



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

JUNE 9, 2021

VIA TELECONFERENCE

Members of the Commission

Matthew Blair, Chairman  
James Brady, Vice Chairman  
Nita Gupta  
Jonathan Hughes  
Angela M. Mingo  
Mark Rickel  
Martin Sweeney  
Matthew Szollosi

Director and Staff of the Ohio Lottery Commission

Pat McDonald, Executive Director  
Sean Webster, Assistant Director, Operations and Administration  
Nicole Kostura, Assistant Director, Sales and Marketing  
Nick Stadler, Executive Assistant to the Director  
Michael Gonzalez, Deputy Director, Office of Product Innovation  
Charles LoPresti, Chief Legal Counsel, Office of Legal Counsel  
Greg Bowers, Deputy Director, Office of Finance  
Terri Jones, Administrative Assistant, Executive Office  
Ron Fornaro, Instant Ticket Product Manager, Office of Sales  
Danielle Frizzi Babb, Deputy Director, Office of Communications  
Connie Miller, Deputy Director, Office of Operations  
Dan Carter, Deputy Director, Office of Legal Counsel  
Nick Ciofani, Deputy Director, Office of Government & Community Affairs  
Marty Morrow, Deputy Director, Office of Sales  
Rick Perk, Deputy Director, Office of Sales  
Sandy Lesko-Sabbath, Deputy Director, Office of Marketing  
Marie Kilbane Seckers, Communications  
Thomas Spayd, VLT Management

Scott Frost, Video Lottery Regulator  
Greg Beyer, Deputy Director, Office of Internal Audit  
Carla Reeves, Internal Audit  
Dave Evans, Sales Manager, Region 4 Cincinnati  
Liz Alex, Deputy Director, Office of Human Resources  
Jon Dillinger, Deputy Director, Office of General Services  
Karen Russo, Deputy Director, Responsible Gambling

Additional Attendees

Elizabeth Abate, Marcus Thomas, LLP  
Claire Bennett, Squire Patton Boggs  
Danny Eldredge, Hanna News Service  
Tim Kelley, Hollywood Dayton  
Kathleen Lenhardt, Hollywood Mahoning Valley  
Sarah O'Driscoll, Fahlgren Mortine  
Debbie Pirone, Marcus Thomas LLP  
Sam Porter, IceMiller, LLC  
Craig Robinson, Miami Valley Gaming and Racing  
Rob Swedinovich, Mahoning Valley Gaming  
John Walker, Scioto Downs

CALL TO ORDER

Chairman Blair called the meeting of the Ohio Lottery Commission to order at 12:00 p.m. The meeting was held via teleconferencing due to COVID-19 (coronavirus).

ROLL CALL

The following members of the Commission answered present to Roll Call: Matthew Blair, James Brady, Nita Gupta, Jonathan Hughes, Angela Mingo, Mark Rickel, Martin Sweeney, Matthew Szollosi.

APPROVAL OF MINUTES OF MAY 12, 2021

Chairman Blair presented to the Commission for approval the minutes from the May 12, 2021 meeting. Commissioner Brady made a Motion to approve the minutes, seconded by Commissioner Sweeney. The Motion was affirmatively voted upon by all Commissioners present.

APPROVAL OF FIVE (5) SCRATCH-OFF GAMES IN PROPOSED FORM

Ron Fornaro, Scratch-Off Product Manager presented before the Commission five (5) Scratch-Off Games Themes in Proposed Form.

- ✦ Rule 3770:1-9-678, National Lampoon's Christmas Vacation
- ✦ Rule 3770:1-9-679, Peppermint Payout (\$3.00)
- ✦ Rule 3770:1-9-680, Holiday Lucky Times 10 (\$10.00)
- ✦ Rule 3770:1-9-682, \$500,000 Happy Holidays (\$10.00)
- ✦ Rule 3770:1-9-683, \$1 Million Merry & Bright (\$20.00)

Commissioner Blair moved to approve the Rules as presented in Proposed Form, with Commissioner Gupta offering a second to the Motion. The Motion was affirmatively voted upon by the seven Commissioners present.

#### APPROVAL OF FOUR (4) SCRATCH-OFF GAMES IN FINAL FORM

Charles LoPresti, Chief Legal Officer presented before the Commission four (4) Scratch-Off Game Rules in Final Form.

- ✦ Rule 3770:1-9-672, Doggone Lucky (\$100)
- ✦ Rule 3770:1-9-673, Power 10X (\$2.00)
- ✦ Rule 3770:1-9-674, Wild Cash Multiplier (\$5.00)
- ✦ Rule 3770:1-9-675, \$500,00 Cash (\$10.00)

Commissioner Blair moved to approve the Rules as presented in Final Form, with Commissioner Mingo offering a second to the Motion. The Motion was affirmatively voted upon by the seven Commissioners present.

#### RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Mr. LoPresti presented a Resolution to approve 29 New Video Lottery Game Themes.

Commissioner Blair moved to approve the Resolution, with Commissioner Brady offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

#### FINANCIAL REPORT

Finance Deputy Director Greg Bowers provided to the Commissioners a financial update for the month of May 2021.

- Total sales from Traditional Lottery products equaled \$384.3 million which is 9.1% more than sales in May 2020. This represents the highest sales recorded for the month of May and the 4<sup>th</sup> highest for any month since the lottery's inception.
- Gross Revenue at the seven racinos equaled \$122.4 million, which represents the 3<sup>rd</sup> highest of all time. This was \$2.1 million less than last month; it was \$26.5 million more than May 2019 (pre-pandemic).
- Net revenue to the Lottery after operating expenses are considered was \$439.9 million.

- Total Prize expense, expressed as a percentage of sales, was 64.6% which is about 1% lower than average for this fiscal year.
- The LPEF Profit Transfer for the month of May was \$132.6 million.

## NEW BUSINESS/EXECUTIVE DIRECTOR'S COMMENTS

### Vax-a-Million

Executive Director McDonald discussed the Vax-a-Million program with the Commissioners. For the last month, Vax-a-Million has been one of the agency's top priorities. The Lottery is pleased to be assisting Governor DeWine and the Ohio Department of Health in this groundbreaking initiative to motivated Ohioans to get vaccinated.

- For the May 31 drawing there were 3,225,789 entries for the \$1 million prize. This was over 467,000 more than the first week for an average of 67,000 new entries per day. The youth scholarship had 132,903 youth entries which was over 28,000 more than the first week for an average of over 4,000 new entries per day.
- For the June 7 drawing there were 3,362,203 entries for the \$1 million prize, which was an increase of about 11,000 for a daily average of over 1,500 new entries. The youth scholarship had 143,604 entries which was an increase of about 11,000 for a daily average of over 1,500 new entries.

The program is still getting a ton pf national and international recognition. Our Commission has talked to several US lotteries/administrations as well as lotteries from Quebec and Australia. Since Ohio launched the program, ten other states have launched similar vaccine incentive programs. The Commission continues to promote Vax-a-Million on our social channels and via paid TV and radio.

### Biennial Budget

Director McDonald discussed the Senate Finance Committee version of the budget released last week. As for the Lottery, our financial commitment to the LPEF was adjusted upwards by \$83.2 million for this current fiscal year. With May's LPEF transfer of \$132 million we've already surpassed that commitment total. The budget maintained our commitment to the LPEF for the next biennium – fiscal year 22 is \$1.234 billion and fiscal year 23 is \$1.263 billion.

The Lottery's traditional game sales crossed the \$4 billion dollar threshold as of June 2<sup>nd</sup>. This is the first time in our 47-year history that we have achieved this record! Also, nearly all game categories are ahead of last fiscal year. As of May 29<sup>th</sup>, the Lottery's share of VLT revenue hit \$365 Million, which surpassed the records set in fiscal year 2019 of \$354 Million.

### Audit Committee

The Audit Committee met this morning and approved their annual governance documents for fiscal year 2022. This included the Audit Committee Charter, Internal Audit Charter, and Internal Audit Policy Manual. A full update will be provided by Commissioner Mingo at our July Commission meeting.

Future Meetings

In the cabinet meeting, the Director was told that while resuming in person public meetings is still a major point of discussion with the legislature, we should plan for an in-person commission meeting next month.

ADJOURNMENT

With no further business before the Ohio Lottery Commission, Commissioner Blair informed Commissioners that the next meeting will be held on Wednesday, July 14, 2021 at 12:00 p.m. via teleconferencing or in person.

Respectfully Submitted,



Pat McDonald, Executive Director

Matthew Blair, Commission Chair