



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

MARCH 30, 2020

VIA TELECONFERENCING

Members of the Commission

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

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
Daniel Carter, Deputy Chief Legal Counsel, Office of Legal Counsel
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
Mary Caroline Gavin, Lottery Sales Representative, Office of Sales
Connie Miller, Deputy Director, Office of Operations
Karen Russo, Deputy Director, Office of Responsible Gambling
Greg Bower, Deputy Director, Finance

Additional Attendees

Elizabeth Abate, Marcus Thomas, LLC
Chad Armstrong, Ohio Turnpike Commission
Danny Eldredge, Hanna News
Rich Exner, Cleveland.Com
Kathleen Lenhardt, Hollywood Gaming at Mahoning Valley
Jim Nash, Marcus Thomas LLC
John Oberle, Ice Miller
Paul Ostendorf, Intralot U.S.
Chris Pogorelc, Ohio Turnpike Commission
Marty Seekely, Ohio Turnpike Commission
Michelle Simon, Scientific Games International
John Walker, Eldorado Scioto Downs
Ed Dick, JACK Thistledown Casino

Caller did not identify his/herself from the following numbers:

330-360-8165
330-610-0134
440-552-8792
513-442-9896
614-309-2243
614-395-2866
702-692-6244
740-917-5270

CALL TO ORDER

Chairman Blair asked Director McDonald to talk about the legislation to allow this meeting to take place.

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 (present during the whole meeting/technical problem with sound), Martin Sweeney and Sean Whalen.

APPROVAL OF MINUTES OF FEBRUARY 12, 2020

Chairman Blair presented to the Commission for approval the minutes from the February 12, 2020 meeting, Chairman Blair made a motion to approve the minutes, seconded by Commissioner Sweeney. The Motion was affirmatively voted upon by all Commissioners present.

APPROVAL OF FOUR (4) SCRATCH GAMES IN PROPOSED AND FINAL FORM

Ron Fornaro, Instant Ticket Manager, presented before the Commission Four (4) Scratch Off Game Rules in Proposed and Final Form.

- Rule 3770:1-9-587, *Money Bags* (\$1.00)
- Rule 3770:1-9-588, *Ohio Lottery Mega Millions®* (\$2.00)
- Rule 3770:1-9-590, *Treasure Hunt* (\$5.00)
- Rule 3770:1-9-591, *Ohio Millions* (\$10.00)

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

APPROVAL OF FOUR (4) SCRATCH GAMES IN FINAL FORM

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

- Rule 3770:1-9-580, *7-11-21®Tripler* (\$1.00)
- Rule 3770:1-9-581, *Multiplier Mania* (\$2.00)
- Rule 377-:1-9-582, *Fast Cash* (\$5.00)
- Rule 3770:1-9-583, *Limited Edition* (\$20.00)

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

APPROVAL OF MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 IN PROPOSED AND FINAL FORM – NO CHANGE

Charles LoPresti, Chief Legal Counsel, presented before the Commission the Mandatory Rules in Proposed and Final Form.

- Rule 3770:1-9-23, Game Rule Number Twenty-Three (*Rolling Cash 5*)
- Rules 3770:1-9-947, Game Rule Number Nine Hundred Forty-Seven (*EZ Play Tap game*)

Commissioner Brady moved to approve the Rules as presented in Proposed and Final Form without changes, with Commissioner Mingo offering a second to the Motion. The Motion was affirmatively voted upon by the eight Commissioners present.

RESOLUTION TO APPROVE TWO (2) TOUCH AND WIN EZPLAY® TAP GAME THEMES

Charles LoPresti, Chief Legal Counsel, presented before the Commission a resolution to approve TOUCH & WIN EZPLAY®TAP GAME themes High Roller Riches and Blazin' Dice.

Commissioner Blair moved to approve the Resolution, with Commissioner Sweeney 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 sixty – five 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 eight Commissioners present.

Mr. LoPresti also reminded the Commissioners that the deadline to file financial disclosures has been extended by the Ohio Ethics Commission from May 15, 2020 to July 15, 2020.

Mr. LoPresti also reminded the Commissioners that now is a good time to complete their Ohio Ethics Training while working from home. An email with the link to this training will be sent to each Commissioner from the Legal department.

FINANCIAL REPORT

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

- Traditional Sales for the month of February were \$284.6 million, which was \$32.3 million, or 12.8% more than the previous February – and the highest recorded sales ever for the month of February. Sales have exceeded last year by over \$20 million.
- In addition to stronger than expected traditional lottery sales, Net Profit generated from VLTs were up over forecast by \$2.6 M, and \$3.5 million more than February of LY. Again, the calendar was in our favor, as we had an additional Saturday due to Leap Year.
- As a result, Profit for the month was very healthy \$97.1 million, \$7.8 million more than our commitment, and \$8.5 million more than last year.
- For the first 8 months of the Fiscal Year– traditional sales were up 1.0%, or \$22.8 million; Our share of VLT revenue is up nearly \$20 million

For the first couple of weeks of March – when everything was operating normal, we were slightly ahead of last year in traditional sales (up \$3 million).

However, March 13th was the last full day that the Racinos were open. Based on expected performance for the month and recent trends for VLTs, we're expected to lose around \$1.1 to \$1.2 million per day in profits for the month.

On Sunday night, March 15th, the Governor ordered all Bar/Restaurant type establishments closed. We have roughly 2,800 of those outlets. They are still open for carry out and there are some sales going on there, but that's roughly a little more than a 25% of our retail base.

Through the first TWO WEEKS of this "State of Emergency" traditional Sales are down \$43.9 million, however a lot of that is from Powerball. Last year at this time we had a jackpot of \$768 million while this year it is only \$160 million.

If you don't include Powerball – the Lottery is down a little more than \$25 million in traditional sales compared to last year– and more than ½ of this is from Keno/Lucky One/Fast Play games that are typically played in social environments such as Bars.

This translates into estimated profits of roughly \$30 million less in the last 2 weeks compared to the same time period and includes VLT profits as well.

The Lottery is in constant communication with OBM regarding our performance and what to expect for the rest of March and April and possible May.

NEW BUSINESS/EXECUTIVE DIRECTOR'S COMMENTS

Executive Director McDonald informed the Commissioners that he has been on weekly Cabinet call with the Governor's Office. Governor DeWine has been very proactive, holding press conferences every day at 2:00 p.m. that are very helpful.

The Director also told the Commissioners that 91% of Lottery Staff is working remotely from their homes.

Sean Webster, Assistant Director of Operations and Administration informed the Commissioners that OBM has asked each agency to cut 20% of their operating budget. Much of the cuts will be based on sales, hiring freeze, and no Cash Explosion Road Show. The Lottery is required to send a letter to OBM by April 7th with their budget plan. The Lottery will also look at ways to increase revenue in 2021.

Director informed commissioners that Cash Explosion Shows are pre-recorded. A message from Governor DeWine and Dr. Action will be shown during the airing of the show.

The Lottery donated 5 pallets of food to the Cleveland Food Bank. The donated food was collected during Cash Explosion Show tapings as part of their annual Facing Hunger campaign.

ADJOURNMENT

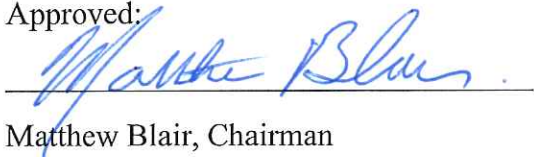
With no further business before the Ohio Lottery Commission, Chairman Blair complimented the Lottery on the donation of food and encouraged the Commissioners to do the same. Commissioner Blair informed Commissioners that the next meeting will be held on Wednesday, April 15, 2020 at 12:00 p.m. via teleconferencing.

Respectfully Submitted,



Pat McDonald, Executive Director

Approved:



Matthew Blair, Chairman

