

PUBLIC MEETING OF THE ARIZONA LOTTERY
Commission Minutes of August 20, 2021, Meeting

PRESIDING Chair Jeff Weintraub (In Person)

COMMISSIONERS Debra Roth (Teleconference), Julie Katsel (Teleconference), and Trent Crump (Teleconference at approximately 10:18 am)

LOTTERY Executive Director Gregory Edgar, Russ Harben, Deputy Director of Operations, Chris Rogers, Deputy Director of Products and Marketing, Todd Terrell, Deputy Director of Security and Regulatory Division, Greg Chmielewski, Deputy Director for Performance and Strategic Initiatives (In Person), Sherri Zendri, Deputy Director of Legal Services, and Raynie Hosto, Deputy Director of Customer Service and Sales (Teleconference)

Luanne Mansanares and Roland Tang (In Person) Anjali Dang, Art Uthaisri, Devin Slayton, Ivy Gilio, Karla Henricksen, Julie Borjrquez, Allyson Saltford, Kathleen Syms, Lynda Sellers, Mike Jennings, Meg Scherrer, Robin Peters, Serena Arlotta, Susan Kalendar, Orion Steen, Jacob Rusywick, Erin Stanley, Steve Wood, Patricia Trujillio, Mia Lemke, Chelsea Smeland, Christopher Fynes, Nicholas Wagner, and Michael Donahoo (Teleconference)

GUESTS Attorney General Representative: Pamela (Linnins) Peiser (Teleconference)
Scientific Games Representatives: Topper Wilson, Julio Dieppa, and Rachelle Shackelford (Teleconference)
Pollard Banknote Limited Representatives: Wes Brown and Jennifer Wankling (Teleconference)
Owens Harkey Representatives: Noelle Hobaica and Angie Vollmers (Teleconference)

PUBLIC Jessica Guffey (Teleconference)

Call to Order

1. **Call for Quorum:** Pursuant to the Public Notice dated August 12, 2021, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:00 a.m. by Chair Jeff Weintraub.

Due to technical difficulties, communication was lost with Commissioner Roth at approximately 10:06 am communication was reestablished.

A quorum was present, with Chair Weintraub, Commissioner Roth, and Commissioner Katsel appearing via teleconference.

2. **Notice:** Notice was posted by Luanne Mansanares on August 18, 2021, at 8:45 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 June 18, 2021, Public Meeting. Commissioner Roth verbally moved; Commissioner Katsel verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Commissioner Roth verbally voting aye, and Commissioner Katsel verbally voting aye.

Agency Reports

1. **Director Edgar:** Highlighted that the Arizona Lottery has been serving Arizona for 40 years. Informing the Commission the Arizona Lottery and its retail partners have generated more than \$4.6 billion in net funding to support key state programs in higher education, economic development, environmental conservation and health and human services, \$1.2 billion in direct economic impact for our retail partners, and has paid over \$10.4 billion in winnings to our players. The presentation is attached for the official minutes.

Commissioner Roth requested a copy of the presentation.

Director Edgar informed Commissioner Roth that a copy would be sent to her.

2. **Retailer of the Quarter:** Mr. Roland Tang presented information on retailer of the quarter, Fry's Food Store #104 located in Flagstaff, AZ. The presentation is attached for the official minutes.
3. **Retailer of the Year:** Mr. Roland Tang presented information on retailer of the year, Hurry Up Fuel located in Tucson, AZ. The presentation is attached for the official minutes.

At approximately 10:18 am, Commissioner Trent Crump joined the Commission Meeting via teleconference.

4. **Director's Presentation:** Director Edgar gave a brief financial update, introduced new and upcoming games, touched base on the Arizona Management System, and introduced Greg Chmielewski; Deputy Director for Performance and Strategic Initiatives. Director Edgar concluded his presentation with the FY23 budget, and legislative items. The presentation is attached for the official minutes.

Commissioner Katsel inquired about the growth during the Arizona Lottery's current administration. Inquiring where the Arizona Lottery's growth is in comparison with other lotteries nationally.

Director Edgar informed the Commission that the growth has increased nationally however; the Arizona Lottery is leading the industry. Informing the Commission that in the past 6 years the Arizona Lottery has made decisions that have launched its growth. Adding new \$20 and \$30 games in the instant ticket line, and retiring poor performing draw games and adding new games such as Fast Play™ and Triple Twist™. The Arizona Lottery has also updated its gaming system, strategic planning in marketing, players club, digital channels and social media.

Chair Weintraub inquired what the Arizona Lottery's ranking is with instant games.

Director Edgar informed the Commission that he estimates the Arizona Lottery is ranked

number 3. This is probably due to Oklahoma's changing its laws pertaining to instant scratcher games, giving Oklahoma an advantage.

Commissioner Katsel stated that she would like to note that the 6 years of growth also coincides with Director Edgar's leadership.

5. **Financial Report:** Mr. Russ Harben presented financial information for FY21, overall sales with the new projections and financial status. Mr. Harben also informed the Commission that the Arizona Lottery is finalizing the FY21 audit. The presentation is attached for the official minutes.
6. **Sales Update Presentations:**
 - a. Ms. Kathleen Syms gave a Quickcard Sales Update. The presentation is attached for the official minutes.
 - b. Ms. Kathleen Syms gave a Route Sales Service Update: Walmart and CVS. The presentation is attached for the official minutes.
 - c. Ms. Raynie Hosto presented information on the new Arizona Lottery Tucson Customer Service Location. The presentation is attached for the official minutes.
7. **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: *\$5 Grand #1347, \$10 Grand #1348, \$50 Grand #1349, \$100 Grand #1350, Power Shot Multiplier #1351, Triple Red 7's #1352 and Full of Money #1353*. 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 new instant scratch game profiles: #1347, #1348, #1349, #1350, #1351, #1352, and #1353. Commissioner Katsel verbally moved, Commissioner Roth verbally seconded. Chair Weintraub verbally voted aye, Commissioner Roth verbally voted aye, Commissioner Katsel verbally voted aye and Commissioner Crump verbally voted aye. The vote was unanimous and the motion carried.

2. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new promotion profile: *Merry Money Second Chance Promotion Profile #111*. 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 new promotion profile: #111. Commissioner Crump verbally moved, Commissioner Katsel verbally seconded. Chair Weintraub verbally voted aye, Commissioner Katsel verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally voted aye. The vote was unanimous and the motion carried.

3. Chair Weintraub asked if any members of the public wanted to address the Commission regarding retailer promotional profile: *Retailer Contest Generic – Promotion Profile #57*. There were no responses from the public.

In accordance with A.R.S. §5-555, Chair Weintraub entertained a motion to approve the order and authorize the Director to issue the order regarding Retailer Contest Generic - Promotion profile #57. Commissioner Roth moved, Commissioner Crump verbally seconded. Chair Weintraub verbally voted aye, Commissioner Katsel verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally voted aye. The vote was unanimous 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. There were no responses from the public.

Announcements

The next Commission meeting will be held September 17, 2021, at 10:00 a.m.

Adjournment

Chair Weintraub entertained a motion to adjourn. Commissioner Katsel verbally moved, Commissioner Roth verbally seconded. Chair Weintraub verbally voted aye, Commissioner Katsel verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally voted aye. The vote was unanimous 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.