



**MINUTES OF THE MEETING OF
THE OHIO LOTTERY COMMISSION**

**HELD AT:
THE FRANK J. LAUSCHE BUILDING
FOURTH FLOOR CONFERENCE ROOM
615 WEST SUPERIOR AVENUE - CLEVELAND, OHIO 44113**

**JUNE 18, 2018
12:00 P.M.**

Present at the meeting were the following:

Members of the Commission:

James Brady
John Lewis
Trevor McAleer
Pat McDonald
Angela Mingo
William Morgan
Elizabeth Vaci
Sean Whalen

Executive Staff of the Commission:

Dennis Berg, Director
Greg Bowers, Deputy Director, Finance
Maureen Hall, Interim Deputy Director, Information Technology
Danielle Frizz-Babb, Deputy Director, Communications
Sandy Lesko Sabbath, Deputy Director, Marketing Communications
Charles LoPresti, Chief Legal Counsel
Steve Kmiotek, Interim Deputy Director, General Services
Nicole Kostura, Deputy Director, Government and Community Relations
Constance Miller, Deputy Director, Operations
Carla Tricarichi, Deputy Director, Public Policy
Jennifer Wilson, Deputy Director, Internal Audit
Traci Konesky, Assistant to the Director

Also Present Were:

Ron Fornaro, Instant Ticket Product Manager
Karen Russo, Office of Public Policy
Mary Kotynski, VLT Management
Rebecca McLemore, Office of Communications
Jaret Williamson, OLC Intern
Lindsey Clark, OLC Intern
T.J. Hunt, OLC Intern
Bruce Anderson, Intralot
Charlie Scannella, Scientific Games
John Walker, Scioto Downs
Ken Ostompowski, Scioto Downs
Greg Kolocin, Hard Rock Rocksino
Ed Dick, JACK Thistledown
Cynthia Hays, JACK Entertainment
Kathy Lenhardt, Hollywood Gaming, Mahoning Valley
John Oberle, Ice Miller
Eric Sarmiento, Cavitch
David Schindelheim, Taft

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

- The Ohio Lottery Commission (“OLC”) meeting of June 18, 2018, was called to order at 12:06 p.m. at the Frank J. Lausche Building, Fourth Floor Conference Room by Chairman Pat McDonald, followed by the Pledge of Allegiance.

ROLL CALL

- The following members of the Commission answered present to the Roll Call: James Brady, John Lewis, Trevor McAleer, Pat McDonald, Angela Mingo, William Morgan, Elizabeth Vaci and Sean Whalen.

INTRODUCTION OF FIRST TIME ATTENDEES

- Chairman McDonald recognized first time attendees: Jaret Williamson, OLC Intern; T.J. Hunt, OLC Intern; Ken Ostompowski, Scioto Downs; and Lindsey Clark, OLC Intern.

APPROVAL OF MINUTES OF MAY 21, 2018

- Chairman McDonald requested a Motion to approve the May 21, 2018 Minutes. Commissioner Lewis made a Motion that was seconded by Commissioner McAleer. The Motion was affirmatively voted upon by all Commissioners present.

CHAIRMAN'S COMMENTS

- Chairman McDonald stated that the OLC is currently in the last month of the fiscal year, and it looks like the OLC will have another record-breaking year.
- Chairman McDonald stated that there will be updates from Marketing and Finance at this Meeting. As well as a brief update from Ms. Tricarichi on the new Ohio Voluntary Exclusion Program.
- Chairman McDonald stated that Commissioner Whalen will provide an update to the Commission from the June 18, 2018 Audit Committee Meeting.

DIRECTOR'S REPORT, DENNIS BERG, DIRECTOR

- Director Berg reported that May represented the eleventh month of fiscal year 2018. Total Sales of \$260.5 million were up \$445,000 or less than 1% higher compared to last May. This was a record sales month for the month of May.
- Multi-State game sales of \$19.0 million were nearly \$1.0 million or 5.0% lower than last May. Sales for the daily draw games such as *Pick 3*, *Pick 4* and *Pick 5* were \$50.6 million, down \$558,000 or 1.0% from last May. However, *Pick 5* sales of \$3.5 million was a record for the month of May.
- Director Berg reported that traditional *Keno* sales of \$34.8 million were \$326,000 or 1.0% higher than last May and was an all-time monthly sales record for the month of May since the game went on sale in August 2008.

- *The Lucky One* sales were \$1.4 million for May. This game did not exist last year. Instant ticket sales of \$134.2 million were \$969,000 or 1% higher than last May. This was a record sales month for the month of May. VLT sales of \$84.7 million, of which \$28.4 million went to the OLC. On a gross sales basis, this is \$1.8 million more than last May.
- Director Berg reported that transfers to the Lottery Profits Education Fund (“LPEF”) of \$95.3 million were roughly \$5.1 million higher than last May’s transfer and \$2.3 million over projections.
- Director Berg stated that the OLC is diligently working on three (3) major conferences that will be in Cleveland this year: the National Council on Legislative and Gaming States (“NCLGS”) Summer Meeting July 13, 2018 through July 15, 2018; National Problem Gambling Conference July 20, 2018 through July 21, 2018; and the North American Association of State and Provincial Lotteries September 25, 2018 through September 27, 2018.

APPROVAL OF FIVE (5) INSTANT GAME RULES IN PROPOSED FORM

- Mr. Fornaro brought before the Commission five (5) Instant Game Rules for approval in Proposed Form. The Rules are as follows:
 - Rule 3770:1-9-480, *Holiday Cash* (\$1.00);
 - Rule 3770:1-9-481, *Holiday Gifts* (\$2.00);
 - Rule 3770:1-9-482, *NAUGHTY or NICE* (\$3.00);
 - Rule 3770:1-9-484, *Holiday Fun!* (\$10.00); and
 - Rule 3770: 1-9-961, *EZPLAY® Skee-Ball®* (\$3.00).
- Chairman McDonald then requested a Motion to approve the five (5) Instant Game Rules in Proposed Form. Commissioner Whalen made a Motion that was seconded

by Commissioner Mingo. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF FOUR (4) INSTANT GAME RULES IN FINAL FORM

- Mr. LoPresti brought before the Commission four (4) Instant Game Rules for approval in Final Form. The Rules are as follows:
 - Rule 3770:1-9-473, *Find The 9's* (\$2.00);
 - Rule 3770:1-9-474, *Skee-Ball®* (\$3.00);
 - Rule 3770:1-9-475, *All About The Bens* (\$5.00); and
 - Rule 3770:1-9-476, *Ohio Cash Blowout* (\$20.00).

- Chairman McDonald then requested a Motion to approve the four (4) Instant Game Rules in Final Form. Commissioner Vaci made a Motion that was seconded by Commissioner Brady. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF AMENDMENT TO ADMINISTRATIVE RULE IN FINAL FORM

- Mr. LoPresti brought before the Commission an Amendment to one (1) Administrative Rule for approval in Final Form.
 - Rule 3770:2-3-07, *Video lottery licenses; renewal.*

- Chairman McDonald then requested a Motion to approve an Amendment to one (1) Administrative Rule in Final Form. Commissioner Vaci made a Motion that was seconded by Commissioner Brady. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF RESCISSION OF ADMINISTRATIVE RULE IN PROPOSED FORM

- Mr. LoPresti brought before the Commission the rescission of one (1) Administrative Rule in Proposed Form.
 - Rule 3770:2-8-01, *Responsible gaming*.

- Chairman McDonald then requested a Motion to approve the rescission of one (1) Administrative Rule in Proposed Form. Commissioner Lewis made a Motion that was seconded by Commissioner Mingo. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF FIVE (5) ADMINISTRATIVE RULES IN PROPOSED FORM

- Mr. LoPresti brought before the Commission five (5) Administrative Rules for approval in Proposed Form.
 - Rule 3770:2-8-01, *Scope and purpose of the Ohio voluntary exclusion program*.
 - Rule 3770:2-08-02, *Application to participate in the Ohio voluntary exclusion program*.
 - Rule 3770:2-08-03, *Responsibilities of voluntarily excluded individuals*.
 - Rule 3770:2-08-04, *Responsibilities of excluded facilities under the jurisdiction of the Ohio lottery commission*.
 - Rule 3770:02-08-05, *Removal from the Ohio voluntary exclusion program*.

- Chairman McDonald then requested a Motion to approve five (5) Administrative Rules in Proposed Form. Commissioner Morgan made a Motion that was seconded

by Commissioner Mingo. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

- Ms. Tricarichi gave a detailed explanation of the new Ohio Voluntary Exclusion Program.

**RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES,
CONSTANCE MILLER, DEPUTY DIRECTOR**

- Ms. Miller brought before the Commission a Resolution to approve sixty-seven (67) new Video Lottery Game Themes. These game themes have been internally reviewed for technical compliance, content and game matrix. The sixty-seven (67) new Game Themes are as follows: five (5) game themes submitted by Bally; seventeen (17) game themes submitted by Everi; thirty-seven (37) game themes submitted by IGT; four (4) game themes submitted by ITS; two (2) game themes submitted by Konami; one (1) game theme submitted by Shufflemaster; and two (2) game themes submitted by WMS.
- Chairman McDonald then requested a Motion to approve the Resolution for sixty-seven (67) new Video Lottery Game Themes. Commissioner McAleer made a Motion that was seconded by Commissioner Vaci. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.
- Ms. Miller reported on a few VLT items: the OLC is currently working on Scioto Downs' second license renewal; MGM has arranged its financing for the Hard Rock Rocksino; and the OLC has received Boyd's application for a transfer of the Belterra License from Pinnacle to Boyd Gaming.

OFFICE OF FINANCE REPORT, GREG BOWERS, DEPUTY DIRECTOR

- Mr. Bowers reported that total traditional sales through May are \$2.9 billion, \$155.4 million or 5.6% higher than sales recorded last year through May, and \$86 million more than sales recorded two (2) years ago.
- Draw-based games are up nearly \$87 million, or 6.4%, while instant ticket sales of \$1.47 billion are up \$68.4 million, or 5% over last year, and nearly \$27.6 million more than the OLC's record setting year of 2016. The OLC is now on target to reach its internal goal set at \$1.6 billion.
- Mr. Bowers reported that VLT net revenue through May is nearly \$900 million, an increase of \$51.4 million against last year for the same period. The OLC's share of this net was \$301.5 million which was \$17.2 million more than last year.
- As a result of all this financial activity, total profit transfers through May are \$1.02 billion, up \$30.2 million over the OLC's commitment and \$66 million more than last year.
- Mr. Bowers reported that due to requirements by OBM State Accounting, the OLC is making two (2) separate LPEF transfers for the month of June 2018, one in late June and one a week later in early July. This will allow State Accounting to post a transfer prior to the fiscal year ending.

OFFICE OF MARKETING COMMUNICATIONS REPORT, SANDY LESKO SABBATH, DEPUTY DIRECTOR

- Ms. Lesko Sabbath played one (1) television spot for the OLC's new *Winners Are Everywhere* campaign.

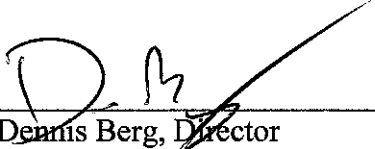
**OFFICE OF COMMUNICATIONS REPORT, DANIELLE FRIZZI-BABB,
DEPUTY DIRECTOR**

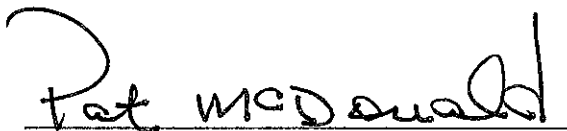
- Ms. Frizz-Babb played a video showing the *Cash Explosion*® Facing Hunger Campaign.

ADJOURNMENT

- Chairman McDonald stated that the next Meeting will be held on July 16, 2018 at 12:00 p.m. Chairman McDonald adjourned the June 18, 2018 Meeting at 12:46 p.m.

Approved:


Dennis Berg, Director



Pat McDonald, Chairman