.

Commissioner Burnett asked about the "You can't win, if you don't play", and wanted to know if we moved to "You play, We Give, Everyone wins" message. Mr. Rogers indicated that we have moved to the "You play, We Give, Everyone wins" tag.

**New Business** Chair Conley asked if any members of the public would like to address the Commission regarding new instant scratch game profiles: *Funky 5's* #1066, *Stacks of Cash* #1070, *Gold Rush* #1071, and *\$100,000 Fortune* #1073. 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: #1066, #1070, #1071, and #1073. Vice-Chair Love moved; Commissioner Burnett seconded. All members voting aye, the motion carried.

**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 May 20, 2016, at 10:00 a.m.

**Adjournment** Chair Conley entertained a motion to adjourn, Vice Chair Love moved. All members voting aye, motion carried. Meeting adjourned at 11:20 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.