

**Time, Date and Place:**

The 220th meeting of the Idaho Lottery Commission took place on Thursday, January 17, 2019 at 10:00 AM.

**Attendees:**

Commissioners Present: Chairman Fisher

Commissioner, Craig Corbett

Commissioner, Susan Kerrick

Commissioner, Gary Michael

Commissioner, Grant Brackebusch

Lottery Staff Present: Executive Director, Jeff Anderson

Management Assistant, Jennifer Quinno-Miller

Chief Operating Officer, Becky Schroeder

Chief Financial Officer, Jay Prickett

Deputy Director of Sales, Larry Polowski

Deputy Director of Security, Amber French

Deputy Director of Marketing, Sherie Moody-St. Clair

Others Present Ryan Belveal, International Gamco

Billy Mitchell, Mitchell Palmer

Tom Donahoe, Mitchell Palmer

Brad Surkamer, CLM

Pat Sullivan, Sullivan & Reberger

Phil Reberger, Sullivan & Reberger

**1. Meeting Called to Order**

Chairman Fisher called the meeting to order at 10:00 AM

**2. Approval of the Minutes**

Commissioner Michael moved to approve the minutes from the November 15, 2018 Commission Meeting. The motion was seconded by Commissioner Corbett. The vote was unanimous for approval.

### **3. Director Update**

Director Anderson reported that he appeared before House State Affairs for our requested Administrative Rule change. MUSL is developing new technology that when implemented will allow us to automate the manner in which we balance the transactions with the central system and internal control system. The requested rule change was approved and will move on to Senate State Affairs.

We have not heard back from the Governor's Office on Commissioner Kerrick's reappointment to the Commission. We have provided a very strong recommendation that Sue be reappointed as she has been a terrific Commissioner who is engaged and a great asset to the Commission.

Scott Henneman has resigned from International Gamco (now owned by Pollard Banknote). His replacement is in place already and business should go on as usual.

We did receive word that Intralot is ready to begin testing their shorter version of a vending machine for deployment in Walmart Supercenters. We are not interested in purchasing and owning the machines but will get back to the Commission for a proposal for pricing on how the machines will be leased.

The Security Division recently conducted an audit of Bingo licensee Lava Lions Club in Lava Hot Springs and found several areas where they were out of compliance. The Security Division suggested to them, via a probation letter, that they needed to make the necessary changes to bring them into compliance within the next six months. The organization chose not to make the required changes and decided they would continue operations the way they have been so we have revoked their license. We tried to resolve this issue with them, offered to help them find a way to make the changes and accept probation in order to keep operating and they refused that offer. We now have a hearing scheduled with them next week with Jean Uranga. The Commission will be updated on the findings of hearing.

### **4. Quarterly & Current Sales Report**

The Quarterly & Current Sales Report is entered into the minutes as an attachment.

### **5. Security Division Update**

Deputy Director French reported that all warehouse shipping changes with the new UPS contract have been implemented. We are still working out a few minor issues but hope to have those resolved soon.

### **6. Marketing Division Update**

Deputy Director Moody-St. Clair presented the Marketing calendar, talked about current promotions and spoke about the 30th Anniversary events and tickets along with a Raffle recap.

## **7. Sales Division Update**

Deputy Director Polowski reported Maverik purchased on of the Lottery's highest selling locations in Franklin and a purchase of some property in Malad. The La Tienda property was purchased by another group called Fast Stop of Utah. He also reported growth across the state is continuing and there is growth everywhere.

## **8. Set Future Commission Meeting Date**

The next Commission Meeting has been set for March 21, 2019.

## **9. Executive Session**

Commissioner Brackebusch moved pursuant to Idaho code 67-7442 (1) to hear confidential proprietary vendor information brought before the Commission by the Director to enter into Executive Session. Commissioner Corbett seconded the motion. Following a unanimous roll call vote the meeting was moved into Executive Session.

Commissioner Michael moved to exit out of Executive session. Commissioner Brackebusch seconded the motion. Following a unanimous roll call vote the Executive Session was ended.

Commissioner Michael moved to grant authority to Director Anderson to continue to negotiate with Intralot on remedies for performance related issues. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

## **10. Adjournment**

Commissioner Corbett moved to adjourn the meeting. Commissioner Brackebusch seconded the motion and the meeting was adjourned.

### **Certification:**

I hereby certify that the foregoing minutes are a true and correct record of the actions and decisions made by the Lottery Commission.