



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

NOVEMBER 18, 2020

VIA TELECONFERENCE

Members of the Commission

Matthew Blair, Chairman
James Brady
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
Terri Jones, Administrative Assistant, Executive Office
Charles LoPresti, Chief Legal Counsel, Office of Legal Counsel
Greg Beyer, Deputy Director, Office of Internal Audit
Ron Fornaro, Instant Ticket Product Manager, Office of Sales
Danielle Frizzi Babb, Deputy Director, Office of Communications
Connie Miller, Deputy Director, Office of Operations
Karen Russo, Deputy Director, Office of Responsible Gambling
Greg Bowers, Deputy Director, Office of Finance
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
Michael Gonzalez, Deputy Director, Office of Product Innovation
Sandy Lesko-Sabbath, Deputy Director, Office of Marketing

Rebecca McLemore, Audio Visual Production Specialist, Communications
Thomas Spayd, VLT Management, Operations
Michael Bycko, Visual Communications
Michael Black, Deputy Director, Security
Jonathan Dillinger, Deputy Director, General Services
Dave Evans, Regional Manager, Cincinnati

Additional Attendees

Clair Bennett, Squire Patton Boggs
Timothy Cosgrove, Squire Patton Boggs
Kevin Davis, Hollywood Gaming at Dayton Raceway
Ed Dick, JACK Thistledown Racino
Danny Eldridge, Hanna News
Richard Exner, Cleveland.com
Daniel Kennedy, Hollywood Gaming at Dayton Raceway
Larry King, IGT
Jim Nash, Marcus Thomas LLP
Samuel Porter, Ice Miller, LLP
John Walker, Eldorado 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 and Matthew Szollosi.

APPROVAL OF MINUTES OF OCTOBER 14, 2020

Chairman Blair presented to the Commission for approval the minutes from the October 14, 2020 meeting. Chairman Blair made a Motion to approve the minutes, seconded by Commissioner Gupta. The Motion was affirmatively voted upon by all Commissioners present.

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

Ron Fornaro, Instant Ticket Manager presented before the Commission Five (5) Scratch Off Game Rules in Proposed Form.

- ✦ Rule 3770:1-9-647, Stinkin' Rich (\$1.00)
- ✦ Rule 3770:1-9-648, 7 (\$2.00)
- ✦ Rule 3770: 1-9-649, Lady Luck (\$5.00)
- ✦ Rule 3770: 1-9-650, Monday Multiplier (\$10.00)
- ✦ Rule 3770:1-9-651, \$2,000,000 Extreme Cash (\$20.00)

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

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

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

- ✦ Rule 3770:1-9-640, \$5,000 Taxes Paid (\$1.00)
- ✦ Rule 3770:1-9-641, \$20,000 Taxes Paid (\$2.00)
- ✦ Rule 3770: 1-9-642, \$250,000 Taxes Paid (\$5.00)
- ✦ Rule 3770: 1-9-644, \$500,000 Taxes Paid (\$10.00)

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

APPROVAL OF AMENDED ADMINISTRATIVE RULES IN PROPOSED FORM

Charles LoPresti, Chief Legal Counsel presented before the Commission Amended Administrative Rules Pursuant to Chapter 119 in Proposed Form.

- ✦ Rule 3770:1-6-06, *Special lottery drawings or promotions.*
- ✦ Rule 3770:1-8-07, *Pay vouchers*

Commissioner Blair moved to approve the Amended Administrative Rules in presented in Proposed Form, with Commissioner Rickel offering a second to the Motion. The Motion was affirmatively voted upon by the eight Commissioners present.

MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 IN PROPOSED FORM

Charles LoPresti, Chief Legal Counsel presented before the Commission Mandatory Rule Review Pursuant to Chapter 119 in Proposed Form.

- ✦ Rule 3770:2-4-05, *Sales representatives*
- ✦ Rule 3770:1-6-05, *Prize drawings*

Commissioner Blair moved to approve the Mandatory Rule Review Pursuant to Chapter 119 presented in Proposed Form, with Commissioner Rickel offering a second to the Motion. The Motion was affirmatively voted upon by the eight Commissioners present.

RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Charles LoPresti, Chief Legal Counsel, presented a Resolution to approve forty – eight (48) Video Lottery Game Themes.

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

HOLIDAY CAMPAIGN PRESENTATION

Sandy Lesko-Sabbath, Deputy Director, Marketing, shared with the Commissioners the Lottery's Holiday Scratch Off game commercials Merry Millions and Safe Santa.

FINANCIAL REPORT

Greg Bowers, Deputy Director, Finance, provided to the Commissioners a financial update for the months of September and October 2020.

- Traditional Sales for the month of October were \$330.9 million.
- The daily Numbers games (P3, P4, P5) were up against last year by \$14.8 million, or close to 27.4%.
- Games played in social environments such as Keno, Lucky One, and Fast Play games were up by \$6.7 million or 16.3%.
- Revenue at the seven racinos fared well during the month. GGR was \$94.3 million, up by \$4.0 million over October 2019. Net revenue for the Lottery was \$30.5 million. This is a little more than \$1.1 million, or 3.6% more than last year.
- Profit from traditional lottery games for the month of October were \$97.2 million, \$2.2 million more than more than original estimate, and \$4.1 million more than last year.
- For the first four months of this fiscal year, total profits generated for the LPEF were \$418.4 million, or \$27.3 million higher than our budget, and \$23.7 million more than the first 4 months of last year.

NEW BUSINESS/EXECUTIVE DIRECTOR'S COMMENTS

Executive Director McDonald informed the Commissioners of the following items.

The agency held its first annual Thanksgiving Telethon. This was an agency-wide, virtual event, hosted by the Director and our Cash Explosion talent, Dave McCreary and Alissa Henry. The goal was to kick off the Thanksgiving Holiday and give back to Ohioans in need by encouraging monetary donations to the Ohio Association of Food Banks. Our agency-wide fundraising goal was \$2,500. The total money raised was \$10,000 with over 250 staff participants.

The Lottery Commission has been the recipient of the 2020 NASPL Powers Award. Each year, the North American Association of State and Provincial Lotteries recognizes one outstanding individual from every state lottery with the Powers Awards. The Powers Awards are presented in recognition of significant contributions lottery employees have made through exceptional job performance. This year's Powers Award recipient from the Ohio Lottery is Video Production Manager, Barry Riley. Barry is responsible for managing the production of the agency's Cash Explosion Game Show.

Looking back into 2020, the agency was successful in accomplishing our goals, from implementation of Mobile Cashing, our Super Retailer program, and record-breaking sales month after month. Looking ahead the agency will be expanding our digital presence. The MyLotto Rewards mobile app currently has over 1.1 million active registered users and has experienced significant user growth over the past few years. This digital platform is key to reaching new and existing customers and gathering key consumer insights that can be leveraged for promotional campaigns and product research and development. We plan to offer and expand features such as mobile cashing and additional second chance and cross promotional opportunities, which will ensure continued growth on this important digital tool. The Lottery is actively pursuing new trade channels for the scratch off product line. The Lottery is always exploring opportunities for expanding our retail network. We are currently in the process of recruiting major chains, including Wal-Mart, that will significantly expand our retail base but also require customized self-service vending equipment.

The Lottery will also explore opportunities for expanded promotion of problem gambling awareness as well as combined efforts with the awareness campaigns of the Ohio Department of Mental Health and Addiction Services, and Ohio for Responsible Gambling. Our Responsible Gambling Director Karen Russo has done a great job for the Lottery.

A state-wide curfew will go in effect on November 19, 2020 for a period of 21 days. We do believe the curfew will apply to the seven racino facilities. We are waiting to receive official word from the Governor's office. The Lottery is taking all necessary precautions and is planning for the seven racino facilities to be closed every evening from 10pm – 5am.

ADJOURNMENT

With no further business before the Ohio Lottery Commission, Chairman Blair complimented the Lottery staff on doing an incredible job. Commissioner Blair informed Commissioners that the next meeting will be held on Wednesday, December 9, 2020 at 12:00 p.m. via teleconferencing.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Pat McDonald". The signature is written in a cursive style with a large initial "P".

Pat McDonald, Executive Director

A handwritten signature in blue ink that reads "Matthew Blair". The signature is written in a cursive style with a large initial "M".

Matthew Blair, Commission Chair