**PUBLIC MEETING OF THE ARIZONA LOTTERY**

**COMMISSION MINUTES September 22, 2017**

**PRESIDING** Chair Jeff Weintraub

**COMMISSIONERS** Debra Roth, Aimee Jolley

**LOTTERY** Gregg Edgar, Executive Director, Chris Rogers, Director of Products & Marketing; Raynie Hosto, Director of Sales, and Biju Kamaleswaran, Chief Financial Officer

Kimberly Siddall, Karla Henriksen, Joe Letheim, Ivy Gilio, Valerie Hanna, Nikki O’Shea, Shelby Alessi, Stacey Henderson, Luanne Mansanares, Robin Peters, Monica Godek, Hai Nguyen

**GUESTS** IGT Representatives: Russ Harben
Scientific Games Representatives: Topper Wilson and Julio Dieppa

Owens Harkey Representatives: Dawn Kemmer
Attorney General Representative: Vineet Mehta Shaw

**PUBLIC**

**Call to Order** Pursuant to the Public Notice date September 22, 2017, 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.

Chair Weintraub entertained a motion to approve the minutes of the August 18, 2017 public meeting; Commissioner Debra Roth made the motion, Commissioner Aimee Jolley seconded, all members voting aye, motion carried.

**Directors Report** - Director Edgar presented the beneficiary spot light video of the month. Focusing on Department of Game and Fish. The new partnership gives the Arizona Lottery the opportunity to highlight the beneficiary with a specialized lottery ticket in addition to expanding retail locations within the Department of Game and Fish. Director Edgar also explained the integration of the Arizona Lottery’s business intelligence. This will allow the programs to run more effectively, efficiently and timely.

It will take approximately 18-20 months to intergrade the new system. The Directors presentation is attached for the official minutes

Mr. Biju Kamaleswaran went over financial information comparing to prior fiscal years. The information included sales from pull tabs, instant, draw games, and pinpointed why the numbers fluctuated. The financial information is attached for the official minutes.

**Out-of-Stock Incentive** – Joe Leitheim discussed how the incentive was beneficial to the retailers and the Arizona Lottery. The Lottery picked retailers with the highest out of stock for 17 territories. The incentive ran for 2 months, June and July.

The incentive was to decrease the out-of-stock 50%. Overall the incentive decreased the overall out of stocks percentage in comparison to last year. It allowed the territory managers the opportunity to focus on the retailers by assisting them with the GEMINI machines. Giving them tips and hands on instructions to effectively utilize the machine, increase sales and decrease the out of stocks.

**Retailer Satisfaction Survey Results** - Stacey Henderson presented information regarding the survey results. The survey was held from May 22 – Jun 30th. The survey inquired about: instant ticket call center, Gemini instant ticket vending machines, wave terminal, and lottery territory managers. The retailer participation increased 118% from last year. The increase was due to the territory managers and IGT placing reminders on the instant tickets to participate in the survey. Overall the survey had a 97% approval rating with the retailers. Concerns were with the Gemini instant ticket vending machine and retailers attaining more supplies from the territory managers. Positive feedback was provided on the territory managers.

**Products Presentation** Ivy Gilio discussed the upcoming games for approval: High Five, Triple Red 7’s, Cash Adventure, Crossword Connect, Spicy Hot Crossword, Crossword Connect, and $250,000 Crossword.

**Products Presentation** Karla Henriksen introduced to new instant draw game called Fast Play. The target date for launch is February 11, 2018. This is a fresh, innovative way to win instantly on a draw game. The gratification to win instantly without having to scratch the latex or wait for the numbers to be drawn. The fast play games have multiple price points. Two fixed games at $1 and $5 price points and two progressive games at $2 and $5 price points. The structure of the game, price points, profiles, and artwork are being developed and signed off on. Extensive testing has already begun all the fast play games.

**New Business** Chair Weintraub asked if any members of the public wanted to address the Commission regarding the discussion and action on instant scratch game profiles Cash Adventure #1136, Bingo #1140, Spicy Hot Crossword #1141, Crossword Connect #1144, Triple Red 7’s #1148, Wild Jokers #1149, High 5 #1151 and $250,000 Crossword #1154.

Chair Weintraub asked if any members of the public wanted to address the Commission regarding the above mentioned profiles.

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 scratch game profiles: #1136,#1140, #1141, #1144, #1148. #1149, #1151 and #1154. Commissioner Roth moved; Commissioner Jolley seconded. All members voting aye, the motion carried.

Chair Weintraub asked if any members of the public wanted to address the Commission regarding the discussion and action on Willie’s Holiday Bonus Second Chance Promotion Profile.

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 Willie’s Holiday Bonus Second Chance Promotion Profile. Commissioner Roth moved; Commissioner Jolley seconded. All members voting aye, the motion carried.

Chair Weintraub asked if any members of the public wanted to address the Commission regarding the discussion and action on Mega Millions® amended game Profile #2.

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 Mega Millions® amended game Profile #2. Commissioner Roth moved; Commissioner Jolley seconded. All members voting aye, the motion carried.

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

**Announcements** The next Commission meeting will be held October 20, 2017, at 10:00 a.m.

**Adjournment** Chair Weintraub entertained a motion to adjourn, Commissioner Roth moved; Commissioner Wilson seconded. All members voting aye, the motion carried. Meeting adjourned at 10:57 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.