



**THE OHIO LOTTERY COMMISSION**

MEETING MINUTES

APRIL 10, 2019  
12:00 P.M.

**Present at the meeting were the following:**

Members of the Commission:

Sean Whalen  
James Brady  
John Lewis  
Trevor McAleer  
Angela Mingo  
William Morgan  
Martin Sweeney  
Elizabeth Vaci

Director and Staff of the Ohio Lottery Commission:

Pat McDonald, Director  
Sean Webster, Assistant Director, Operations and Administration  
Nicole Kostura, Assistant Director, Sales and Marketing  
Charles LoPresti, Chief Legal Counsel  
Danielle Frizzi-Babb, Deputy Director, Communications  
Michael Gonzalez, Deputy Director, Product Development and Analytics  
Greg Bowers, Deputy Director, Finance  
Jon Dillinger, Deputy Director, General Services  
Sandy Lesko Sabbath, Deputy Director, Marketing Communications  
Connie Miller, Deputy Director, Operations  
Richard Perk, Deputy Director, Sales Management  
Elizabeth Popadiuk, Deputy Director, Human Resources  
Carla Tricarichi, Deputy Director, Public Policy  
Jennifer Wilson, Deputy Director, Internal Audit  
Nicholas Stadler, Assistant to the Director  
Daniel Carter, Assistant Legal Counsel  
Karren Russo, Office of Public Policy  
Scott Frost, VLT Regulation Manager  
Ron Fornaro, Instant Ticket Product Manager

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### Also Present Were:

Tabatha Vanni, UNITE HERE! Local 24  
Angela Maddamma, UNITE HERE! Local 24  
Matthew Linehem, UNITE HERE! Local 24  
Aidan Kelly, UNITE HERE! Local 24  
Dover Walker, UNITE HERE! Local 24  
Greg Kolocin, MGM  
Alex Morgan, MGM  
Louis Theros, MGM  
Paul Ertel, Jacobs Investments  
John Walker, Scioto Downs  
Ed Dick, JACK Thistledown  
Scott Shaffer, JACK Thistledown  
David Evans, Marcus Thomas LLC.  
Sam Porter, Penn Gaming  
Michelle Simon, Scientific Games  
Mary Kotynski, VLT Management

### **CALL TO ORDER, PLEDGE OF ALLEGIANCE & ROLL CALL**

Interim Chairman Whalen called the meeting of the Ohio Lottery Commission to order at 12:05 p.m. in the Central Office of the Ohio Lottery Commission, 4<sup>th</sup> floor conference room, located at 615 W. Superior Ave. Cleveland, Ohio.

After the Pledge of Allegiance to the Flag, attendance was taken, and a quorum was present.

### **INTRODUCTION OF FIRST TIME ATTENDEES**

The Commission welcomed members of the public and commission staff attending their first meeting.

Tabitha Vanni, Chief Union Steward of UNITE HERE! Local 24, the union for hospitality workers in the metro Detroit, Cincinnati and Cleveland areas, presented to the commission a letter from their President, Nia Winston, regarding recent changes in the ownership and leadership of MGM Resorts, operators of MGM Northfield Park.

Connie Miller, Deputy Director of Operations, indicated that she would be happy to review the letter presented to the commission and would follow up with Ms. Vanni to see what can be done to accommodate their concerns.

Commissioner McAleer requested an update to the commission regarding the concerns presented by Ms. Vanni, following their discussions.

### **CHAIRMAN'S COMMENTS**

Interim Chairman Whalen thanked members of the Audit Committee, Commissioners McAleer, Mingo, and staff for a productive meeting.

Interim Chairman Whalen congratulated Director McDonald on his recent appointment as Director of the Ohio Lottery Commission and on the promotion of Nicole Kostura to Assistant Director for Sales and Marketing and the addition of Sean Webster as Assistant Director for Operations and Administration.

Interim Chairman Whalen asked for an update from Director McDonald, later during the meeting, on the state budget hearings and iLottery.

### **APPROVAL OF MINUTES OF MARCH 18, 2019**

Interim Chairman Whalen requested a motion to approve the March 18, 2019 minutes. Commissioner Brady made a motion that was seconded by Commissioner Mingo. The motion was affirmatively voted upon by all Commissioners present.

### **APPROVAL OF INSTANT GAME RULES - FINAL FORM**

Charles LoPresti, Chief Legal Counsel, presented to the Commission for approval five instant game rules in final form:

- Rule 3770:1-9-525, *Xtra Bonus* (\$1.00)
- Rule 3770:1-9-526, *Lucky* (\$2.00)
- Rule 3770:1-9-527, *Lots of \$500!* (\$5.00)
- Rule 3770:1-9-529, *Million Dollar Cash Bonanza* (\$10.00)
- Rule 3770:1-9-530, *\$1,000,000 Cashword* (\$20.00)

Commissioner Sweeney moved to approve the rules as presented, in final form, with Commissioner Vaci offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

### **APPROVAL OF AMENDMENTS TO ADMINISTRATIVE RULES – PROPOSED FORM**

Mr. LoPresti presented to the Commission for approval one amended administrative rule in proposed form:

- Rule 3770:2-3-05, *Video lottery licenses; suspension or revocation.*

Commissioner Brady moved to approve the rule, as presented, in proposed form with Commissioner Sweeney offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

**MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119- PROPOSED AND FINAL FORM**

Mr. LoPresti presented to the Commission for approval two administrative rules based on the Mandatory Rule Review pursuant to Chapter 119, no change, in proposed and final form:

- Rule 3770-4-09, *Compensation and reimbursement of expenses to be paid licensed lottery sales agents.*
- Rule 3770:1-2-02, *Administrative Procedure Act.*

Commissioner McAleer moved to approve the rule, as presented, in proposed and final form with Commissioner Lewis offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

**MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 – PROPOSED FORM**

Mr. LoPresti presented to the Commission for approval one administrative rule based on the mandatory rule review pursuant to Chapter 119, amendments in proposed form:

- Rule 3770-3-01, *Grounds for suspension or revocation of a license*

Commissioner Sweeney moved to approve the rule, as presented, in proposed form with Commissioner Vaci offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

**RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES**

Mr. LoPresti offered a resolution to approve sixty-nine Video Lottery Game Themes.

Commissioner Lewis 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**

Greg Bowers, Deputy Director, Finance, provided the Commission with a financial update for the month of March 2019. Questions were asked by Commissioners Whalen and McAleer.

## **NEW BUSINESS**

Director McDonald introduced Mike Gonzalez who was promoted to the position of Deputy Director for Product Development and Data Analytics and the addition of Jon Dillinger as the new Deputy Director of General Services.

Director McDonald provided an update on the state operating budget currently pending in the Ohio House of Representatives.. Last week Director McDonald provided testimony to the House Finance - Primary and Secondary Education Sub-Committee. The Director discussed with the Commission questions asked of him during testimony from members of the sub-committee.

Director McDonald stated revenue projections for the new biennium is projected to be \$73 million in new revenue, \$45 million in FY 21', attributable to iLottery. The Commission's bottom line budget proposes a 1.7% increase, with administrative costs at 4.5%, which is in line with industry averages.

The Director also indicated he will continue working with retail partners regarding concerns raised about iLottery. Commissioner Whalen highlighted the benefits of targeted advertising and Commissioner Brady also highlighted some of the iLottery benefits to retailers, and that the program would be opening a new market up to retailers, the younger demographic of the community, who otherwise would not go to a retailer for purchases.

Director McDonald updated the Commission on legislation currently before the General Assembly dealing with the establishment and regulation of sports betting in Ohio.

Commissioner Mingo asked about the timeline for iLottery implementation. Director McDonald indicated that the process has started and anticipates the program to be up and running in a year, specifically summer of 2020.

Chairman Whalen and Commissioners Lewis and Sweeney also asked questions regarding implementation of sports betting and the legislative process moving forward.

Director McDonald and staff attended the grand opening of the new MGM Northfield Park, which is the number one gaming facility in sales in Ohio and looks forward to the new working partnership with MGM.

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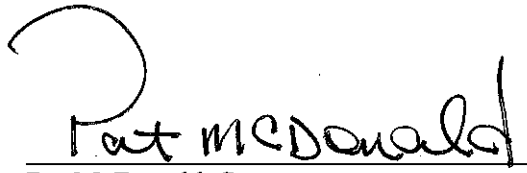
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Director McDonald will be delivering remarks at the North American Association of State and Provincial Lotteries Leadership Conference, to be held in Cleveland during the week of April 15<sup>th</sup>, 2019. Ohio Lottery Commission staff will be in attendance throughout the conference.

**ADJOURNMENT**

With no further business to come before the Ohio Lottery Commission, Interim Chairman Whalen adjourned the meeting at 12:37 p.m.

  
Pat McDonald, Secretary

Approved:

  
Sean Whalen, Interim Chairman