

**PUBLIC MEETING OF THE ARIZONA LOTTERY
COMMISSION MINUTES June 17, 2016**

PRESIDING Chair Frank Conley

COMMISSIONERS 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; LaTrina Rosemond, Director of Audit & Accounting
Kimberly Siddall, Pam DiNunzio, Ivy Gilio, Shelby Alessi, Monica Godek, Michael Schiefelbein, Nikki O’Shea, Stacey Henderson, and Jacqui Ayala

GUESTS GTECH Representatives: Russ Harben and Serena Arlotta
LaneTerralever Representatives: Jody Alexander
Owen’s Harkey Representatives: David Miller, Brad Casper, Jim Grad, Scott Harkey, and Chelsea Smeland
Attorney General Representative: Deanie Reh
Scientific Games Representatives: Cory Bonogofsky and Kyle Hoffman

PUBLIC

Call to Order Pursuant to the Public Notice dated June 10, 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 May 20, 2016, Public meeting; Commissioner Weintraub moved, Commissioner Burnett seconded. All members voting aye, motion carried.

Director’s Presentation Director Edgar spoke about some of our Beneficiaries and gave an update on Department of Economic Security – Homeless Coordination Office.

Chair Conley wanted to know how we communicate to the public about our beneficiaries such as Homeless Coordination Office. Director Edgar stated that we are using the 35th Anniversary as a launching pad; putting an effort into our earned media piece and pitching stories about the impact of the Arizona Lottery by utilizing the beneficiaries and where the dollars go.

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

Chair Conley wanted to know what the goal was for out-of-stocks, Raynie Hosto stated

the goal is 4.4% however, we are currently averaging 4%.

Vending Machine The new vending machine, Gemini Ultra, was presented to the Commissioners.

Commissioner Weintraub wanted to know how we pay for the machines. Director Edgar stated that it is a lease agreement we have with IGT paid for by a percentage of sales from the machine.

Conversion Update Mr. Cory Bonogofsky from Scientific Games provided an update on the conversion. Some of the highlights were 1) Lottery user acceptance testing began 2) Retailer training began 3) Terminal installation started this week 4) Meet every milestone.

Marketing/Products Update Mr. Michael Schiefelbein provided an instant scratch ticket update.

Chair Conley wanted to know if we were looking at other teams to do a ticket similar to the Arizona Cardinals ticket. Director Edgar stated that we have done some things with the Phoenix Suns in the past, however, it was not as productive. Arizona Cardinals are clearly in our market and the NFL is an engine. We will look at the Arizona Cardinals ticket and see how well it does and then take a look at other properties.

Chair Conley wanted to know the pack size on the \$5 ticket. Mr. Michael Schiefelbein stated that it is a \$400 pack size.

Mr. Chris Rogers provided an update on Marketing and Advertising and shared some of the strategies for FY2017.

The Marketing/Products PowerPoint presentation is attached for the official minutes.

New Business Chair Conley motioned to table the nominations of Chair and Vice-Chair to the next Commission meeting when all board members are present. Commissioner Anderson moved; Commissioner Burnett seconded. All members voting aye, the motion carried.

Chair Conley asked if any members of the public would like to address the Commission regarding new instant scratch game profiles: *Letter to Santa* #1075, *Dear Santa* #1076, *Frosty Crossword* #1077, *Money Tree* #1078, *Holiday Riches* #1079, *\$200 Million Cash Explosion*® #1080, *Spin 3* #1082, *Frogger*® #1086, and *Arizona Cardinals* #1087. 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: #1075, #1076, #1077, #1078, #1079, #1080, #1082, #1086 and #1087. Commissioner Weintraub moved; Commissioner Anderson seconded. All members voting aye, the motion carried.

Chair Conley asked if any members of the public would like to address the Commission regarding amendments to Article 5 of the Arizona Administrative Code relating to Lottery procurement. No response from the public.

In accordance with A.R.S. §5-554 (B), Chair Conley entertained a motion to authorize the director to adopt the amendments. Commissioner Burnett moved; Commissioner Weintraub 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 August 19, 2016, at 10:00 a.m.

Adjournment Chair Conley entertained a motion to adjourn, Commissioner Burnett moved; Commissioner Weintraub seconded. All members voting aye, the motion carried. Meeting adjourned at 10:53 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.