

Time, Date and Place:

The 214th meeting of the Idaho Lottery Commission took place on Thursday, May 17, 2018 at 10:00 AM at Fort Hall, Idaho.

Attendees:**Commissioners Present Via Teleconference:**

- Chairman, Mel Fisher
- Commissioner Craig Corbett
- Commissioner, Gary Michael
- Commissioner, Susan Kerrick
- Commissioner, Grant Brackebusch

Lottery Staff Present:

- Executive Director, Jeff Anderson
- Deputy Director of Marketing, Sherie MoodySt. Clair
- Chief Operating Officer, Becky Schroeder (teleconference)
- Management Assistant, Jennifer Quinno-Miller
- Chief Financial Officer, Jay Prickett
- Deputy Director of Sales, Larry Polowski

Others Present

- Zeke Chemodurow, Intralot
- Ryan Belveal, International Gamco
- Scott Henneman, Oasis Gaming
- Marvin Osborne, Shoshone Bannock Tribe
- Other members of the Shoshone Bannock Tribe

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 March 22, 2018. Commissioner Corbett seconded the motion. The vote was unanimous for approval.

3. Selection of a Commission Vice Chairman

Historically, the Commission determined that a Vice Chairman should be elected within the Commission. Commissioner Kerrick moved to appoint Commissioner Corbett as the Vice Chairman of the Idaho Lottery Commission. Commissioner Brackebusch seconded the motion. The vote was unanimous for approval.

4. Tribal Gaming Presentation

Marvin Osborne with the Shoshone Bannock Tribe presented the Commission a thorough

overview on the tribal gaming operation and security protocols and procedures at the Fort Hall casino.

5. Director Update

Director Anderson discussed the Mitchell Palmer contract. The Idaho Lottery entered into this contract two years ago, which allows for perpetual one year extensions. We have been very pleased with the work Mitchell Palmer has done for us and we are asking the Commission to approve a one-year extension taking this contract through June 30, 2019.

Commissioner Michael moved to approve the one-year extension. Commissioner Corbett seconded the motion. The vote was unanimous for approval.

International Gamco Extension

Per Director Anderson, the International Gamco contract is also up for an extension. They too have done a great job for us with increased sales and a great product. The current contract runs through June 30, 2019. We are asking the Commission to approve an additional two-year extension with the same terms taking this contract period through June 30, 2021.

Commissioner Corbett moved to approve a two-year extension of the International Gamco contract taking it through June 30, 2021. Commissioner Brackebusch seconded the motion. The vote was unanimous for approval.

Legislative Changes

Every year we review our Statutes and Rules to ensure they are up to date. There are a couple of changes we feel are important to address this coming year. Under 67-7408 (4) the Lottery is authorized to participate in multi-jurisdictional games allowing participation in games in the United States and Canada. There is a lot of movement in the lottery industry, particularly within the Powerball brand, to offer an international version. At this point, we could not participate if any country other than Canada was participating in a game and we would like to remove that restriction should there be a game we wanted to participate in that included other countries.

The other change we are looking at stems from changing technology at MUSL that would change the reporting system to a much more automated system. Our current Administrative Rules require us to have a Draw Manager onsite for the draws, immediate reporting, etc. This new technology would make it so Draw Managers do not have to be onsite during the draw due to the balancing process being automated. We would like to amend the Rule requiring a Draw Manager since they may no longer be needed and would allow us greater flexibility going forward.

Security Division Update

So far in 2018 we have opened 32 new cases. Nine of them remain open and out of all those cases there are 10 outstanding warrants.

The Security Division is working on equipping the new Sales fleet with safety kits and fire extinguishers. They are also working on updating the card access system at the Warehouse facility.

6. Quarterly & Current Sales Report

Chief Financial Officer Jay Prickett presented the Quarterly & Current Sales Report. The report is entered into the minutes as an attachment.

7. Marketing Division Update

Deputy Director Moody-St. Clair provided a Marketing Division update reviewing the Sizzlin' Summer promotion with the Sizzlin' family of games with a second chance drawing for a chance to win a barbeque package including a Traeger Grill, Yeti Cooler, and a meat package from Double R Ranch. Sherie is also working on drafting the Marketing Plan and presented the Commission with the Executive Summary of the plan. Marketing is also working on a 30th Anniversary family of games coming with a second chance interactive game. Sherie indicates that we are working on being a customer focused business and have been significantly investing in the Wooh Crew.

In August we will launch the Bengals, Broncos, Vandals Scratch Game. With our new contract with the universities we were able to secure the licensing rights with each of the universities to launch a \$5 Scratch ticket for each one.

For the Lottery's 30th Anniversary we would like to create an interactive second chance game. Today we are asking the Commission for approval to release an RFP for that bid.

Commissioner Kerrick moved to approve an RFP release for the second chance interactive game. Commissioner Corbett seconded the motion. The vote was unanimous for approval.

8. Sales Division Update

Deputy Director Polowski updated the Commission on the Sales Division, discussing the strategic partners and all of the partnerships coming up.

We have expanded our Sales staff by one person and have added a Rep in Region 3 bringing it to 6 Reps in that region. The growth in the area is tremendous and we just couldn't keep up without adding a person.

New signs are on order and will be displayed in the front windows of retailer locations.

9. Set Future Commission Meeting Date

Commissioner Brackebusch moved to set a teleconference Commission Meeting to determine the dividend for June 28, 2018 and suggested the dividend presentation and Commission Meeting in July be confirmed once we know the Governor's schedule. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

10. Adjournment

Commissioner Michael moved to adjourn. Commissioner Kerrick seconded the motion. The vote was unanimous 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.

Jeffrey R. Anderson, Executive Director
Lottery Commission Secretary