



May 22, 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 **May 22, 2020, at 10:00 a.m.** The public is welcomed to join the meeting via telephone or internet through **Google Hangouts Meet**. The following are instructions on joining the meeting via the Google Hangouts Meet:

Join the meeting online by entering the following link into your URL

meet.google.com/squ-hvri-pgs

OR

Join the meeting US Toll Free by phone at 252-696-1307 when prompted enter Access Code 986 967 516 followed by the pound key (#)

If you are having problems with connecting, please contact 480-921-4493.

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 April 17, 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: *Red Ball Tripler* #1279, *\$50,000 Cash Cow* #1280, *Crossword* #1281, and *Dia de los Muertos* #1289.
2. Discussion and possible action on second chance promotion profile: *Beat the Heat 2nd Chance Promotion* #103.

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 June 19, 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 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 14th day of May, 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 April 17, 2020, Meeting

Telephonic Meeting

PRESIDING Chair Jeff Weintraub (Teleconference)

COMMISSIONERS Chad Wilson (WebEx/Teleconference), Debra Roth (Teleconference), Julie Katsel (Teleconference), and Trent Crump (Teleconference)

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

Kimberly Siddall, Luanne Mansanares, Ivy Gilio, Shelby Alessi, Roland Tang, Mary Cimaglio, Stacey Henderson, Susan Kalember, Patrick Meldrum, Jon-Skylar Betancourt, Gabrielle Dennis, Denise Booth, Michael Jennings, Robert Woodson, Keturah Dodds, Melissa Renteria-Zamora, Melissa Pike, Terri Thomas, Bob Smith, Harvey Bayley, Anjali Dang, Caroline Soto, Jacob Rusywick, John Gilliland, Kathleen Syms, Sandra Blair, and Tom Seow

GUESTS Attorney General Representative: Pamela (Linnins) Peiser
Scientific Games Representatives: Topper Wilson, Julio Dieppa, Rachelle Shackelford, and Janell Pratt
Pollard Banknote Limited: Wes Brown
Owens Harkey Representatives: Chelsea Smeland, Angie Vollmers, Ken Phox, and Noelle Hobaica

PUBLIC

Call to Order

1. **Call for Quorum:** Pursuant to the Public Notice dated April 09, 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, Vice Chair Wilson, Commissioner Roth, Commissioner Katsel, and Commissioner Crump appeared via (Teleconference).

2. **Notice:** Notice was posted by Kimberly Siddall on April 09, 2020, at 11:43 a.m., at the Arizona State Lottery, located at 4740 E. University Dr., Phoenix, Arizona.
3. **Approval of Minutes:** Chair Weintraub entertained a motion to approve the minutes of the March 20, 2020, Public Meeting. Commissioner Roth verbally moved; Vice Chair Wilson verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Vice-Chair Wilson verbally voting aye, Commissioner Roth verbally voting

aye and due to technical difficulties, Commissioner Katsel typed in aye. Director Edgar verbally informed the Commission that Commissioner Katsel voted aye via the chat feature. The vote was unanimous and the motion carried.

Agency Reports

1. **Retailer of the Quarter Presentation:** Mr. Roland Tang gave a PowerPoint presentation highlighting Bee's Marketplace located at 1725 S. Central Street, Centennial Park. The presentation is attached for the official minutes.
2. **Director's Presentation:** Director Edgar presented information regarding COVID-19, stating the Governor's Office deemed the Arizona Lottery as essential. The Tucson and Phoenix offices remain open with modified operation and the airport location is closed due to lack of sales and passengers traveling. Director Edgar informed the Commission that the Phoenix and Tucson offices process customers by appointment only and from April 1 through April 15, 2020, the two offices processed almost \$5 million dollars in claims. The Territory Managers are working from home taking inbound calls and going to retailers only when needed to provide support to the retailer. In addition, 75% of the overall workforce is working from home without a negative effect on production. The Commission was informed that nationally lotteries have received criticism for remaining open across the country and deemed essential. Director Edgar explained from a messaging standpoint that COVID-19 has a negative impact on our beneficiaries and the Arizona Lottery felt it was important to maintain our operation and have funds to assist our beneficiaries and our community. The presentation is attached for the official minutes.
3. **Financial Report:** Mr. Russ Harben presented a financial overview of sales from all product lines for the past 12 months and indicated our new projected sales goal is \$990.2 million for fiscal year 2020.

Director Edgar informed the Commission that if the Arizona Lottery reaches the \$990 million projection it would still be the second highest goal reached in Arizona Lottery history.

Mr. Harben concluded his presentation with budget information and an up-to-date overview of the financial impact of COVID-19.

Director Edgar informed the Commission that the Arizona Lottery continues to work closely with the Governor's Office of Strategic Planning and Budgeting regarding the coordination with credit rating agencies. The presentation is attached for the official minutes.

4. **Marketing and Products Updates:** Mr. Chris Rogers presented information on the current campaign development. The campaign will heighten how the Arizona Lottery gives back to its beneficiaries and to the community. The Arizona Lottery donated 20% of the Arizona Lottery's marketing budget to the Arizona Department of Health Service to run public service announcements focusing on physical distancing to prevent the spread of COVID-19.

Director Edgar reiterated that the Arizona Department of Health Services is a beneficiary of the Arizona Lottery that receives funds on a normal basis. This donation supports an existing beneficiary who had zero budgeting to get this message out to the public.

Mr. Rogers continued to inform the Commission on media mix adjustments, players club updates, social media giveaways and sponsorship information. Mr. Rogers concluded his presentation with the advertising Request for Proposal (RFP) timeline for fiscal year 2021.

Chair Weintraub inquired if the Arizona Lottery is required to switch marketing firms.

Director Edgar informed Chair Weintraub no, we are not required to switch marketing firms but we are required to have an RFP at this time.

Vice Chair Wilson stated that he is happy to see the media allocations shift to the right areas. Vice Chair Wilson then inquired in the past if the Arizona Lottery shared the RFP document with the Commissioners before it is posted.

Director Edgar informed Vice Chair Wilson no, not that he knows of, but we are happy to share it if he would like.

Vice Chair Wilson informed Director Edgar that he is happy to review and give assistance and his perspective regarding the RFP.

Commissioner Katsel informed the Commission that the census collection has been pushed back and the new report date will be at the end of October. Promoting the census would be appreciated if it is continued through October.

Director Edgar informed Commissioner Katsel that the Arizona Lottery will continue to work with the census and it is a priority for the Governor. As we get through COVID-19 it will pivot back to the census and the Arizona Lottery will provide resources for the census.

Director Edgar informed the Commission that Commissioner Crump was on the line and is having microphone issues and will communicate by text.

Chair Weintraub acknowledge and informed Commissioner Crump that he may continue to participate and that he may type if he is unable to communicate verbally.

5. **3rd Quarter Product & Sales Review:** No presentation
6. **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 tab game profiles: *Bonus America* #135, *Money Race* #136, *Liberty*

Loot #137, Stand Up & Salute #138, Easy Streak #139, and Jack of All Spades #140. 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: #135, #136, #137, #138, #139, and #140. Vice Chair Wilson verbally moved, Commissioner Katsel verbally seconded. Chair Weintraub verbally voted aye, Vice Chair Wilson verbally voted aye, Commissioner Roth verbally voted aye, Commissioner Katsel verbally voted aye and Commissioner Crump texted aye to Director Edgar. The vote was unanimous with all members voting aye and 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

1. The next Commission meeting will be held May 22, 2020, at 10:00 a.m.

Adjournment

Chair Weintraub entertained a motion to adjourn. Commissioner Roth verbally moved; Commissioner Katsel verbally seconded. Chair Weintraub verbally voted aye, Vice Chair Wilson verbally voted aye, Commissioner Roth verbally voted aye, Commissioner Katsel verbally voted aye and Commissioner Crump texted aye to Director Edgar. The vote was unanimous with all members voting aye and the motion 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.

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Agency Reports
Report to Arizona Lottery Commission
May 22, 2020

Director's Presentation

Financial Report Presentation

New Games Introduction – No Presentation

The following games were introduced since the last commission meeting: *\$50 Frenzy #1243*, *Big Bang Bingo #1255*, and *Route 66™ Road to \$1,000,000 #1266*.

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 5/7/20
4/22/20	\$2	1213	Spot Some Cash	1,929,900	76.7%
4/23/20	\$10	1208	Win it All	1,676,100	91.4%

ATTACHMENT A

New Business Item #1
Instant Scratch Game Profiles
Report to Arizona Lottery Commission
May 22, 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: *Red Ball Tripler* #1279, *\$50,000 Cash Cow* #1280, *Crossword* #1281, and *Dia de los Muertos* #1289.

Red Ball Tripler #1279. This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 2.4 million tickets.

\$50,000 Cash Cow #1280. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 2.5 million tickets.

Crossword #1281. This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 12.9 million tickets.

Dia de los Muertos #1289. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 2 million tickets.

Attachments (Commissioners only)

New Business Item #2
Beat the Heat Second Chance Promotion Profile #103
Report to Arizona Lottery Commission
May 22, 2020

This report has been provided to the Lottery Commission regarding the Beat the Heat Second Chance Promotion Profile. The Commission is requested to approve this Promotion Profile.

NEW PROMOTION PROFILE

Attached for the Lottery Commission's action is new Promotion Profile: *Beat the Heat Promotion Profile #103*.

Beat the Heat Promotion Profile #103

Starting July 7, 2020, players will be able to enter non-winning tickets from designated instant scratch ticket and Fast Play games for a chance to win weekly cash prizes.

Attachments (Commissioners only)