



November 18, 2022
COMMISSION
REPORT

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NOTICE OF 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 meeting open to the public on **November 18, 2022, at 10:00 a.m.**, in the **Arizona Lottery Board Room, located at 4740 East University Drive, Phoenix, Arizona.** The public is welcomed to join the meeting in person, 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/tei-spwe-stm

OR

Join the meeting US Toll Free by phone at 601-844-2921 when prompted enter Access Code 765 034 022 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 October 21, 2022, Public Meeting

Agency Reports

1. Director's Presentation
2. Financial Report – Presentation
3. New Games Introduction – No Presentation

New Business

1. Commission Discussion on Election of Chair / Vice Chair.
2. Discussion and possible action on new instant scratch game profiles: *\$50,000 Lucky Dog* #1403, *Wild Cherry Doubler* #1405, *Mystery Multiplier* #1407, *Bingo Star* #1408, and *Cash Drop* #1409.
3. Discussion and possible action on new promotion profile: *Multiplier Mania 2023* #122.

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 December 16, 2022, 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 9th day of November 2022

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.
The Commission reserves the right to change the order of items on the agenda.

PUBLIC MEETING OF THE ARIZONA LOTTERY
Commission Minutes of October 21, 2022, Meeting

PRESIDING Chair Jeff Weintraub (Teleconference)

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

LOTTERY Executive Director; Gregory Edgar (Teleconference), and Russ Harben; Deputy Director of Operations (In Person)

Luanne Mansanares, Jacob Rusywick, Ron Schartz, and Stacey Henderson, (In Person) Alexandra Adukeh, Shelby Alessi, Debra Andrego, Mary Cimaglio, Anjali Dang, Susan Kalember, Jenny Lewis, Ron Schartz, Lynda Sellers, Kathleen Syms, Nicholas Wagner, Jose Gaona, and Steven Wood (Teleconference)

GUESTS Attorney General Representative: Pam Peiser (Teleconference)

Scientific Games Representatives: Topper Wilson, and Gabriel Reed (Teleconference)

Pollard Banknote Limited Representatives: Travis Priest, and Darren Perche (Teleconference)

Owens Harkey Representatives: Anna Garza, and Noelle Hobaica, (Teleconference)

IPSOS Market Research Company: Julie Christine Marchand (Teleconference)

PUBLIC Shaan Rizvi (Teleconference)

Call to Order

1. **Call for Quorum:** Pursuant to the Public Notice dated October 21, 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 Newman, Commissioner Thomson, and Commissioner Katsel appearing via teleconference.
(At 10:10 am Commissioner Crump appeared via teleconference)
2. **Notice:** Notice was posted by Cassandra Bierworth on October 13, 2022, at 3:32 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 September 16, 2022, Public Meeting. Commissioner Katsel verbally moved; Commissioner Thomson verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Commissioner Newman verbally voting aye,

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

10:04am At the discretion of the Commissioners, the meeting agenda order was adjusted. The Commissioners voted on New Business items first, with all other agenda items proceeding in order.

New Business

1. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new instant scratch game profiles: *Money Ball Bingo #1394, 24K Gold #1402, 7-11-21 #1404, and \$10,000 Blowout #1406*. 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: #1394, #1402, #1404, and #1406. Commissioner Thomson verbally moved; Commissioner Newman verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Commissioner Newman verbally voting aye, Commissioner Thomson 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 promotion profile: *Living Lucky with Luke Combs Promotion Profile #121*. 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: #121. Commissioner Thomson verbally moved; Commissioner Newman verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Commissioner Newman verbally voting aye, Commissioner Thomson verbally voting aye and Commission Katsel verbally voting aye. The motion carried.

10:10am Commissioner Crump joined the meeting. (Teleconference)

Agency Reports

1. **Retailer of the Quarter:** Stacey Henderson presented information on the retailer of the quarter, ABC Food Mart, Mesa, AZ. The presentation is attached for the official minutes.
2. **Director's Presentation:** Director Edgar presented information on the beneficiary focus of the month, ASU's Global Sports Institute. He also informed the Commission that the Arizona Lottery was recently recognized for two different awards. Mr. Chris Rogers then presented information regarding the two awards received. The 2022 Arizona Innovators in Marketing Association TIM Award, and the 2022 Transformation Lead of the Year award finalist at the Governor's Celebration of Innovation Gala. Director Edgar continued his presentation by informing the Commission that the Arizona Lottery executive team attended the World Lottery Summit in Vancouver, Canada. The purpose of the trip was to learn about new and innovating products, and companies. The information obtained from this conference will assist in choosing a new company for an

upcoming RFP. Director Edgar concluded his presentation by informing the Commission about a new company called Jackpocket. Informing the Commission that Jackpocket is a company that will sell lottery tickets to consumers online. The consumer will purchase Powerball® and Mega Million® tickets through Jackpocket's online system with a digital wallet. Jackpocket will work with Circle K to purchase the tickets. Jackpocket will physically purchase the Powerball® and Mega Million® tickets for the online customer at a local Circle K in Arizona.

Chair Weintraub asked if Jackpocket will receive a commission for selling tickets. Director Edgar informed the Commission no. A Jackpot customer will purchase a lottery ticket through Jackpocket online utilizing an online wallet. Jackpocket will work inside of a Circle K, purchase the tickets for the online customer, and charge a service fee. Circle K will be the one who earns the commission for the sales. Jackpot will not earn any commission from the sales but will earn revenue through its service fees from the online wallet.

Director Edgar asked Commissioner Newman if he correctly explained how the Jackpot process worked. Commissioner Newman responded to the best of his knowledge, yes. Director Edgar also stated, "This will not change anything for the Arizona Lottery operationally." "Jackpocket operates independently of the Arizona Lottery." The presentation is attached for the official minutes.

10:18am Luanne Mansanares informed the Commission that Commissioner Trent Crump has joined.

10:23am Chair Weintraub left the meeting and Commissioner Katsel resumed the duties for Chair Weintraub.

3. **Financial Report Presentation:** Russ Harben presented the financial information with overall sales, new projections, and financial status with a comparison of last year's sales. The presentation is attached for the official minutes.

Commissioner Katsel commented that the Arizona Lottery transitions smoothly when sharing incredible news about exceeding sales projections. Commending the Arizona Lottery on an extraordinary job by exceeding the sales projections. Director Edgar thanked Commissioner Katsel for her comments and informed the Commission that the Arizona Lottery is very proud of all of its accomplishments.

4. **Retailer Satisfaction Survey Presentation** – Travis Priest; Director of Sales & Marketing for Pollard Banknote Limited, introduced Julie Christine Marchand, IPSOS Market Research Company. Julie Christine Marchand presented a brief synopsis of the Arizona Lottery retailer satisfaction survey. The presentation is attached for the official minutes.
5. **New Games Introduction – No Presentation**

Call to the Public

Commissioner Julie Katsel 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 in person on November 18, 2022, at 10:00 a.m.

Adjournment

Commissioner Julie Katsel entertained a motion to adjourn. Commissioner Thomson verbally moved; and Commissioner Crump verbally seconded. The vote was unanimous with Commissioner Newman verbally voting aye, Commissioner Thomson verbally voting aye, Commissioner Crump verbally voting aye, and Commissioner Katsel verbally voting 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.

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Agency Reports
Report to Arizona Lottery Commission
November 18, 2022

Director's Presentation

Financial Report – Presentation

New Game Introductions – No Presentation

New Game Introductions The following games were introduced since the last commission meeting: *Wild Cash* #1346, *Red Hot 7s* #1361, *Cash* #1381, *Triple Red 7's* #1382, and *Bullseye Bingo* #1384.

More information on these games are available by visiting the Scratchers section at ArizonaLottery.com

No games have ended since the last commission meeting.

ATTACHMENT A

Dashboard Report November 2022

SERVING ARIZONA FOR 41 YEARS



17.35%

vs. Proj (FYTD)

Total Sales (FYTD)

\$532,040,862

17.43%

vs. PYTD

82.87%

vs. Proj (FYTD)

Draw Sales

\$178,183,175^{33.5%}
%Total Sales

58.85%

vs. PYTD

Draw Sales : From
7/1/2017 - To
11/6/2022

Fast Play Sales :
From
2/11/2018 - To
11/6/2022

-0.58%

vs. Proj (FYTD)

Instant Sales

\$353,857,687^{66.5%}
%Total Sales

3.80%

vs. PYTD

146.19%

vs. Proj (FYTD)

Multi-State

\$133,681,633^{75.0%}
%Draw Sales

116.45%

vs. PYTD

Pulltab Sales : From
7/2/2017 - To
11/4/2022

Scratcher Sales : From 7/1/2017
- To 11/6/2022

-0.71%

vs. Proj (FYTD)

Scratchers Sales

\$348,954,727^{65.6%}
%Instant Sales

3.69%

vs. PYTD

4.73%

vs. Proj (FYTD)

In-State

\$28,592,551^{16.0%}
%Draw Sales

-12.18%

vs. PYTD

Charitable Pulltab Sales

\$3,043,740^{0.9%}
%Instant Sales

12.32%

vs. PYTD

-34.79%

vs. Proj (FYTD)

Quick Draw

\$742,256^{0.4%}
%Draw Sales

-

vs. PYTD

9.73%

vs. Proj (FYTD)

Age Rest. Pulltab Sales

\$1,369,440^{0.4%}
%Instant Sales

10.96%

vs. PYTD

3.18%

vs. Proj (FYTD)

Fast Play

\$15,166,735^{8.5%}
%Draw Sales

-15.06%

vs. PYTD

8.86%

vs. Proj (FYTD)

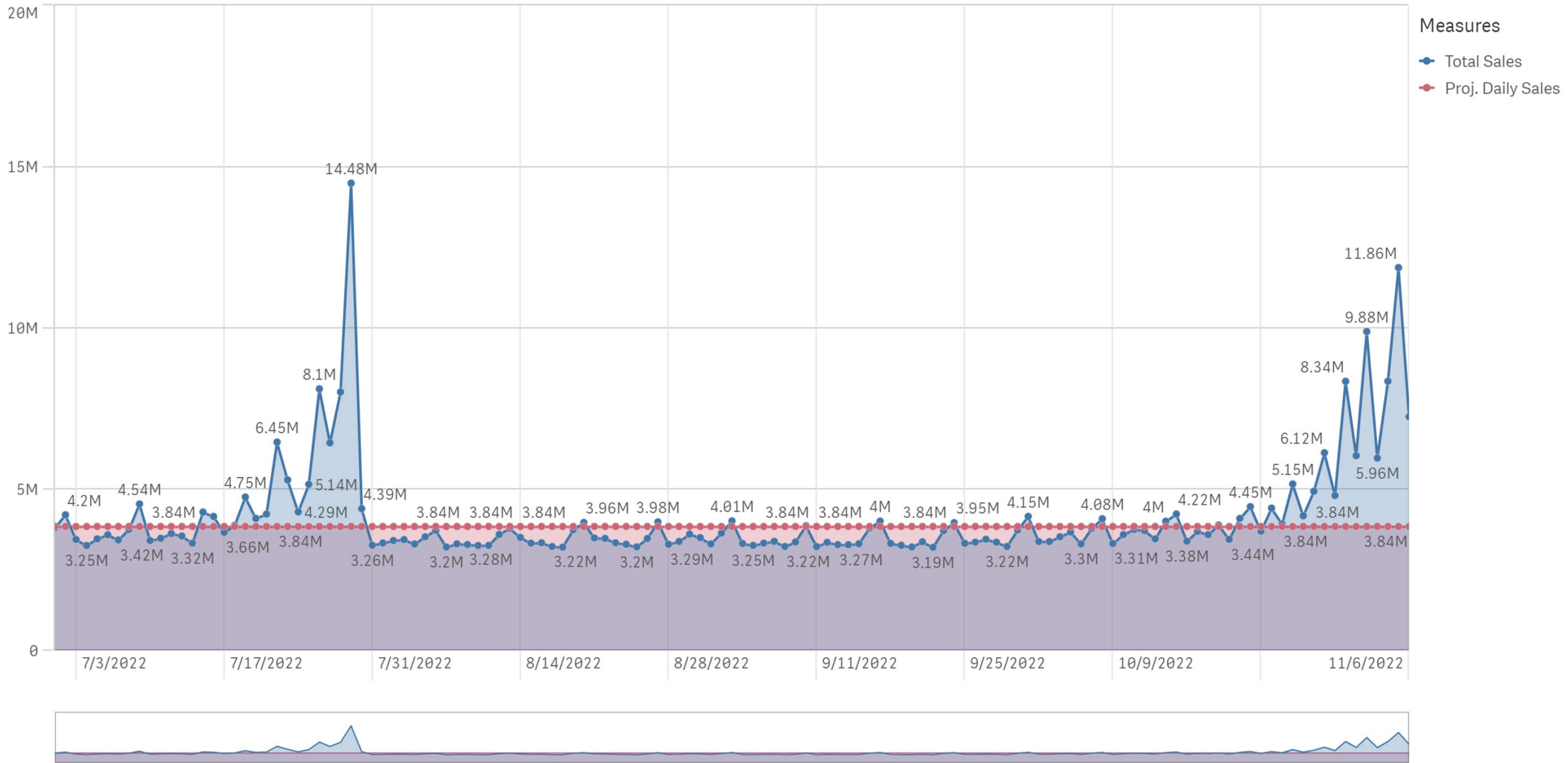
Other Pulltab Sales

\$486,000^{0.1%}
%Instant Sales

9.76%

vs. PYTD

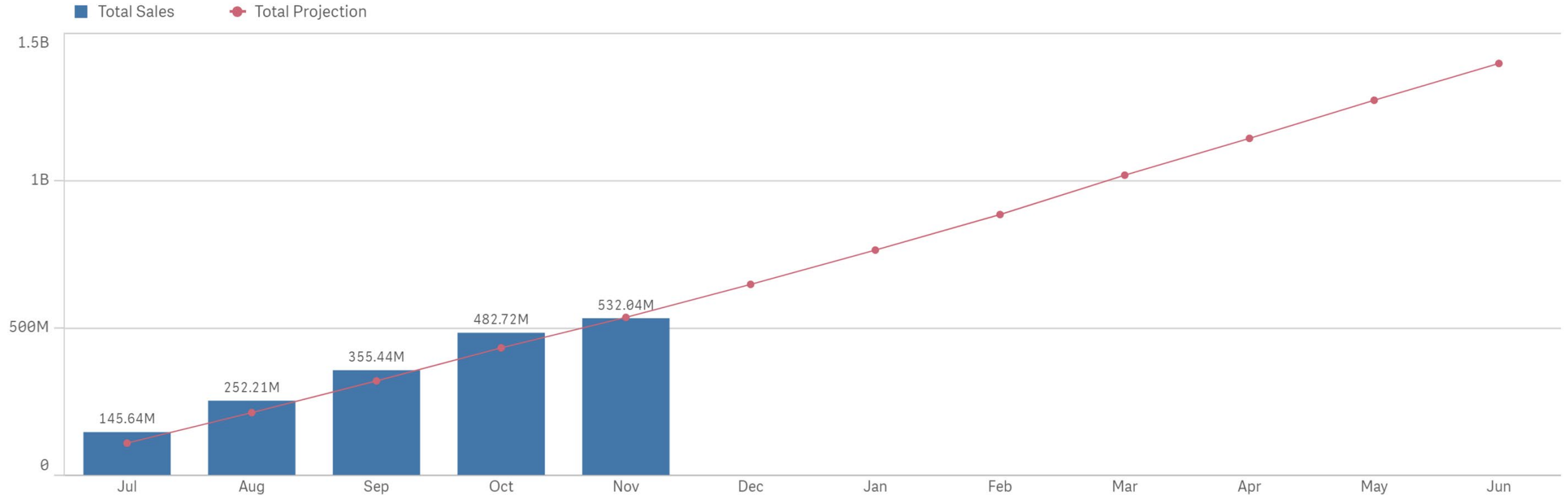
Daily Sales vs Goal





YTD Sales vs. Projection

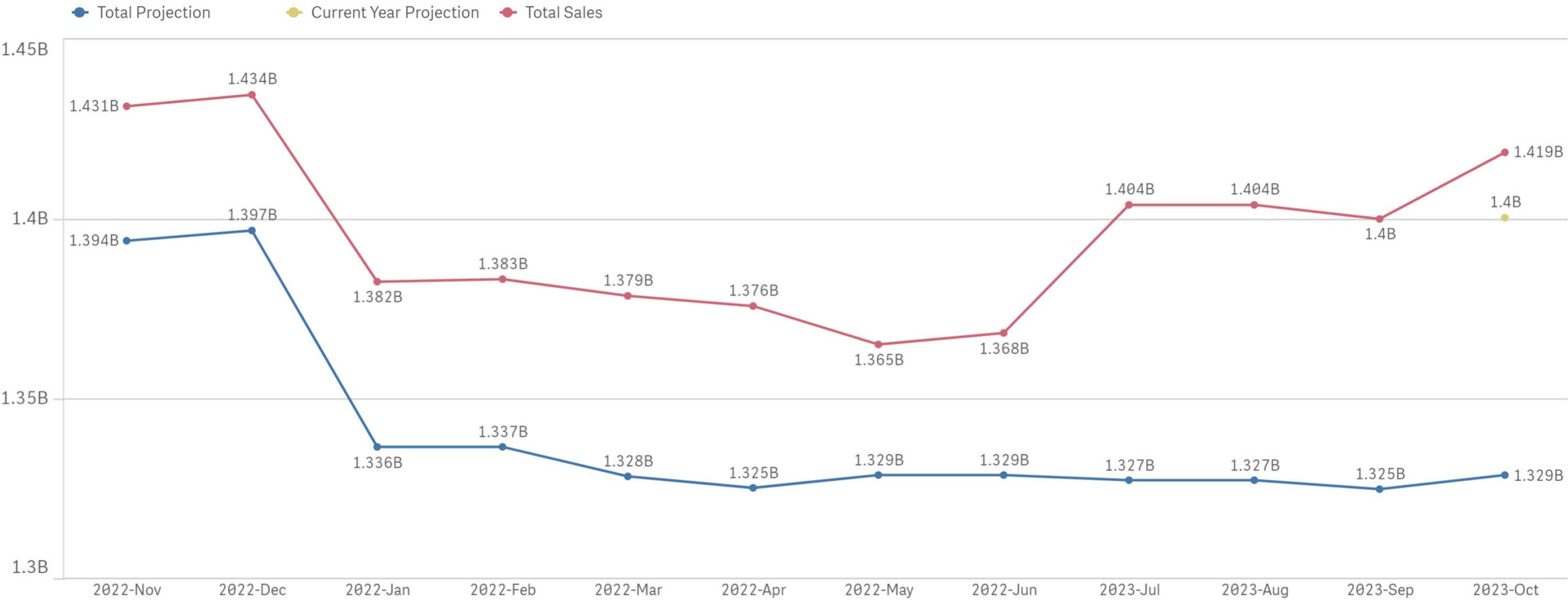
FY 2023 Total Sales vs. Projection



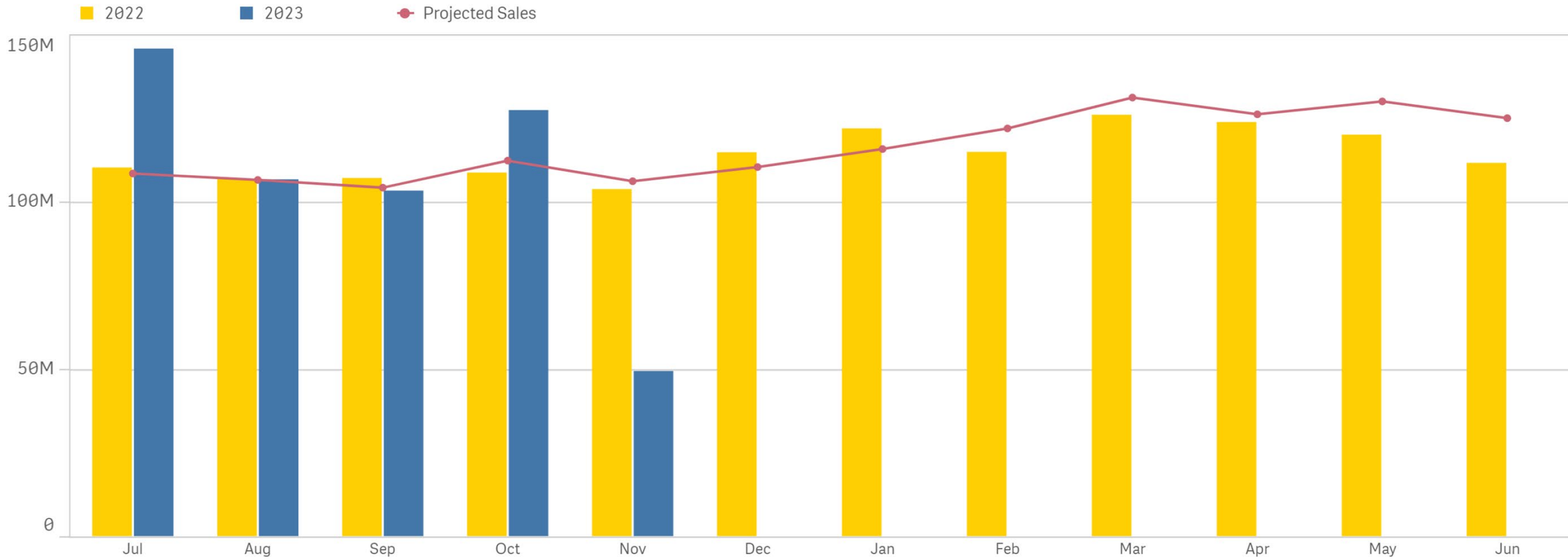


Rolling 12 Month Total Sales

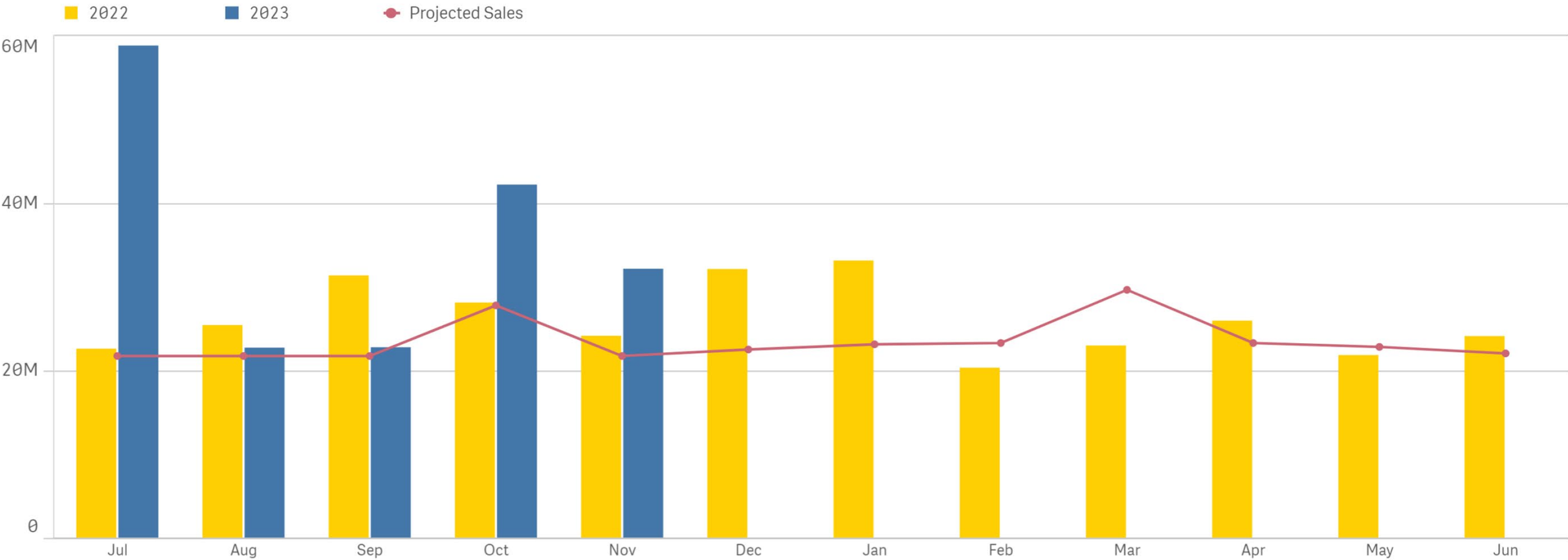
Rolling 12 Month Sales



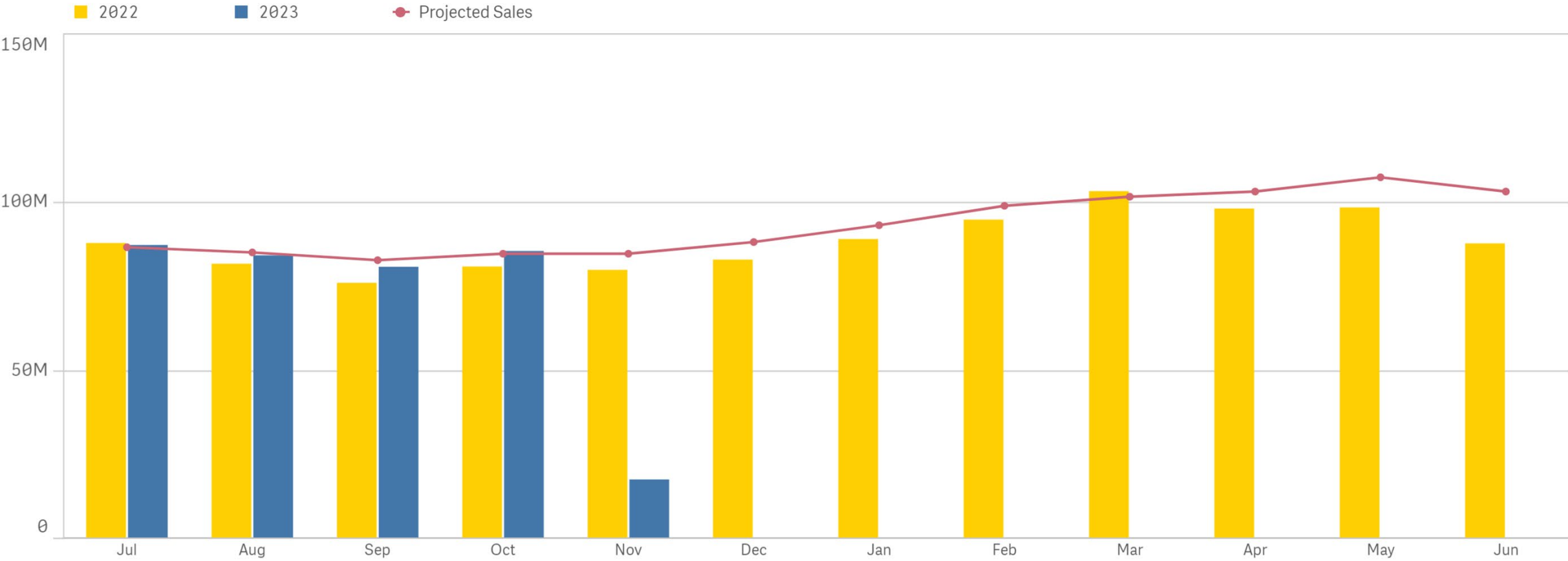
Total Sales FY 2022 vs. 2023 vs. Projection



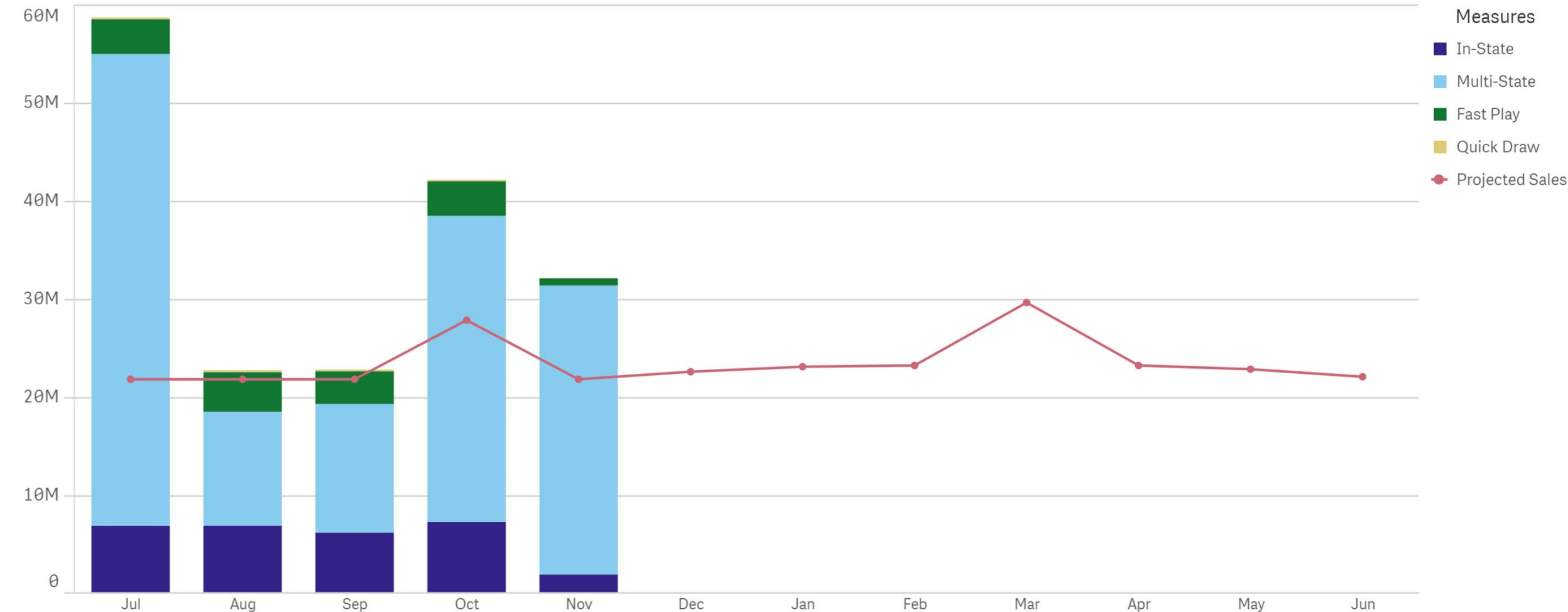
Draw Sales FY 2022 vs. 2023 vs. Projection



Instant Sales FY 2022 vs. 2023 vs. Projection



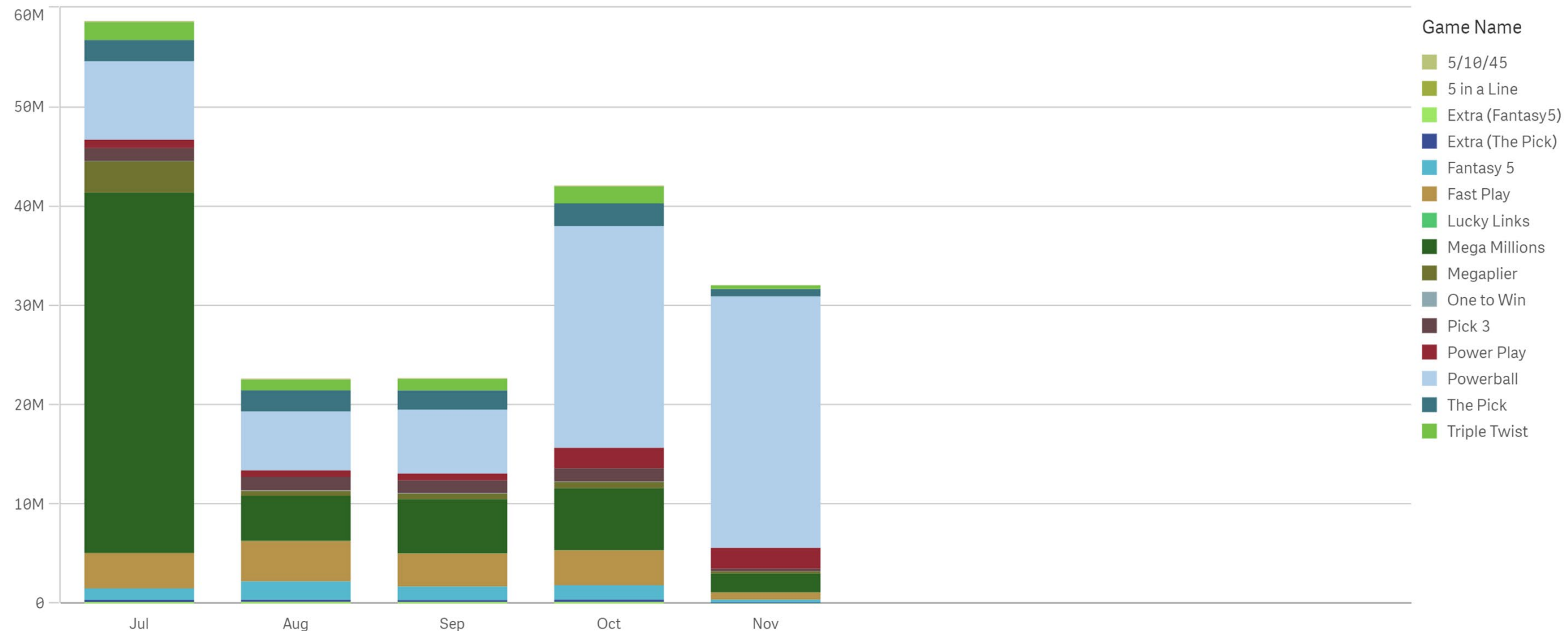
FY 2023 Draw Sales by month





Draw Sales by Game

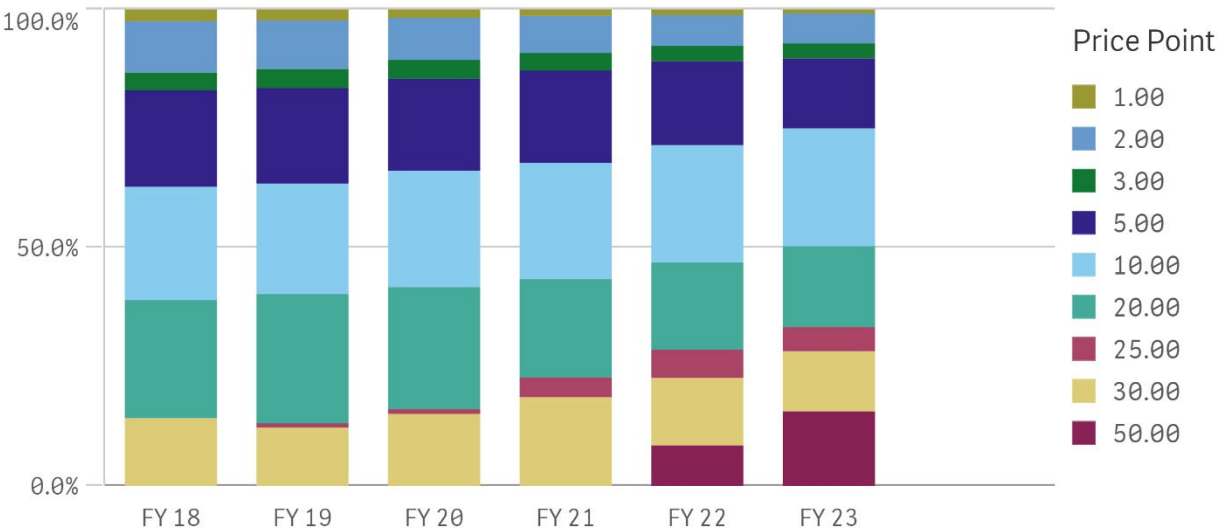
FY 2023 Draw Sales by Game



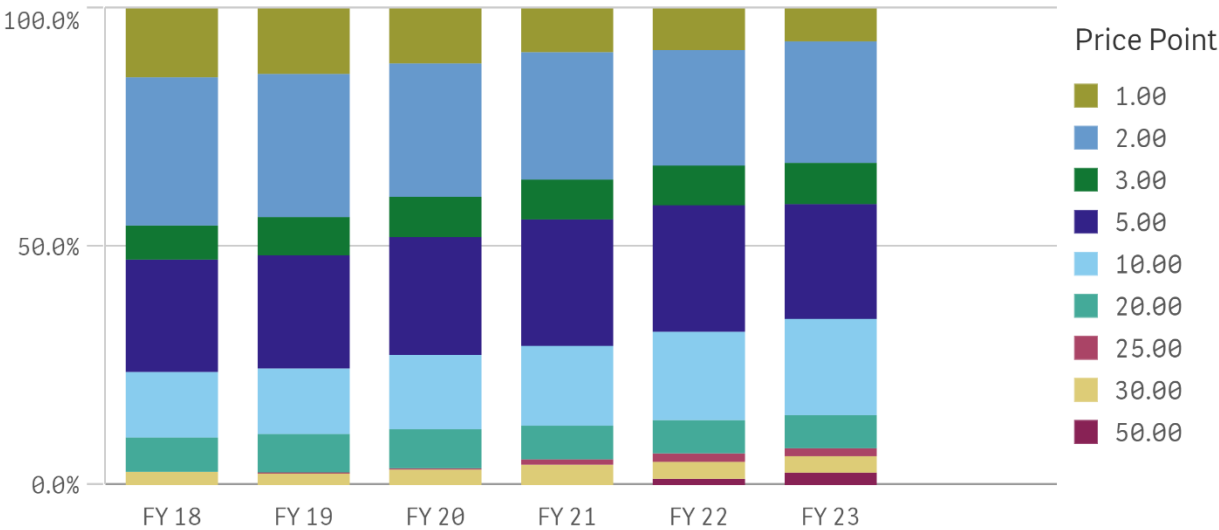


Scratcher Sales by Price Point

Based on Dollars Sold



Based on Tickets Sold

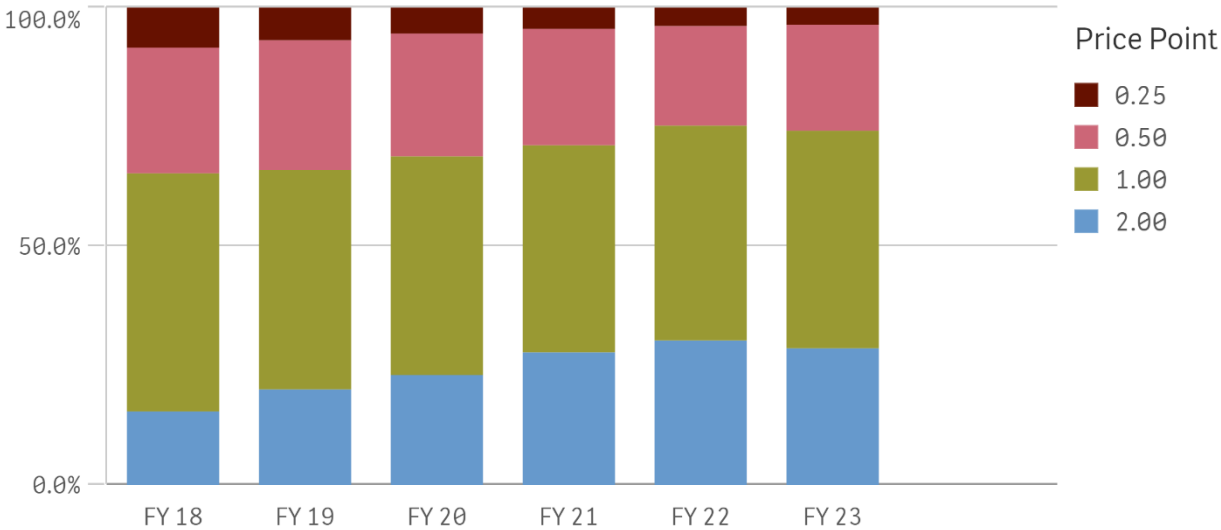


Price Point	FY 19	FY 20	FY 21	FY 22	FY 23	Price Point	FY 19	FY 20	FY 21	FY 22	FY 23
1.00	\$17,327,856	\$15,243,692	\$14,836,696	\$12,025,050	\$2,939,226	1.00	17,327,856	15,243,692	14,836,696	12,025,050	2,939,226
2.00	\$76,045,580	\$74,204,632	\$86,605,472	\$67,053,928	\$21,709,426	2.00	38,022,790	37,102,316	43,302,736	33,526,964	10,854,713
3.00	\$30,416,967	\$33,795,897	\$40,770,039	\$34,325,706	\$11,062,890	3.00	10,138,989	11,265,299	13,590,013	11,441,902	3,687,630
5.00	\$150,294,810	\$163,624,105	\$214,810,495	\$183,329,755	\$51,327,595	5.00	30,058,962	32,724,821	42,962,099	36,665,951	10,265,519
10.00	\$173,763,390	\$207,204,520	\$271,076,850	\$256,301,440	\$86,216,760	10.00	17,376,339	20,720,452	27,107,685	25,630,144	8,621,676
20.00	\$204,007,420	\$217,273,740	\$228,944,840	\$192,016,600	\$59,195,000	20.00	10,200,371	10,863,687	11,447,242	9,600,830	2,959,750
25.00	\$6,504,400	\$8,628,650	\$45,939,625	\$61,671,325	\$17,776,900	25.00	260,176	345,146	1,837,585	2,466,853	711,076
30.00	\$91,917,900	\$128,434,380	\$206,849,550	\$147,402,630	\$44,012,580	30.00	3,063,930	4,281,146	6,894,985	4,913,421	1,467,086
50.00	\$0	\$0	\$0	\$89,036,700	\$54,714,350	50.00	0	0	0	1,780,734	1,094,287

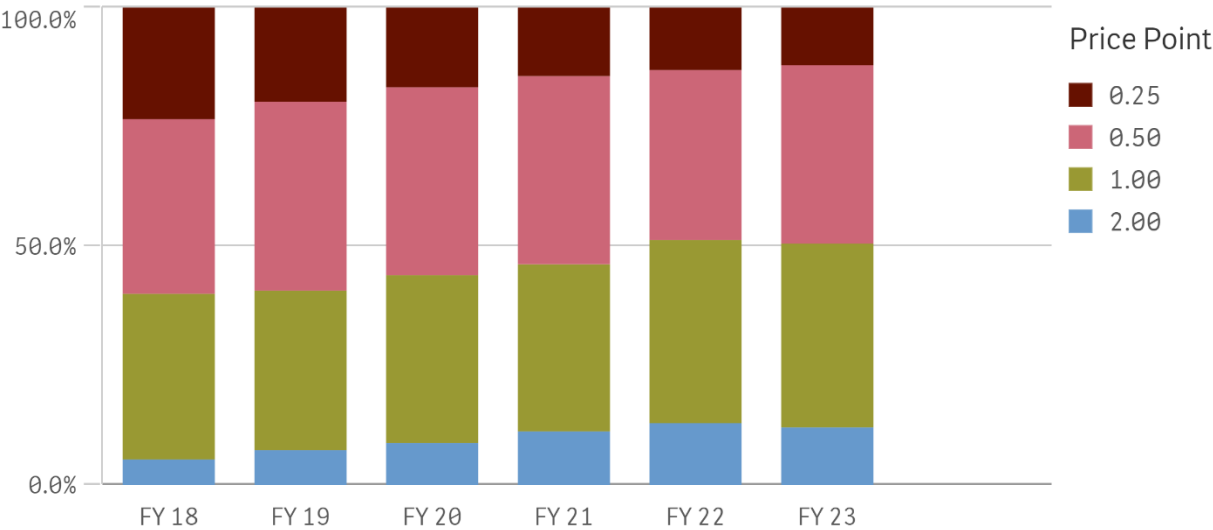


Pull Tab Sales by Price Point

Based on Dollars Sold



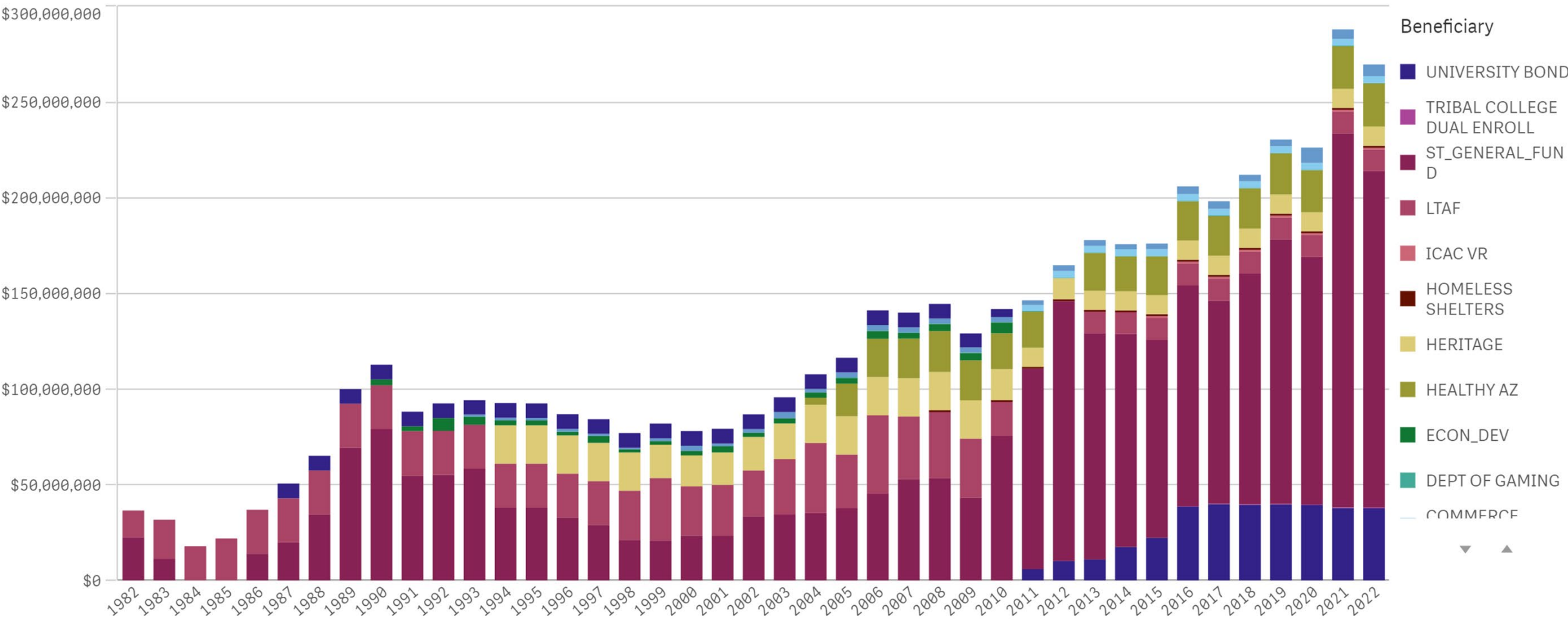
Based on Tickets Sold



Price Point	FY 19	FY 20	FY 21	FY 22	FY 23
0.25	\$673,764	\$438,438	\$532,824	\$538,914	\$175,500
0.50	\$2,699,880	\$2,069,850	\$2,926,590	\$2,933,580	\$1,087,680
1.00	\$4,556,220	\$3,691,860	\$5,201,460	\$6,325,620	\$2,236,620
2.00	\$1,983,840	\$1,851,960	\$3,333,960	\$4,257,360	\$1,403,160

Price Point	FY 19	FY 20	FY 21	FY 22	FY 23
0.25	2,695,056	1,753,752	2,131,296	2,155,656	702,000
0.50	5,399,760	4,139,700	5,853,180	5,867,160	2,175,360
1.00	4,556,220	3,691,860	5,201,460	6,325,620	2,236,620
2.00	991,920	925,980	1,666,980	2,128,680	701,580

Transfer Amount by Beneficiary

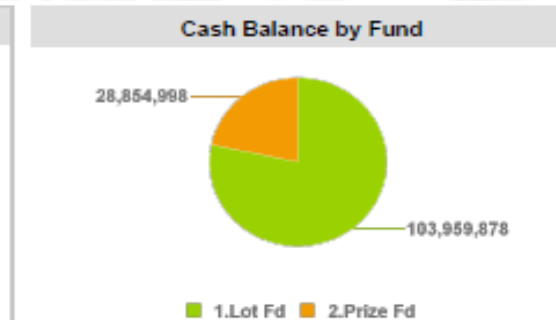
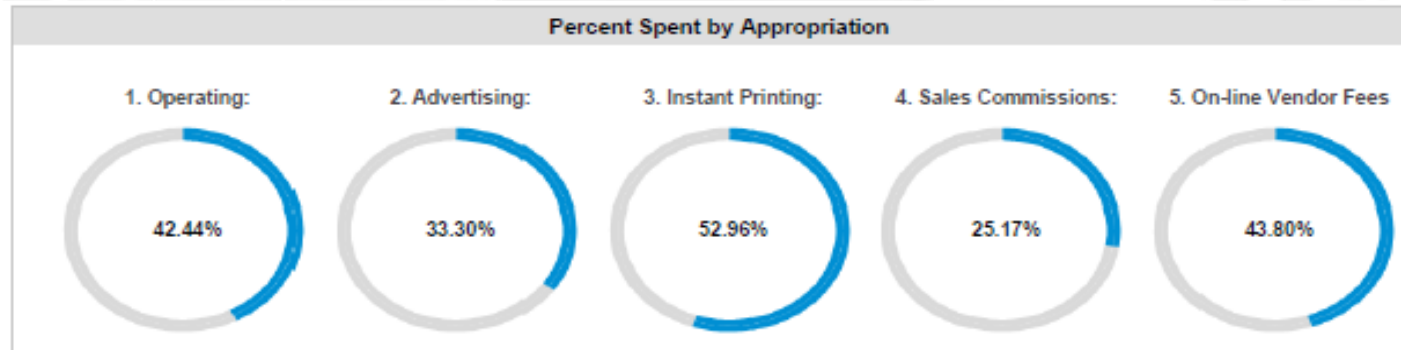
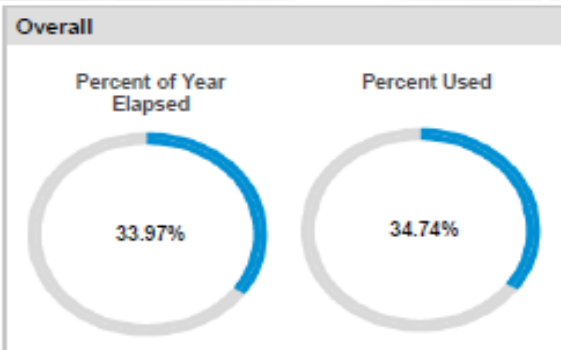




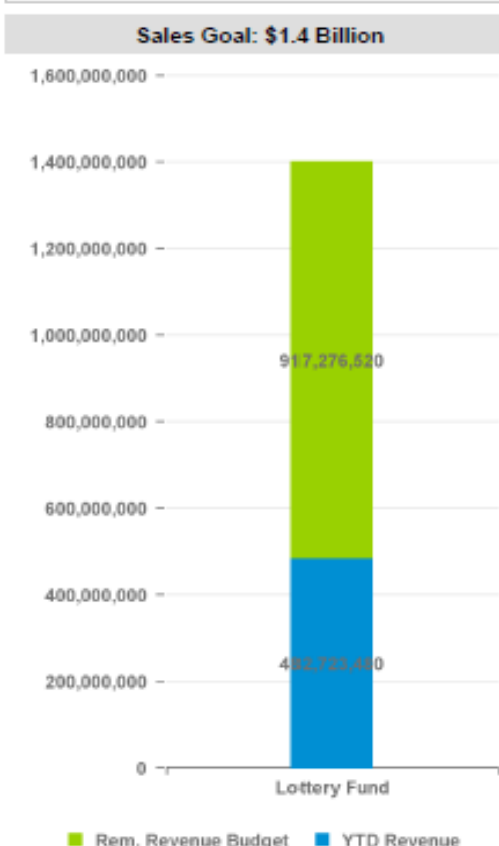
Instant Game Monthly Sales

Month	SCRATCHERS	CHARITABLE PULL-TABS	AGE- RESTRICTED PULL-TABS	TOTAL INSTANT SALES CURRENT FY	TOTAL INSTANT SALES PREVIOUS FY	% of Change
Jul	\$85,830,540	\$725,760	\$292,680	\$86,972,100	\$87,567,671	-0.7%
Aug	\$82,719,267	\$732,240	\$363,960	\$83,921,307	\$81,430,467	3.1%
Sep	\$79,397,874	\$714,960	\$304,560	\$80,521,614	\$75,720,197	6.3%
Oct	\$83,981,140	\$710,460	\$355,320	\$85,187,320	\$80,573,893	5.7%
Nov	\$17,025,906	\$160,320	\$52,920	\$17,255,346	\$79,592,943	-78.3%
Dec	\$0	\$0	\$0	\$0	\$82,643,454	-100.0%
Jan	\$0	\$0	\$0	\$0	\$88,749,211	-100.0%
Feb	\$0	\$0	\$0	\$0	\$94,521,006	-100.0%
Mar	\$0	\$0	\$0	\$0	\$102,981,838	-100.0%
Apr	\$0	\$0	\$0	\$0	\$97,816,671	-100.0%
May	\$0	\$0	\$0	\$0	\$98,156,659	-100.0%
Jun	\$0	\$0	\$0	\$0	\$87,464,598	-100.0%

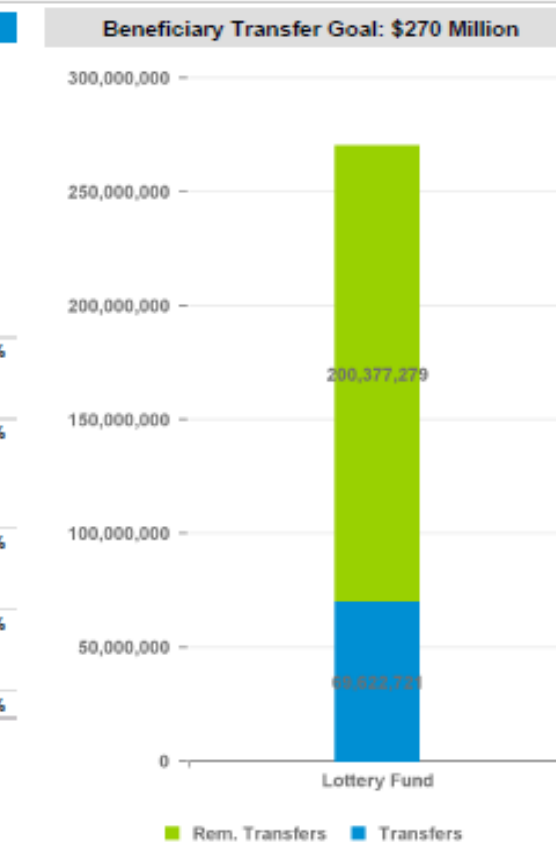
FY23 Year-to-date Financial Status



Budget by Appropriation Type and Object Class



Appropriation	Object Class	Budget	Expenditures	Encumbered	Remaining	% Used
1. Operating:	0000 - Appropriation Budget	10,468,900	-	-	10,468,900	
	6000 - Personal Services	-	1,465,423	-	-1,465,423	
	6100 - Employee Related Expenditures	-	587,177	-	-587,177	
	6200 - Professional And Outside Services	-	172,830	410,017	-582,847	
	6500 - Travel - In-State	-	7,683	18,374	-26,057	
	6600 - Travel - Out-Of-State	-	22,388	-	-22,388	
	7000 - Other Operating Expenditures	-	424,718	1,225,150	-1,649,868	
	8100 - Capital Outlay	-	-	-	-	
	8400 - Capital Equipment	-	-	-	-	
	8500 - Non-Capital Equipment	-	2,484	7,268	-9,752	
	9100 - Transfers Out	-	75,000	25,000	-100,000	
Total:		10,468,900	2,757,702	1,685,808	6,025,390	42.44%
2. Advertising:	0000 - Appropriation Budget	15,500,000	-	-	15,500,000	
	7000 - Other Operating Expenditures	-	2,499,614	2,662,012	-5,161,627	
	Total:	15,500,000	2,499,614	2,662,012	10,338,373	33.30%
3. Instant Printing:	0000 - Appropriation Budget	38,680,100	-	-	38,680,100	
	7000 - Other Operating Expenditures	-	5,177,424	15,309,077	-20,486,501	
	8400 - Capital Equipment	-	-	-	-	
	Total:	38,680,100	5,177,424	15,309,077	18,193,599	52.96%
4. Sales Commissions:	0000 - Appropriation Budget	92,953,900	-	-	92,953,900	
	7000 - Other Operating Expenditures	-	23,397,345	-	-23,397,345	
	Total:	92,953,900	23,397,345	-	69,556,555	25.17%
5. On-line Vendor Fees:	0000 - Appropriation Budget	13,912,645	-	-	13,912,645	
	6200 - Professional And Outside Services	-	5,090,613	1,002,500	-6,093,113	
	Total:	13,912,645	5,090,613	1,002,500	7,819,532	43.80%
Grand Total:		171,515,545	38,922,698	20,659,398	111,933,449	



New Business Item #1
Commission Discussion on Election of Chair / Vice Chair
Report to Arizona Lottery Commission
November 18, 2022

Pursuant to Arizona Revised Statute §5-552(A) there is established the Arizona state lottery commission consisting of five members who shall be citizens and residents of this state and appointed by the governor pursuant to section 38-211. No more than three members may be from the same political party. The term of members appointed to the commission is five years. The commission members shall annually elect one of the members to serve as chairman of the commission.

The Commission is requested to discuss future action regarding the election process.

New Business Item #2
Instant Scratch Game Profiles
Report to Arizona Lottery Commission
November 18, 2022

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 is new instant scratch game profiles: *\$50,000 Lucky Dog #1403*, *Wild Cherry Doubler #1405*, *Mystery Multiplier #1407*, *Bingo Star #1408*, and *Cash Drop #1409*.

\$50,000 Lucky Dog #1403. This \$5 game has a top prize of \$50,000. This game will be printed at a quantity of approximately 2.8 million tickets.

Wild Cherry Doubler #1405. This \$1 game has a top prize of \$1,000. This game will be printed at a quantity of approximately 4.8 million tickets.

Mystery Multiplier #1407. This \$10 game has a top prize of \$100,000. This game will be printed at a quantity of approximately 2 million tickets.

Bingo Star #1408. This \$5 game has a top prize of \$50,000. This game will be printed at a quantity of approximately 3.4 million tickets.

Cash Drop #1409. This \$2 game has a top prize of \$10,000. This game will be printed at a quantity of approximately 2 million tickets.

Attachments (Commissioners only)

New Business Item #3
Multiplier Mania 2023 Promotion Profile #122
Report to Arizona Lottery Commission
November 18, 2022

This report has been provided to the Lottery Commission regarding the Multiplier Mania 2023 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: Multiplier Mania 2023 Profile #122.

Multiplier Mania 2023 Promotion Profile #122

Starting December 30th, 2022 players will be able to enter winning and non-winning tickets from designated Instant Scratch and Fast Play™ games for a chance to win cash prizes.

Attachments (Commissioners only)