

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.