



November 16, 2018
COMMISSION
REPORT

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**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 November 16, 2018, at 10:00 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), further 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 October 19, 2018 Public Meeting
4. Approval of Minutes for October 30, 2018 Public Meeting

Agency Reports

1. Director's Presentation

New Business

1. Discussion and Action on new instant scratch game profiles *Boardgame Bonus*[™] #1194 and *GOLD FISH*[®] #1202.

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 December 19, 2018 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 8th day of November, 2018

Gregory R. Edgar
Executive 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 October 19, 2018

PRESIDING Chair Jeff Weintraub

COMMISSIONERS Vice Chair Chad Wilson, Debra Roth and Andy Anderson

LOTTERY Executive Director Gregory Edgar; Biju Kamaleswaran, Deputy Director of Operations; Chris Rogers, Deputy Director of Products and Marketing

Kimberly Siddall, Luanne Mansanares, Mary Cimaglio, Shelby Alessi, Karla Henriksen, Stacey Henderson, Holly Gordon, Susan Kalember, Joe Leitheim, Tasha Younger, Robert Woodson, Jon-Skyler Betancourt, Denise Boothe, Anthony Demas, Deidre Freund, Mia Lemke, Lupe Gonzalez, Julie Boroquez, Steve Overcash, Art Uthaisri and Christopher Holley-Woodward

GUESTS IGT Representatives: Russ Harben and Serena Arlotta
Scientific Games Representatives: Topper Wilson and Julio Dieppa
Attorney General Representatives: Pamela Linnins

PUBLIC

Call to Order - Pursuant to the Public Notice dated October 12, 2018, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:00 a.m. by Chair Jeff Weintraub. A quorum was present.

Chair Weintraub entertained a motion to approve the minutes of the September 21, 2018 public meeting; Commissioner Anderson moved; Commissioner Roth seconded. All members voting aye. The motion carried.

Retailer of the Quarter – Mr. Robert Woodson recognized Giant #6625 located in Tucson, as retailer of the quarter. The presentation is attached for the official minutes.

State Service Recognition Awards – Eleven Arizona Lottery employees were recognized for years of service for the State of Arizona.

Directors Presentation - The Director's Presentation is attached for the official minutes.

Financial Report - Mr. Biju Kamaleswaran presented financial information involving total sales from instant and draw games for the past 12 months. The presentation is attached for the official minutes.

Marketing Presentation - Mr. Chris Rogers presented a PowerPoint overview on earned media and sales from instant scratch tickets and bingo crossword promotion awareness. The presentation is attached for the official minutes.

Retailer Satisfaction Survey Results – Ms. Stacey Henderson provided the results of the retailer satisfaction survey. The survey was available to retailers from July 23rd to August 31st. The presentation is attached for the official minutes.

New Business - Chair Weintraub asked if any members of the public wanted to address the Commission regarding instant scratch game profiles: *Crossword Corner Cash* #1200, *Super Mega Crossword* #1204, *Multiplier Mania* #1207, *Arizona 7* #1209 and *Power 5* #1211. Chair Weintraub asked if any members of the public would like to address the commission. No response from 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 instant scratch game profiles: #1200, #1204, #1207, #1209 and #1211. Commissioner Anderson moved; Vice Chair Wilson seconded. All members voting aye. The motion carried.

Chair Weintraub asked if any members of the public wanted to address the Commission regarding new instant tab game profiles: *Beer Run* #1021, *1st & Ten* #1027, *Birdies & Beer* #1028, *Show Me The 7's* #1029 and *Backroom Poker* #1030. Chair Weintraub asked if any members of the public would like to address the Commission. No response from 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 instant tab game profiles: #1021, #1027, #1028, #1029 and #1030. Vice Chair Wilson moved; Commissioner Anderson seconded. All members voting aye. The motion carried.

Chair Weintraub asked if any members of the public wanted to address the Commission regarding new Fast Play Game Profiles: *Lots of \$50s* #112 and *Casino Cash* #113. Chair Weintraub asked if any members of the public would like to address the Commission. No response from 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 Fast Play Game Profiles: #112 and #113. Commissioner Roth moved; Vice Chair Wilson Anderson seconded. All members voting aye. The motion carried.

Call to the Public - Chair Weintraub invited members of the public to speak before the Commission. There were no responses from the public.

Announcements - The next Commission meeting will be held November 16, 2018, at 10:00 a.m.

Adjournment - Chair Weintraub entertained a motion to adjourn: Commissioner Roth moved; Vice Chair Wilson seconded. All members voting aye. The vote was unanimous, the motion carried and was approved. Meeting adjourned at 10:50 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

PUBLIC MEETING OF THE ARIZONA LOTTERY
COMMISSION MINUTES October 30, 2018

PRESIDING Chair Jeff Weintraub

COMMISSIONERS Debra Roth and Andy Anderson

LOTTERY Executive Director Gregory Edgar; Biju Kamaleswaran, Deputy Director of Operations; Sherri Zendri, Deputy Director of Legal

Kimberly Siddall, Holly Gordon, Ivy Gilio and John Gilliland

Call to Order - Pursuant to the Public Notice dated October 26, 2018, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:06 a.m. by Chair Jeff Weintraub. A quorum was present.

New Business - Chair Weintraub asked if any members of the public wanted to address the Commission regarding Costco Pilot Program for Sale of Instant Ticket Game #1184 Holiday Countdown. No response from 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 for Costco Pilot Program for sale of Instant Ticket Game #1184. Commissioner Anderson moved; Commissioner Roth seconded. All members voting aye. The motion carried.

Call to the Public - Chair Weintraub invited members of the public to speak before the Commission. There were no responses from the public.

Adjournment - Chair Weintraub entertained a motion to adjourn: Commissioner Roth moved; Commissioner Anderson seconded. All members voting aye. The vote was unanimous, the motion carried and was approved. Meeting adjourned at 10:15 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.

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Agency Reports
Report to Arizona Lottery Commission
November 16, 2018

Director's Presentation

New Games Introduction

The following games were introduced since the last Commission meeting: *Green Line Slingo*[®] *Trio #1185*, *Magic Number Bingo #1189* and *\$250,000 Crossword #1191*.

More information on these games is available by visiting the [Scratchers](#) section at ArizonaLottery.com

No games have been ended since the last Commission meeting.

ATTACHMENT A



Dashboard Report November 2018

**SERVING ARIZONA
FOR 37 YEARS**

11.0%

vs. Proj (FYTD)

Total Sales (FYTD)
\$365,883,631

18.9%

vs. PYTD

32.4%

vs. Proj (FYTD)

Draw Sales

\$130,875,120 35.8%
%Total Sales

44.2%

vs. PYTD

1.8%

vs. Proj (FYTD)

Instant Sales

\$235,008,510 64.2%
%Total Sales

8.3%

vs. PYTD

53.3%

vs. Proj (FYTD)

Multi-State

\$100,975,257 77.2%
%Draw Sales

61.5%

vs. PYTD

2.0%

vs. Proj (FYTD)

Scratchers Sales

\$232,122,654 98.8%
%Instant Sales

8.3%

vs. PYTD

-0.8%

vs. Proj (FYTD)

In-State

\$24,702,630 18.9%
%Draw Sales

-12.4%

vs. PYTD

-5.6%

vs. Proj (FYTD)

Charitable Pulltab Sales

\$2,234,616 1.0%
%Instant Sales

2.2%

vs. PYTD

-35.6%

vs. Proj (FYTD)

Fast Play

\$5,197,234 4.0%
%Draw Sales

-

vs. PYTD

-14.1%

vs. Proj (FYTD)

Age Rest. Pulltab Sales

\$642,600 0.3%
%Instant Sales

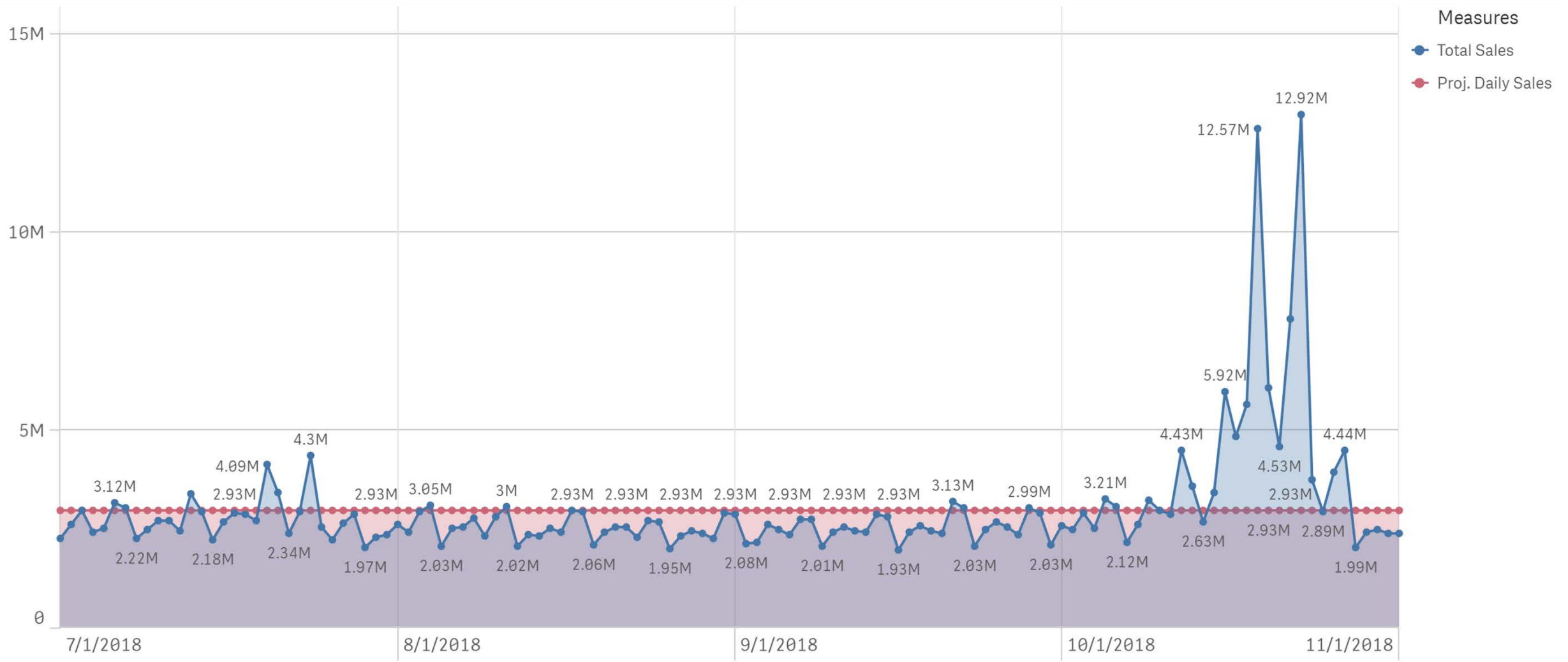
43.4%

vs. PYTD

Draw Sales : From 7/1/2013 - To 11/1/2018
Fast Play Sales : From 2/11/2018 - To 11/1/2018

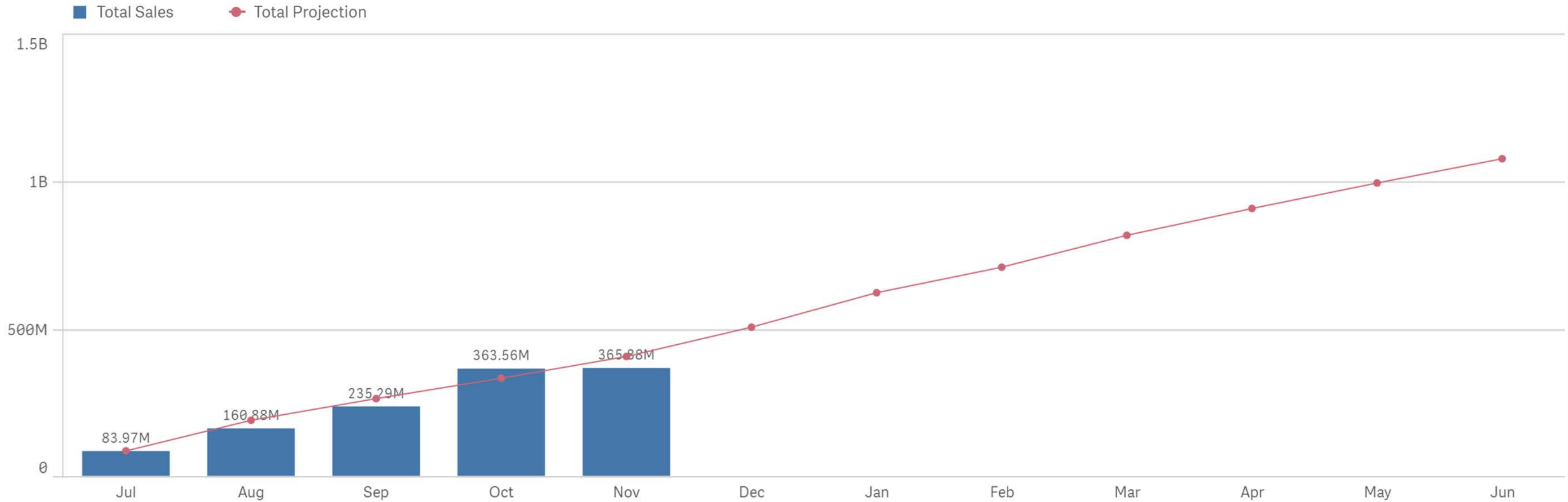
Scratcher Sales : From 7/1/2013 - To 11/1/2018
Pulltab Sales : From 7/1/2013 - To 11/1/2018

Daily Sales vs Goal

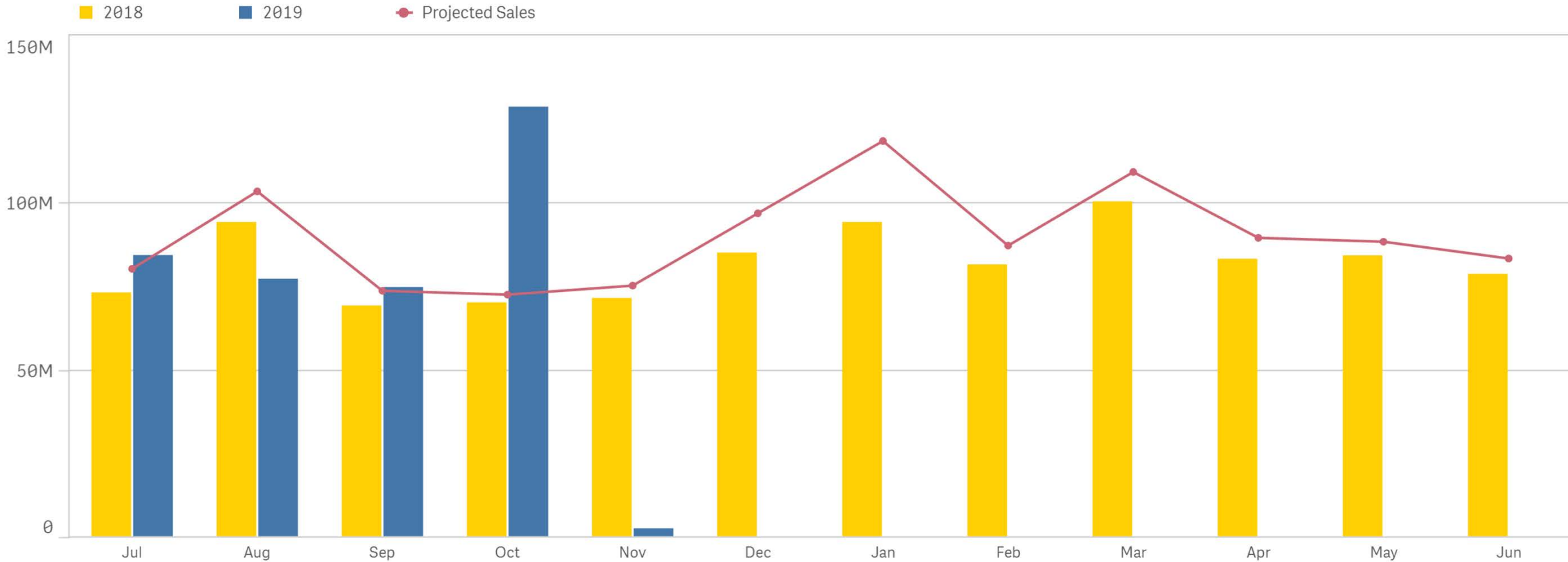


YTD Sales vs. Projection

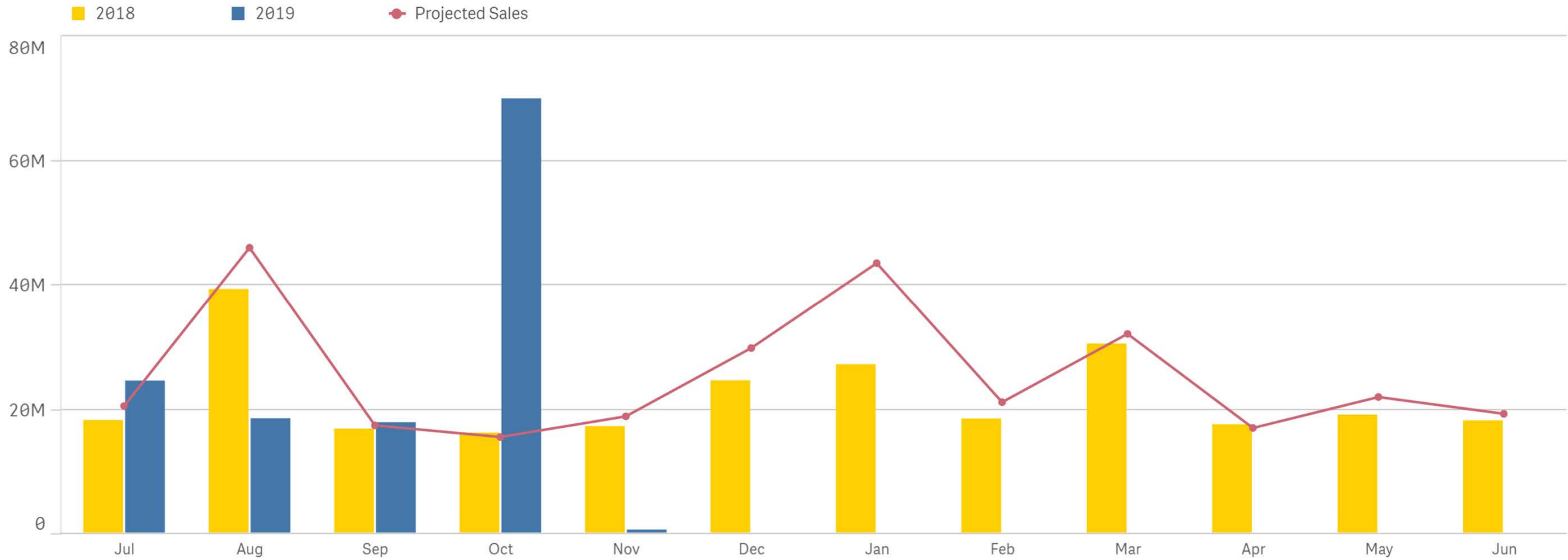
FY 2019 Total Sales vs. Projection



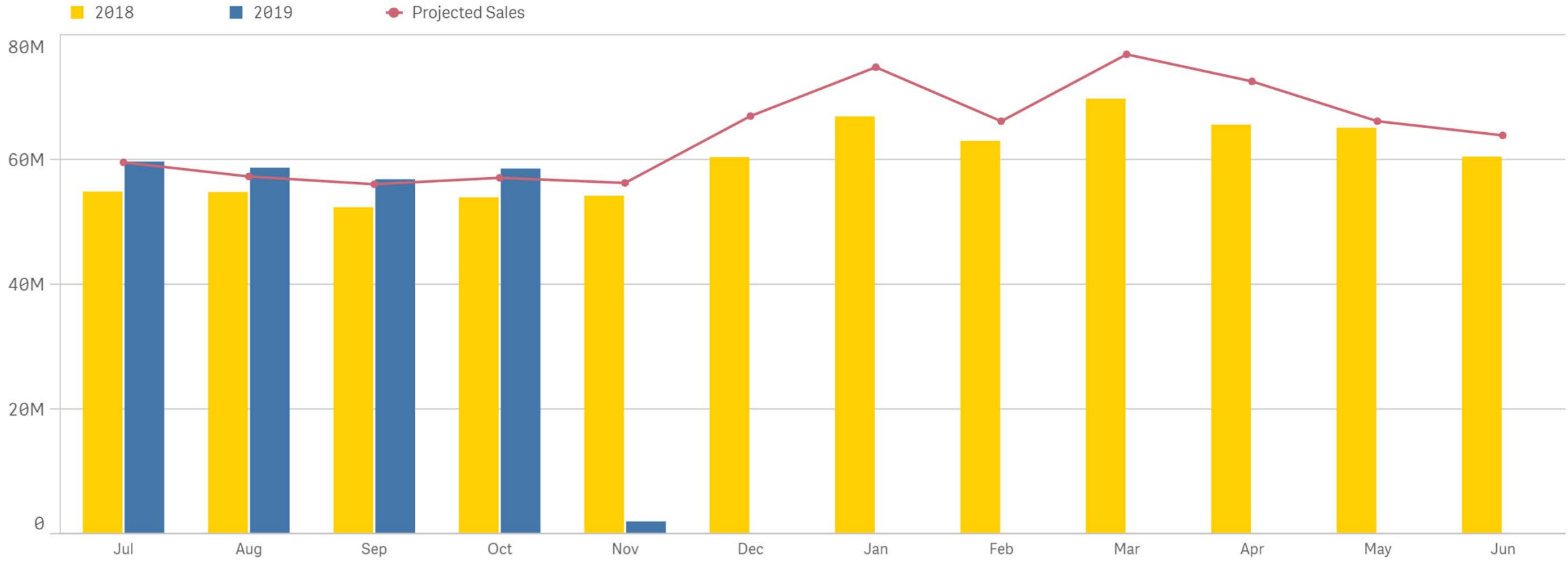
Total Sales FY 2018 vs. 2019 vs. Projection



Draw Sales FY 2018 vs. 2019 vs. Projection

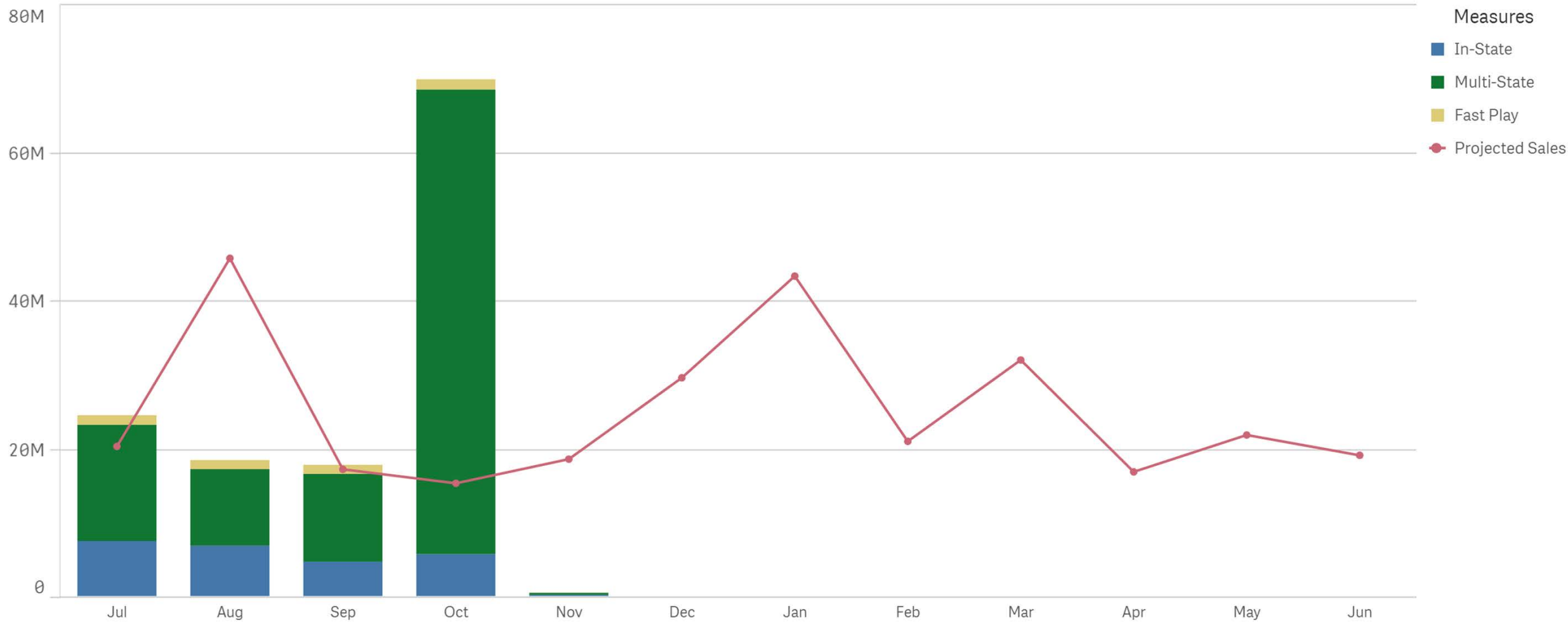


Instant Sales FY 2018 vs. 2019 vs. Projection



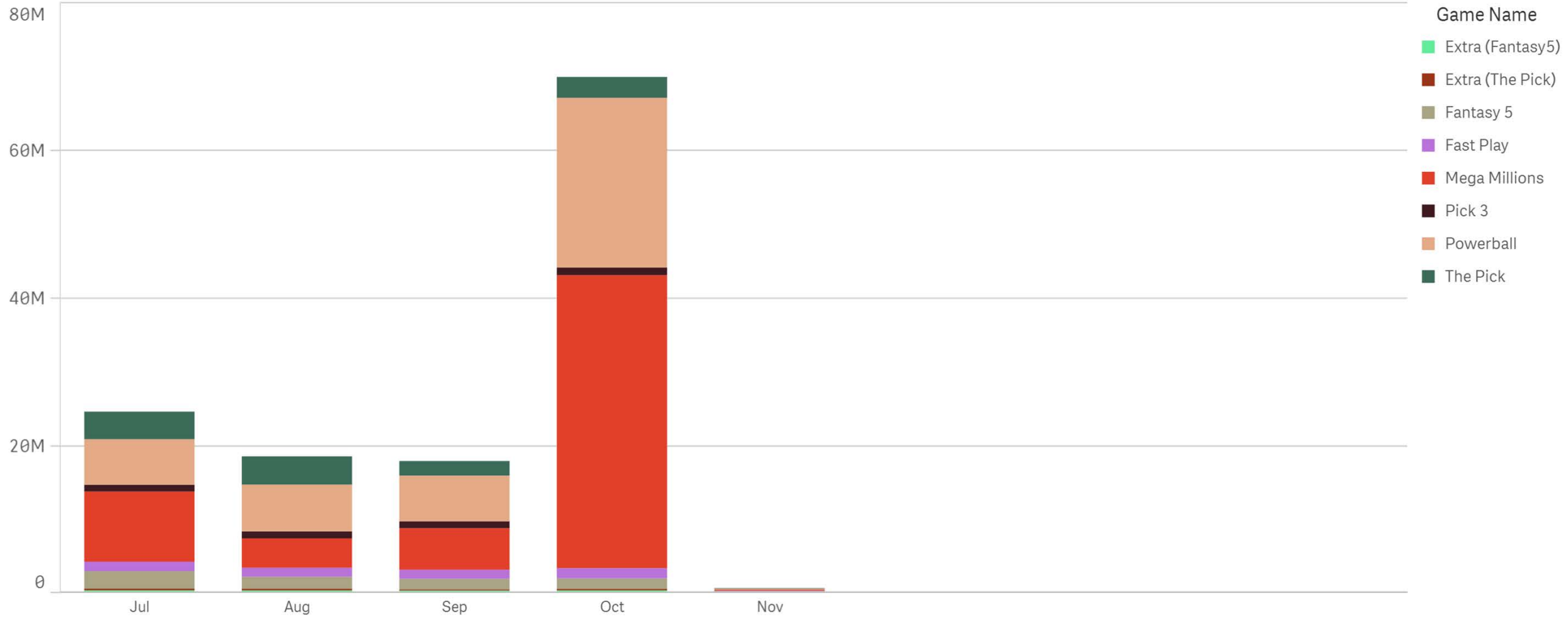
Draw Sales by Month

FY 2019 Draw Sales by Multi-State & In-State



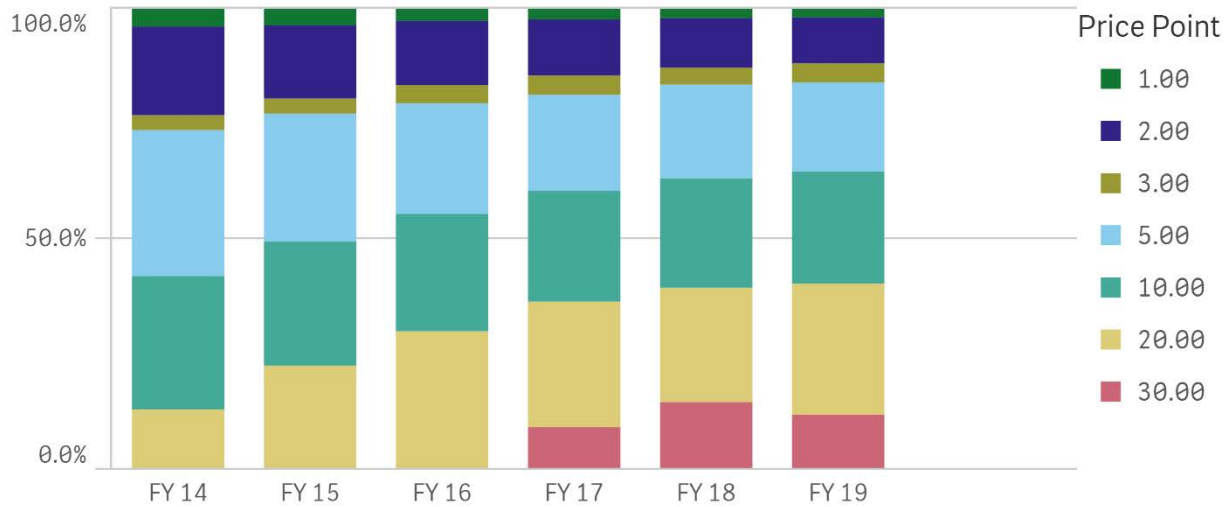
Draw Sales by Game

FY 2019 Draw Sales by Game

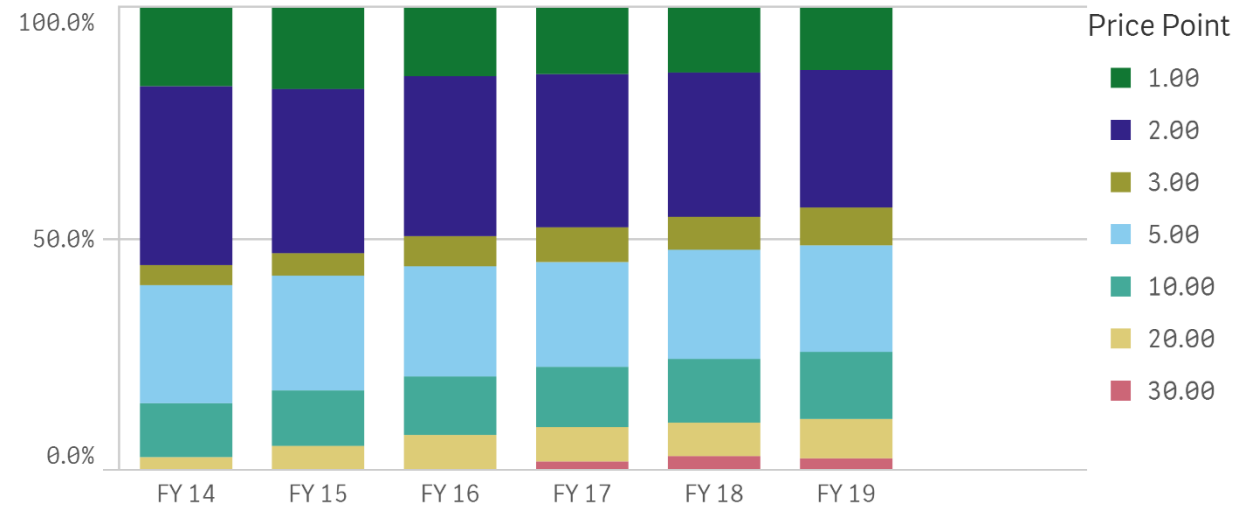


Scratcher Sales by Price Point

Based on Dollars Sold

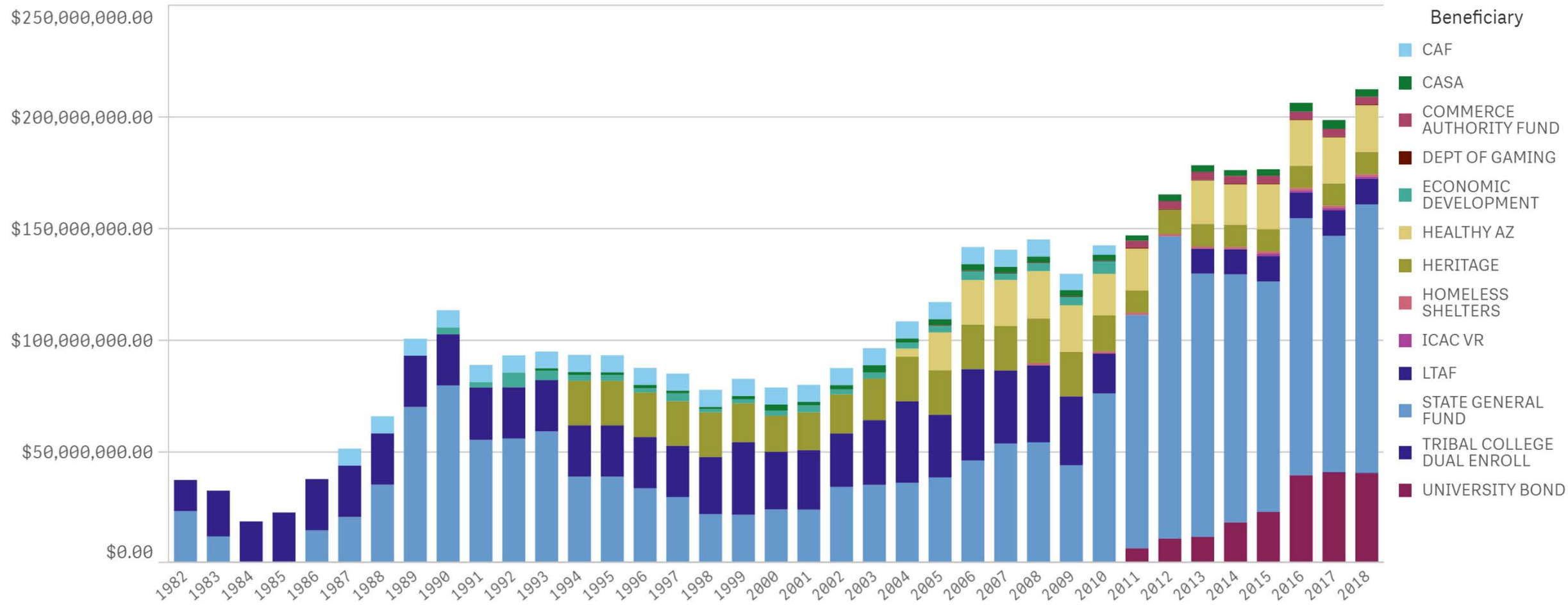


Based on Tickets Sold



Price Point	FY 15	FY 16	FY 17	FY 18	FY 19	Price Point	FY 15	FY 16	FY 17	FY 18	FY 19
1.00	\$21,852,857	\$18,183,806	\$17,230,930	\$17,675,313	\$5,398,308	1.00	21,852,857	18,183,806	17,230,930	17,675,313	5,398,308
2.00	\$86,110,390	\$82,257,128	\$77,080,640	\$76,286,420	\$23,160,366	2.00	43,055,195	41,128,564	38,540,320	38,143,210	11,580,183
3.00	\$17,793,777	\$23,323,455	\$26,348,367	\$26,204,778	\$9,571,305	3.00	5,931,259	7,774,485	8,782,789	8,734,926	3,190,435
5.00	\$150,203,925	\$141,578,675	\$131,823,090	\$144,423,905	\$44,843,365	5.00	30,040,785	28,315,735	26,364,618	28,884,781	8,968,673
10.00	\$145,784,060	\$150,398,690	\$152,231,750	\$168,662,410	\$56,337,720	10.00	14,578,406	15,039,869	15,223,175	16,866,241	5,633,772
20.00	\$120,285,280	\$174,963,960	\$172,393,320	\$176,364,760	\$66,006,320	20.00	6,014,264	8,748,198	8,619,666	8,818,238	3,300,316
30.00	\$0	\$0	\$55,673,280	\$101,269,350	\$26,805,270	30.00	0	0	1,855,776	3,375,645	893,509

Transfer Amount by Beneficiary



Draw Game Monthly Sales



Month	POWERBALL	MEGA MILLIONS	TOTAL MULTI-STATE DRAW GAMES	THE PICK	FANTASY 5	PICK 3	ALL OR NOTHING	5 CARD CASH	TOTAL IN-STATE DRAW GAMES	TOTAL DRAW GAMES
Jul	\$6,181,961	\$9,526,071	\$15,708,032	\$3,965,825	\$2,541,346	\$920,645	\$0	\$0	\$7,427,816	\$24,429,923
Aug	\$6,355,053	\$3,982,041	\$10,337,094	\$4,068,959	\$1,780,073	\$951,926	\$0	\$0	\$6,800,958	\$18,365,251
Sep	\$6,218,921	\$5,639,620	\$11,858,541	\$2,138,003	\$1,581,549	\$914,416	\$0	\$0	\$4,633,968	\$17,728,858
Oct	\$23,043,283	\$39,769,954	\$62,813,237	\$3,050,407	\$1,585,835	\$1,029,883	\$0	\$0	\$5,666,125	\$69,865,044
Nov	\$137,788	\$120,565	\$258,353	\$65,433	\$70,887	\$37,443	\$0	\$0	\$173,763	\$486,045



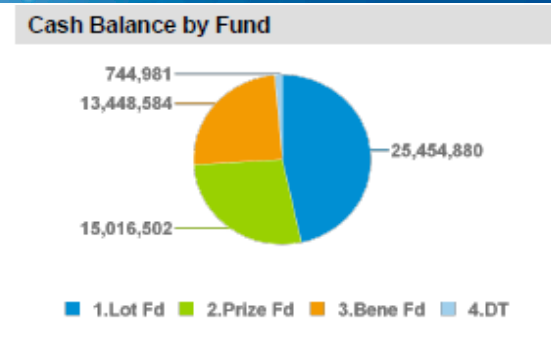
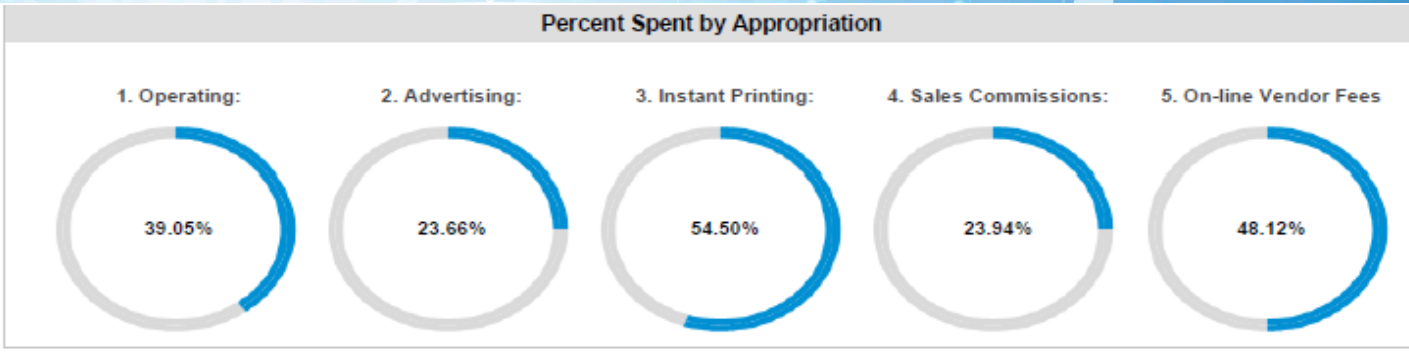
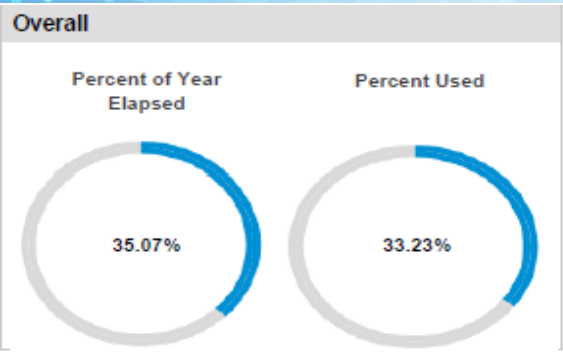
Instant Game Monthly Sales

Month	SCRATCHERS	CHARITABLE PULL-TABS	AGE-RESTRICTED PULL-TABS	TOTAL INSTANT SALES CURRENT FY	TOTAL INSTANT SALES PREVIOUS FY	% of Change
Jul	\$58,861,119	\$548,340	\$127,440	\$59,536,899	\$54,720,609	8.8%
Aug	\$57,780,629	\$570,066	\$192,240	\$58,542,935	\$54,652,925	7.1%
Sep	\$56,033,162	\$506,766	\$145,800	\$56,685,728	\$52,208,456	8.6%
Oct	\$57,649,986	\$578,478	\$166,320	\$58,403,424	\$53,778,411	8.6%
Nov	\$1,797,758	\$30,966	\$10,800	\$1,839,524	\$54,050,272	-96.6%
Dec	\$0	\$0	\$0	\$0	\$60,239,793	-100.0%
Jan	\$0	\$0	\$0	\$0	\$66,782,843	-100.0%
Feb	\$0	\$0	\$0	\$0	\$62,837,368	-100.0%
Mar	\$0	\$0	\$0	\$0	\$69,616,417	-100.0%
Apr	\$0	\$0	\$0	\$0	\$65,446,750	-100.0%
May	\$0	\$0	\$0	\$0	\$64,938,425	-100.0%
Jun	\$0	\$0	\$0	\$0	\$60,327,873	-100.0%

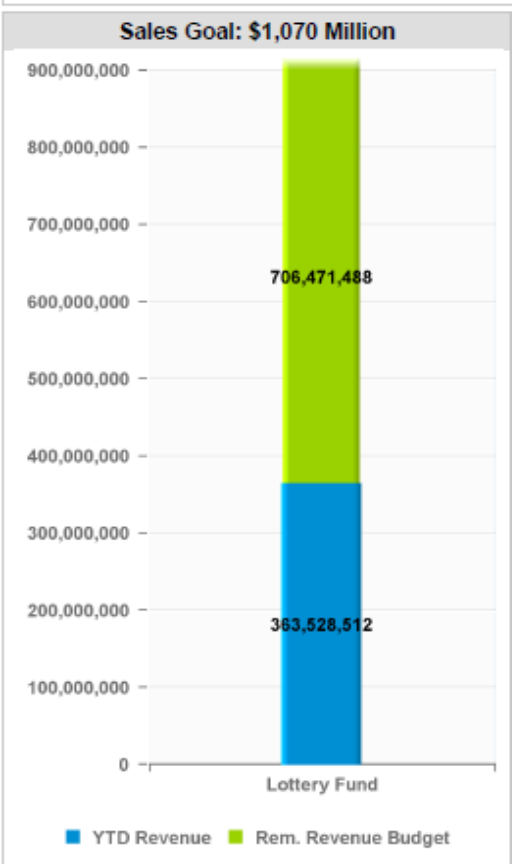
Trailing 12-Month Sales



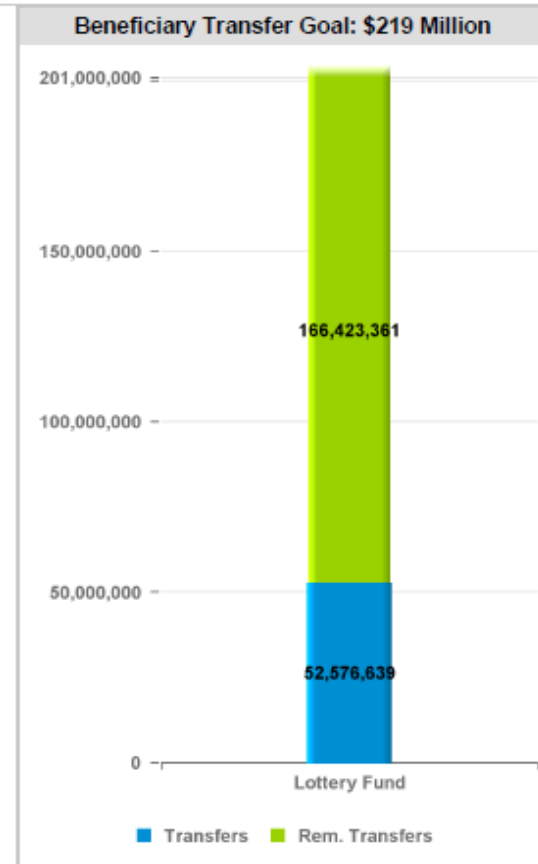
FY19 Year-To-Date Financial Status



Budget by Appropriation Type and Object Class



Appropriation	Object Class	Budget	Expenditures	Encumbered	Remaining	% Used
1. Operating:	6000 - Personal Services	4,530,000	1,430,289	-	3,099,711	31.57%
	6100 - Employee Related Expenditures	2,034,000	606,314	-	1,427,686	29.81%
	6200 - Professional And Outside Services	386,800	352,512	353,341	-319,053	182.49%
	6500 - Travel - In-State	271,600	58,937	0	212,663	21.70%
	6600 - Travel - Out-Of-State	16,800	25,151	-	-8,351	149.71%
	7000 - Other Operating Expenditures	1,773,200	364,275	225,064	1,183,860	33.24%
	8100 - Capital Outlay	-	-	-	-	100.00%
	8400 - Capital Equipment	-	-	-	-	100.00%
	8500 - Non-Capital Equipment	50,000	74,707	9,427	-34,135	168.27%
	9100 - Transfers Out	140,000	93,341	-	46,659	66.67%
	- NOT ENTERED	-	-	-	-	100.00%
Total:		9,202,400	3,005,528	587,832	5,609,039	39.05%
2. Advertising:	7000 - Other Operating Expenditures	15,500,000	3,534,079	132,961	11,832,960	23.66%
	- NOT ENTERED	-	-	-	-	100.00%
Total:		15,500,000	3,534,079	132,961	11,832,960	23.66%
3. Instant Printing:	6600 - Travel - Out-Of-State	-	-	-	-	100.00%
	7000 - Other Operating Expenditures	25,687,500	2,452,386	2,377,882	20,857,232	18.80%
	8400 - Capital Equipment	-	7,470,000	1,700,000	-9,170,000	100.00%
- NOT ENTERED	-	-	-	-	100.00%	
Total:		25,687,500	9,922,386	4,077,882	11,687,232	54.50%
4. Sales Commissions:	7000 - Other Operating Expenditures	64,788,200	15,507,895	-	49,280,305	23.94%
	- NOT ENTERED	-	-	-	-	100.00%
Total:		64,788,200	15,507,895	-	49,280,305	23.94%
5. On-line Vendor Fees:	6200 - Professional And Outside Services	10,120,100	2,010,550	2,859,545	5,250,005	48.12%
	- NOT ENTERED	-	-	-	-	100.00%
Total:		10,120,100	2,010,550	2,859,545	5,250,005	48.12%
Grand Total:		125,298,200	33,980,438	7,658,220	83,659,542	33.23%



New Business Item #1
Instant Scratch Game Profiles
Report to Arizona Lottery Commission
November 16, 2018

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.

NEW GAME PROFILES

Attached for the Lottery Commission's action are new instant scratch game profiles: *Boardgame Bonus*[™] #1194 and *GOLD FISH*[®] #1202.

Boardgame Bonus[™] **#1194.** This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 2.6 million tickets.

GOLD FISH[®] **#1202.** This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 1.9 million tickets.

Attachments (Commissioners only)