

PUBLIC MEETING OF THE ARIZONA LOTTERY
Commission Minutes of August 19, 2022, Meeting

PRESIDING Chair Jeff Weintraub (In Person)

COMMISSIONERS Alec Thomson, and Todd Newman (In Person) Julie Katsel, and Trent Crump (Teleconference)

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

Luanne Mansanares, Jacob Rusywick, (In Person) Alexandra Adukeh, Shelby Alessi, Debra Andrego, Mary Cimaglio, Anjali Dang, John Gilliland, Holly Hichens, Michael Jennings, Susan Kalember, Jenny Lewis, Cheyenne Mcmurtry, Victor Mendoza, Robin Peters, Lynda Sellers, Devin Slayton, Kathleen Syms, Art Uthaisri, and Steve Wood. (Teleconference)

GUESTS Attorney General Representative: Pam Peiser (Teleconference)
Scientific Games Representatives: Topper Wilson, and Gabriel Reed (Teleconference)
Pollard Banknote Limited Representatives: Wes Brown, Jen Wankling, John Papile, Brad Thomson, and Travis Priest (Teleconference)
Owens Harkey Representatives: Anna Garza, and Ariana Moreno (Teleconference)

PUBLIC

Call to Order

1. **Call for Quorum:** Pursuant to the Public Notice dated August 12, 2022, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:02 a.m. by Chair Jeff Weintraub.

A quorum was present, with Chair Weintraub, Commissioner Crump, Commissioner Thomson, and Commissioner Newman appearing via teleconference.

2. **Notice:** Notice was posted by Luanne Mansanares on August 12, 2022, at 3:30 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 June 17, 2022, Public Meeting. Commissioner Thomson verbally moved; Commissioner Newman verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Commissioner Crump verbally voting aye, Commissioner

Thomson verbally voting aye, Commissioner Newman verbally voting aye and Commission Katsel verbally voting aye. The motion carried.

Agency Reports

1. **Director's Presentation:** Director Edgar gave a brief update on the beneficiary focus of the month, St. Vincent DePaul.

Chair Weintraub asked Director Edgar how much money is set aside for beneficiaries.

Director Edgar informed the Commission that \$350k - \$400k a year divided between 18 beneficiaries. Director Edgar finished his presentation by giving a brief update on the FY23 budget and 2024 Legislative submissions. The presentation is attached for the official minutes.

2. **Financial Report Presentation:** Russ Harben presented the financial information with overall sales with the large jackpot.

Chair Weintraub asked Commissioner Newman if the large jackpot had a significant impact on Circle K's sales. Commissioner Newman informed Chair Weintraub that yes; the jackpot had a negative impact on in-store sales because people do not want to wait in long lines of 50-60 people purchasing lottery tickets when they just want to purchase a soda.

Raynie Hosto asked Commissioner Newman if lottery sales makes up for the loss of in-store sales. Commissioner Newman stated that Circle K is aware that lottery is important and they welcome those players.

Russ Harben continued with his presentation giving new projections for FY23, and a financial status with a comparison of last year's sales.

Commissioner Thomson requested clarification regarding the decline of sales after the large jackpot has been won. Director Edgar informed the Commission that lottery sales typically increase for one or two draws after someone has won the jackpot and then starts a decline of sales.

Commissioner Thomson inquired if the super bowl or other major events have an impact on sales. Chris Rogers informed the Commission that it is difficult to determine the impact of sales during a major event as it coincides with our peak sales due to the winter visitors.

Commissioner Thomson asked if the Arizona Lottery plans on marketing to the tourists as well as the snowbirds that will be visiting. Chris Rogers informed the Commission that the Arizona Lottery has a campaign that will be focused around the super bowl and it will be in his upcoming presentation. This concluded Mr. Harben's financial report. The presentation is attached for the official minutes.

3. **Products & Marketing Update Presentation** – Chris Rogers, provided a marketing and products update. 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: *Secret Agent Crossword* #1395, and \$230 Million Cash Explosion® #1400. 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: #1395., and #1400. Commissioner Thomson verbally moved; Commissioner Newman verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Commissioner Crump verbally voting aye, Commissioner Thomson verbally voting aye, Commissioner Newman verbally voting aye and Commission Katsel Verbally voting aye. The motion carried.

2. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new Fast Play™ game profile: *Cheers to 2023* #148. 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 Fast Play™ game profile: #148. Commissioner Newman verbally moved; and Commissioner Thomson verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Commissioner Crump verbally voting aye, Commissioner Thomson verbally voting aye, Commissioner Newman verbally voting aye and Commission Katsel Verbally voting aye. The motion carried.

3. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new promotion profile: *Holly Jolly Jackpot* #120. 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: #120. Commissioner Thompson verbally moved; and Commissioner Newman verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Commissioner Crump verbally voting aye, Commissioner Thomson verbally voting aye, Commissioner Newman verbally voting aye and Commission Katsel Verbally voting aye. 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

There will be an Open Meeting and Public Records Overview presentation for all Commissioners at the next Commission meeting.

The next Commission meeting will be held in person on September 16, 2022, at 10:00 a.m.

Adjournment

Chair Weintraub entertained a motion to adjourn. Commissioner Crump verbally moved, Commissioner Newman verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Commissioner Crump verbally voting aye, Commissioner Thomson verbally voting aye, and Commissioner Newman verbally voting aye and Commission Katsel Verbally voted aye. 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.