



October 23, 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 **October 23, 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/ggm-tqrk-mjm

OR

Join the meeting US Toll Free by phone at 321-405-2827 when prompted enter Access Code 581 200 251 **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 September 18, 2020, Public Meeting

Agency Reports

1. Retailer of the Quarter Presentation
2. Director's Presentation
3. Financial Report Presentation
4. Kingman Walmart Update Presentation
5. 1st Quarter Product & Sales Review – No Presentation
6. New Games Introduction – No Presentation

New Business

1. Discussion and possible action on new instant scratch game profiles: *Power Shot Multiplier* #1309, *MONOPOLY™* #1313, *Hidden Cash* #1314, *Win it All* #1315, *Millionaire Maker* #1316, and *3-2 Won* #1317.

2. Discussion and possible action on new instant tab game profiles: *Reel Time* #1047, *7's to Win* #1050, *Cash King* #1051, and *Xtreme Slots* #1052

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 November 20, 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 October, 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 September 18, 2020, Meeting
Telephonic Meeting

PRESIDING Chair Jeff Weintraub (Teleconference)

COMMISSIONERS Debra Roth (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

Devin Slayton, Holly Gordon, Ivy Gilio, John Gilliland, Kathleen Syms, Karla Henriksen, Kimberly Siddall, Luanne Mansanares, Lynda Sellers, Mary Cimaglio, Melissa Pike, Meg Scherrer, Melissa Zamora, Serena Arlotta, and Susan Kalember

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

PUBLIC

Call to Order

1. **Call for Quorum:** Pursuant to the Public Notice dated September 10, 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, Commissioner Roth, and Commissioner Crump appearing via teleconference.

2. **Notice:** Notice was posted by Luanne Mansanares on September 10, 2020, at 4:15 p.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 August 21, 2020, Public Meeting. Commissioner Roth verbally moved; Commissioner Crump verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Commissioner Roth verbally voting aye, and Commissioner Crump verbally voting aye.

Agency Reports

1. **Director's Presentation:** Director Edgar presented information on the beneficiary of the month, American Heart Association, Feed-A-Senior Program. Director Edgar also provided an update on COVID-19 as it pertains to Arizona Lottery. The presentation is attached for the official minutes.
2. **Financial Report:** Mr. Russ Harben presented a financial overview of actual and projected sales from all product lines.

Director Edgar informed the Commission, the Arizona Lottery has mid-year projections / revision meetings and going forward, the lottery will focus on quarterly revision meetings to keep the projections focused on the future.

Mr. Harben provided information on the budget dashboard and the fiscal year 2020 (FY20) draft financial statement completed by auditors.

Director Edgar informed the Commission that the projected transfer numbers for FY20 was \$219 million and the actual number was \$226,143,664.

Chair Weintraub inquired if the certified public accountants (CPA's) conducting the audit are allowed to have communication with the Commission.

Mr. Harben informed the Commission that the Arizona Lottery could request the auditors provide a report for the Commission.

Chair Weintraub inquired if the auditors are required to communicate the information with the Commission.

Director Edgar informed the Commission no, it is not required.

Chair Weintraub inquired where the auditor's report their findings for the FY20 audit.

Mr. Harben informed the Commission that a combined annual report with the auditor's statements are available for the public.

Chair Weintraub stated the report is typically provided to the audit committee and the board. He asked if the commission is considered part of the group that receives the report.

Director Edgar informed the Commission he does not believe there is a requirement. However, there is a formal report that is submitted to the Governor's Office that is included in the state's overall report. Stating this report can be included on next month's agenda.

Ms. Sherri Zendri informed the Commission that it is a statutory requirement to have the audit completed but there is no statutory requirement on reporting. The presentation is attached for the official minutes.

3. **Marketing Presentation:** Mr. Chris Rogers gave a metric update, a recap on the Beat the Heat Promotion, and the Arizona Lottery's new players club platform.

Director Edgar informed the Commission that the Arizona Lottery is experiencing tremendous growth and interaction with the new players club app.

Mr. Rogers concluded his presentation by informing the Commission that the Arizona Lottery finished filming the holiday campaign commercials. All of the commercials were produced in Arizona, and utilized more than 95% of local talent. The commercials are focused on emotive reasons for giving during the holiday seasons and Arizona culture. The presentation is attached for the official minutes.

4. **New Games 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: *Fast Cash* #1311 and *Lady Luck* #1312. 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: #1311 and #1312. Commissioner Roth verbally moved, Commissioner Crump verbally seconded. Chair Weintraub verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally voted aye. 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

The next Commission meeting will be held October 23, 2020, at 10:00 a.m.

Adjournment

Chair Weintraub entertained a motion to adjourn. Commissioner Crump verbally moved; Commissioner Roth verbally seconded. Chair Weintraub verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally aye. 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.

Notice

Any amendments or additions to the agenda will be made available at least 24 hours prior to the meeting.

Agency Reports
 Report to Arizona Lottery Commission
 October 23, 2020

Retailer of the Quarter Presentation

Director’s Presentation

Financial Report Presentation

Kingman Walmart Update Presentation

1st Quarter Product & Sales Review – No Presentation

New Games Introduction – No Presentation

The following games were introduced since the last commission meeting: *Holiday Cheer* #1282, *Gnome for the Holidays* #1283, *Christmas Crossword* #1284, *Santa’s Gift Bag* #1285, *25 Days of Winning* #1286, and *Triple Red 7’s* #1291.

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 7/25/20
9/19/20	\$5	1194	Boardgame Bonus™	2,657,580	99.57%
9/22/20	\$5	1259	Black Pearls	2,518,500	99.32%
10/6/20	\$10	1169	CLEOPATRA™ Slots	1,759,740	72.80%
10/6/20	\$1	1197	Triple It	2,766,600	95.93%
10/6/20	\$5	1211	Power 5	2,502,900	98.90%
10/6/20	\$20	1221	\$20 Million Blowout	1,410,000	98.65%
10/6/20	\$2	1228	Mad Money	2,042,700	96.31%
10/6/20	\$5	1229	Loteria Grande	2,266,620	98.87%
10/6/20	\$2	1232	Super 7-11-21	2,040,300	96.31%
10/6/20	\$10	1233	Hit it Big	1,671,960	98.43%
10/6/20	\$10	1236	100 Large	1,759,620	98.51%
10/6/20	\$1	1243	\$50 Frenzy	2,766,600	95.77%
10/6/20	\$5	1253	20X The Cash	2,603,640	99.29%
10/6/20	\$10	1254	50X The Cash	2,135,940	98.53%
10/6/20	\$1	1256	Wild 8s	2,697,300	95.78%
10/6/20	\$3	1263	Lucky Lines	2,763,700	98.63%
10/6/20	\$2	1264	Aces High	2,139,150	97.18%

ATTACHMENT A

ATTACHMENT B

New Business Item #1
Instant Scratch Game Profiles
Report to Arizona Lottery Commission
October 23, 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: *Power Shot Multiplier #1309*, *MONOPOLY™ #1313*, *Hidden Cash #1314*, *Win it All #1315*, *Millionaire Maker #1316*, and *3-2 Won #1317*.

Power Shot Multiplier #1309. This \$10 game has a top prize of \$100,000 and will be printed at a quantity of approximately 2.0 million tickets.

MONOPOLY™ #1313. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 3.3 million tickets.

Hidden Cash #1314. This \$3 game has a top prize of \$20,000 and will be printed at a quantity of approximately 3.1 million tickets.

Win It All #1315. This \$10 game has a top prize of \$100,000 and will be printed at a quantity of approximately 2.0 million tickets.

Millionaire Maker #1316. This \$30 game has a top prize of \$1,000,000 (30-year annuity) or a one-time cash payment of \$500,000. This game will be printed at a quantity of approximately 3.4 million tickets.

3-2 Won #1317. This \$1 game has a top prize of \$1,000 and will be printed at a quantity of approximately 3.6 million tickets.

Attachments (Commissioners only)

New Business Item #2
Instant Tab Game Profiles
Report to Arizona Lottery Commission
October 23, 2020

This report has been provided to the Lottery Commission regarding game profiles planned for Arizona Lottery instant tab games. The Commission is requested to approve these game profiles. After Commission approval, staff will commence with plans for printing and distribution of these games.

NEW GAME PROFILES

Attached for the Lottery Commission's action are new instant tab game profiles: *Reel Time #1047*, *7's to Win #1050*, *Cash King #1051*, and *Xtreme Slots #1052*.

Reel Time #1047. This \$1.00 game has a top prize of \$250 and will be printed at a quantity of approximately 200 deals (216,000 tickets).

7's to Win #1050. This \$1.00 game has a top prize of \$245 and will be printed at a quantity of approximately 200 deals (216,000 tickets).

Cash King #1051. This \$2.00 game has a top prize of \$400 and will be printed at a quantity of approximately 220 deals (237,600 tickets).

Xtreme Slots #1052. This \$2.00 game has a top prize of \$400 and will be printed at a quantity of approximately 220 deals (237,600 tickets).

Attachments (Commissioners only)