

Time, Date and Place:

The 218th meeting of the Idaho Lottery Commission took place on Thursday, September 13, 2018 at 10:00 AM.

Attendees:

Commissioners Present: Chairman, Mel Fisher

Commissioner Craig Corbett

Commissioner, Susan Kerrick

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

Public Information Specialist, David Workman

Deputy Director of Sales, Larry Polowski

Deputy Director of Security, Amber French

Others Present Via Teleconference:

Ryan Belveal, International Gamco

Billy Mitchell, Mitchell Palmer

Zeke Chemodurow, Intralot

Nick Schell, IGT

Tim Hallett, Intralot

1. Meeting Called to Order

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

2. Approval of the Minutes

Commissioner Kerrick moved to approve the minutes from the July 17, 2018.

Commissioner Corbett seconded the motion. The vote was unanimous for approval.

3. Director Update

Director Anderson explained the Governor's transition document that the Lottery has

prepared at the request of Governor Otter to aide in helping the next Governor understand the Lottery as an agency.

RoundPeak

We currently have an agreement with RoundPeak to create a Lottery branded gift card that could be purchased and used at retail locations that sell Lottery products. RoundPeak has run into some complications resulting in a delay in launching this product. The cards are now anticipated to be launched in the spring of 2019.

Shipping RFP

The Commission previously approved the Lottery issuing an RFP for shipping/delivery services of our instant tickets to retailers and we subsequently issued that RFP. The responses we received back from that RFP process were sub-optimal and we feel we needed to improve the way we worded some portions of the RFP and provide more direction regarding how we needed responses to our RFP in order to our effectively evaluate quality bid responses. We have pulled that RFP off the street and will be republishing it next week with responses due back to us in about a month.

CLM Media Contract

CLM currently holds the contract for media services for the Idaho Lottery. In that contract we have the option of perpetual one-year renewals if both parties are satisfied. We are asking for approval from the Commission to execute a one-year extension of this contract which would run from January 1, 2019 to December 31, 2019.

Commissioner Brackebusch moved to approve the one-year extension of the CLM contract for media services running January 1, 2019 to December 31, 2019. Commissioner Kerrick seconded the motion. The vote was unanimous for approval.

IGT Printing Contract Extension

We have had a contract with IGT Printing as our primary scratch ticket printer for a number of years now and wish to exercise the two-year extension option on that contract. This extension would run from March 19, 2019 to March 19, 2021. We are very happy with the work that IGT does for us and think an extension is appropriate.

Commissioner Corbett moved to approve a two-year extension for the IGT Printing contract which would run March 1, 2019 to March 19, 2021. Commissioner Brackebusch seconded the motion. The vote was unanimous for approval.

Draw Manager Rulemaking

Director Anderson reminded the Commission that earlier this summer they approved moving forward with a rulemaking to provide for the elimination of the drawing manager role from online game drawing procedures required in Lottery Administrative Rules. The Notice of Rulemaking, Proposed Rule and text of the proposed rule were published in the Administrative Bulletin. There was a time period allowed for comments and questions and no comments or questions were received.

Therefore, it is time for the Lottery Commission to formally adopt the proposed rulemaking, thus making it a "pending rule" in accordance with Section 67-5201(14) and to provide for its publication in the next available Administrative Bulletin.

Chairman Fisher called for a motion for the Lottery Commission to adopt the above referenced proposed rulemaking, thus making it a pending rule, and for a Notice of Rulemaking-Adoption of Pending Rule to be published in the next available Administrative Bulletin in accordance with requirements of Section 67-5224, Idaho Code.

Commissioner Kerrick made that motion, seconded by Commission Corbett. The vote was unanimous for approval.

4. Quarterly & Current Sales Report

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

5. Security Division Update

No report was given by the Security Division.

6. Marketing Division Update

No report was given by the Marketing Division.

7. Sales Division Update

Deputy Director Polowski reported he is projecting we will be out of a deficit on our year over year sales comparison by mid-November. Our Powerball sales have been down due to smaller jackpots, but we are focusing on growing sales on the games we can affect and working to bring them up.

We have been working closely with Intralot to maximize use of our vending machines to move low performing machines into higher volume locations and maximize the venues that use the machines properly.

We are doing a large number of Mascot Madness promotions all around the State to promote those Scratch games.

8. Set Future Commission Meeting Date

Commissioner Brackebusch moved to set the next meeting for Thursday, November 15, 2018. The motion was seconded by Commissioner Kerrick, the vote was unanimous for approval.

9. Adjournment

Certification:

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

Becky Schroeder, Chief Operating Officer

on behalf of
Jeffrey R. Anderson, Executive Director
Lottery Commission Secretary