



March 20, 2020
COMMISSION
REPORT

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**NOTICE OF TELEPHONIC 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 telephonic ONLY meeting on **March 20, 2020, at 10:00 a.m.** The public is welcomed to join the meeting via telephone or internet through WebEx. The following are instruction on joining the meeting via the WebEx:

Join the meeting online by entering the following link into your URL:
<https://azgov.webex.com/meet/webexmainconfroom>

OR

Join the meeting US Toll Free by phone at 415-655-0003 when prompted enter Access Code 289 242 584 followed by the pound key (#)

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. The Commission may also vote on any item listed on the agenda. All members of the Commission will be participating by means of telephonic communication.

Call to Order

1. Call for Quorum
2. Call for Notice
3. Approval of Minutes for February 21, 2020, Public Meeting

Agency Reports

1. Director's Presentation
2. Financial Report Presentation
3. New Games Introduction – No Presentation

New Business

1. Discussion and possible action on new instant scratch game profiles: *\$100,000 Loteria #1269, Block-O #1276, and Lady Luck #1278.*
2. Discussion and possible action on second chance promotion profiles: *Road to \$1 Million #101 and Arizona Diamondbacks #102.*

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

1. The next Commission meeting will be held April 17, 2020, 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 13th day of March, 2020

Gregory R. Edgar
Executive Director

Persons with a disability may request a reasonable accommodation 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 of February 21, 2020, meeting

PRESIDING Chair Jeff Weintraub (in person)

COMMISSIONERS Debra Roth (in person), Trent Crump (in person), Julie Katsel (WebEx) and Vice Chair Chad Wilson (WebEx)

LOTTERY Gregg Edgar, Executive Director; Chris Rogers, Deputy Director of Products & Marketing; Raynie Hosto, Deputy Director of Sales and Customer Service; Sherri Zendri Deputy, Director of Legal Services, and Russ Harben, Deputy Director of Operations

Kimberly Siddall, Luanne Mansanares, Ivy Gilio, Shelby Alessi, Mary Cimaglio, John Gilliland, Holly Gordon, Orion Steen, Kathleen Syms, Todd Terrell, and Susan Kalember

GUESTS Attorney General Representative: Pamela (Linnins) Peiser
Scientific Games Representatives: Topper Wilson, Julio Dieppa and Rachelle Shackelford
IGT Representatives: Ernie Perez and Serena Arlotta
Owens Harkey Representative: Chelsea Smeland

PUBLIC Justin Spence, Joelle Rogers, Michael Corporon, and Ron DiBiasio

Call to Order

1. Call for Quorum: Pursuant to the Public Notice dated February 14, 2020, 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, with Chair Weintraub, Commissioners Roth and Crump appearing in person, while Vice-Chair Wilson and Commissioner Katsel appeared via WebEx.

Notice: Notice was posted by Luanne Mansanares on February 14, 2020, at 10:00 a.m., at the Arizona State Lottery, located at 4740 E. University Dr., Phoenix, Arizona.

2. Approval of minutes: Chair Weintraub entertained a motion to approve the minutes of the January 24, 2020, Public Meeting. Commissioner Roth moved; Commissioner Crump seconded. The vote was unanimous with all members voting aye and the motion was carried.

Agency Reports

1. **Director's Presentation:** Director Edgar recognized Mr. Michael Corporon and Ms. Joelle Rogers who are employed by Valley Life and work at the Arizona Lottery. Valley

Life is a nonprofit organization that provides disabled individuals of all ages the opportunity to live a life with choices, independence, and dignity. Director Edgar informed the Commission of Mr. Corporon and Ms. Rogers recent accomplishment of attaining medals at a recent Special Olympics event. Mr. Ron DiBiasio who is employed by Valley Life gave a brief synopsis of the type of work Valley Life does for the Lottery.

Director Edgar and Mr. John Gilliland presented information on the beneficiary of the month, Chicanos Por La Causa, Inc. (CPLC). Mr. Gilliland informed the Commission that CPLC and the Arizona Lottery will be attending a job fair at Desert Sky Mall. The CPLC plays an important role in the community by providing training and upskilling opportunities to incumbent workers, youth and unemployed individuals who otherwise would not have means or opportunity to attend or attain GEDs, classes and job training to get back into the workforce. One of the Arizona Lottery's core initiatives this year is to help fund the workforce development program. The Arizona Lottery will present CPLC with a \$50,000 to help fund CPLC Workforce Solutions program and help support the pillars of the Arizona Lottery.

Director Edgar informed the Commission that this \$50,000 will enable the Workforce Solutions Program to impact the lives of more than 200 people with case management, vocational training and supportive services.

Chair Weintraub inquired how this recent funding compared to the past.

Mr. Gilliland informed the Commission this was the first monetary donation in this capacity. In the past, the Arizona Lottery was limited on events with CPLC such as fundraising events and galas. The Arizona Lottery is transitioning from a community sponsorships program to a core initiative program. The core initiative program has more of an impact on organizations and on the state as we support the pillars of the lottery.

Director Edgar's presentation included information regarding scratch processing and warehouse and distribution conversion. The warehouse and distribution of scratcher tickets will transition from IGT to Pollard Banknote Limited and the scratch process/validation process will transition from IGT to Scientific Games on March 1, 2020.

Director Edgar's concluded his presentation with a legislation update on gaming bills that will be presented to the legislators. The presentation is attached for the official minutes.

2. **Financial Report:** Mr. Russ Harben presented a financial overview of sales from all product lines for the past 12 months, as well as year-to-date sales. The presentation is attached for the official minutes.
3. **Marketing & Products Presentation:** Mr. Chris Rogers presented an overview of the instant ticket sales, specifically on the January family tickets. His presentation included a financial comparison of all scratcher sales. Mr. Rogers presentation also included information on Live Nation / Circle K Promotion and marketing campaigns for fiscal years 2020 and 2021.

Commissioner Crump stated that he has heard radio advertisements regarding the upcoming event.

Mr. Rogers informed the Commission that current radio advertisements are promoting the Arizona Lottery but the advertisements are not event specific at this time.

Commissioner Katsel inquired if the Arizona Lottery is involved in the promotion to complete the census form.

Mr. Rogers informed the Commission that the Arizona Lottery has been very active in promoting the census since early September 2020. The promotions included reminders to fill out the census.

Mr. John Gilliland then informed the Commission that Arizona Lottery is very involved in the census by utilizing social media to heighten awareness.

Director Edgar informed the Commission that the Arizona Lottery is working with the Governor's Office to promote the census. The Arizona Lottery is utilizing our lottery screens at 3000 retail locations to promote the census. The presentation is attached for the official minutes.

4 **New Game Introduction:** No presentation.

New Business

1. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new instant scratch game profiles: *Arizona Gold* #1268, *Red Hot Double Doubler* #1271, *Fiery 5's* #1272, *\$50,000 Inferno* #1273, and *Sizzling Hot \$100,000* #1274. There were no responses from the public.

In accordance with A.R.S. §5-554(C), Chair Weintraub entertained a motion to approve the orders and authorize the Director to issue the orders regarding new instant scratch game profiles #1268, #1271, #1272, #1273, and #1274. Commissioner Roth moved; Commissioner Crump seconded. The vote was unanimous with all members voting aye and the motion was carried.

2. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new instant tab game profiles: *I Love My Country* #131, *Jingle All the Way* #132, *One Nation* #133, *I Love Big Cash* #134, *4th & 1* #1044, *Hit a Homer* #1045, and *Holiday Cheer* #1046. There were no responses from the public.

In accordance with A.R.S. §5-554(C), Chair Weintraub entertained a motion to approve the orders and authorize the Director to issue the orders regarding new instant tab game profiles: #131, #132, #133, #134, #1044, #1045, and #1046. Commissioner Crump moved; Commissioner Roth seconded. The vote was unanimous with all members voting aye and the motion was carried.

3. Chair Weintraub asked if any members of the public wanted to address the Commission regarding second chance promotion profile: *Million Dollar Giveaway Second Chance Promotion Profile #99*. There were no responses from the 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 second chance promotion profile: *Million Dollar Giveaway Second Chance Promotion Profile #99*. Commissioner Roth moved; Commissioner Crump seconded. The vote was unanimous with all members voting aye and the motion was carried.

4. Chair Weintraub asked if any members of the public wanted to address the Commission regarding: *Scratchers® and Draw Game Retailer Selling Incentive Promotion Profile #100*. There were no responses from the 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: *Scratchers® and Draw Game Retailer Selling Incentive Promotion Profile #100*. Commissioner Roth moved; Commissioner Crump seconded. The vote was unanimous with all members voting aye and the motion was carried.

5. Chair Weintraub asked if any members of the public wanted to address the Commission regarding: *Retailer Compensation Profile #2 Bonus Commission Rate*. There were no responses from the 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: *Retailer Compensation Profile #2 Bonus Commission Rate*. Commissioner Roth moved; Commissioner Crump seconded. The vote was unanimous with all members voting aye and the motion was 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

1. The next Commission meeting will be held March 20, 2020, at 10:00 a.m.

Adjournment

Chair Weintraub entertained a motion to adjourn. Commissioner Roth moved; Commissioner Crump seconded. The vote was unanimous with all members voting aye and the motion was carried.

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

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Agency Reports
Report to Arizona Lottery Commission
March 20, 2020

Director’s Presentation

Financial Report Presentation

New Games Introduction – No Presentation

The following games were introduced since the last commission meeting: *Boardgame Bonus*TM #1194, *Wild 8s* #1256, and *100X* #1261.

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

The following games were approved to end consistent with the Instant Scratch Game Ending Policy. Players have 180 days from the game-ending date to claim prizes.

Date Ended	Price Point	Game No.	Game Name	Beginning Inventory	% Sold through 2/12/20
2/19/20	\$2	1193	Bonus Ball Bingo	5,900,100	90.9%
3/10/20	\$3	1203	Winning Lineup	2,423,800	83.9%

ATTACHMENT A

New Business Item #1
Instant Scratch Game Profiles
Report to Arizona Lottery Commission
March 20, 2020

This report has been provided to the Lottery Commission regarding 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: *\$100,000 Loteria #1269*, *Block-O #1276*, and *Lady Luck #1278*.

\$100,000 Loteria #1269. This \$10 game has a top prize of \$100,000 and will be printed at a quantity of approximately 1.8 million tickets.

Block-O #1276. This \$3 game has a top prize of \$20,000 and will be printed at a quantity of approximately 2.6 million tickets.

Lady Luck #1278. 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
Second Chance Promotion Profiles
Report to Arizona Lottery Commission
March 20, 2020

This report has been provided to the Lottery Commission regarding Promotion Profiles for Arizona Lottery promotions. The Commission is requested to approve these Promotion Profiles.

NEW PROMOTION PROFILE

Attached for the Lottery Commission's action are new Promotion Profiles: *Road to \$1 Million Promotion Profile #101* and *Arizona Diamondbacks Promotion Profile #102*.

Road to \$1 Million Promotion Profile #101

Starting May 5, 2020, players may enter a second chance promotion by submitting non-winning tickets from instant ticket game #1266 Route 66 Road to \$1,000,000. Prizes for the promotion will include \$500 prizes, Arizona Staycation packages and Grand Prize Trip packages to Los Angeles where players will have a chance to win up to \$1 Million dollars.

Arizona Diamondbacks Promotion Profile #102

Starting April 10, 2020, players will be able to enter non-winning tickets from designated Fast Play games for a chance to win cash prizes plus Arizona Diamondback tickets and VIP Experiences.

Attachments (Commissioners only)