



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

APRIL 15, 2020

VIA TELECONFERENCING

Members of the Commission

Matthew Blair, Chairman  
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  
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  
Michael Black, Deputy Director, Security  
Greg Bowers, Deputy Director, Finance  
Michael Gonzalez, Deputy Director, Product Innovation  
Richard Perk, Deputy Director, Sales

Additional Attendees

Kathleen Lenhardt, Hollywood Gaming at Mahoning Valley  
John Oberle, Ice Miller Paul  
Ostendorf, Intralot U.S.  
John Walker, Eldorado Scioto Downs  
Ed Dick, JACK Thistledown Casino  
Scott Shaffer, JACK Thistledown Casino

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

440-476-7316  
502-396-9082  
614-395-3436  
614-813-9587

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, Nita Gupta, Jonathan Hughes, Angela Mingo, Mark Rickel, Martin Sweeney and Sean Whalen.

APPROVAL OF MINUTES OF MARCH 30, 2020

Chairman Blair presented to the Commission for approval the minutes from the March 30, 2020 meeting, Chairman Blair made a motion to approve the minutes, seconded by Commissioner Hughes. The Motion was affirmatively voted upon by all Commissioners present.

RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Charles LoPresti, Chief Legal Counsel, presented a Resolution to approve thirty-four Video Lottery Game Themes.

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

FINANCIAL REPORT

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

- Traditional Sales for the month of March were \$273.3 million, which was \$50.2 million or 15.5% less than the sales generated last March. March is typically one of the best months of the fiscal year in terms of sales revenue.
- Roughly 30% of our retailer network is inactive – meaning not selling lottery at this time.
- Even without a large percent of our retail base selling, this represented the 5<sup>th</sup> highest March in history.
- Most of the decrease for the month was attributed to draw-based game products which were down \$48.3 million, or 28.4% from last year.
- Sales from games that primarily come from the bar/restaurant type channels accounted for 40% of this drop
- Sales from Powerball accounted for \$25.5 million of the decrease in draw game sales or 53%.
- Scratch ticket sales were down only \$1.9 million, or 1.2% for the month, tracking much better than the industry average; (which I'll talk about a little later)
- Revenue from VLTs reflect the 13 days they were operational, as the Racinos were ordered closed as of March 14<sup>th</sup>. We were seeing indications of sales declines going into that last week as well. Net profit generated from VLTs were \$12.9 million. This was \$20.9 million less than last March and \$21.9 million less than forecast for the month.
- Profit for the month was \$78.4 million, \$26 million less than our commitment, and \$30.9 million less than last year.

To date transfers to the Lottery Profits Education Fund are still up by \$4 million over our commitment, \$28.4 million less than last year.

Traditional sales are down nearly \$24 million or 18%.

Draw-based games are down \$19.6 million. Most of this decrease can be attributed to products played in the social environment such as bars/restaurants, which is to be expected due to over 2400 on-premise Keno locations that have temporarily closed due to COVID-19 which is roughly 25% of our retail base. This category represents almost \$15 million of the negative variance for drawbased games, or nearly 80% of variance.

Scratch tickets sales are down \$4.3 million, or 7.1% since April 1<sup>st</sup>.

#### NEW BUSINESS/EXECUTIVE DIRECTOR'S COMMENTS

Executive Director McDonald asked Assistant Director of Operations and Administration, Sean Webster to give the Commissioners an overview of the budget plans. Assistant Director Webster informed the Commissioners that OBM requested that all State Agencies submit a plan to reduce remaining spending for this fiscal year by 20%. These plans were due by April 7, 2020. The Lottery submitted their plans on April 3, 2020. OBM is reviewing the submitted plans and the Lottery is waiting for additional guidance on the next steps. OBM has also put the following measures in place for the last month, hiring freeze (except essential staff), no pay increase or promotions for unclassified employees, travel freeze and a freeze on new non contractual services.

Director McDonald also informed the Commissioners of the following:

- The Director has instructed the creation of a working group comprised of senior staff. The goal of this working group is to brainstorm and construct methods to increase lottery profits for education. This could include iLottery, new retailers, and new games after the crisis is over. The Director will then present these ideas to the Governor's office.
- Regional Managers have done a great job of communicating with their staff. Staff has been communicating with retailers and making sure they are aware of the importance of abiding by the Governor's orders of social distancing and COVID-19 best practices.
- The Department of Jobs and Family Services has reached out to State agencies for volunteers to help with the call center due to the high volume. The Lottery has submitted a list of 85 employees to assist with this effort.
- *Get \$500, Give \$500 Promotion.* The Facebook promotion is to highlight Ohioans making a difference during this difficult time.
- Mega Million and Powerball minimum starting jackpots have been reduced.
- Mobile Cashing, which will allow players to cash prizes \$50 and \$5,000 from their cell phone or mobile device will be activated later this month. Due to regional cashing centers and Racinos being closed, Players currently mail in their claims.
- Cash Explosion Show. Informed the Commissioners of new ideas and production. Sean Webster, Assistant Director of Operations and Administration provided an update of the content of upcoming shows.
- Director McDonald gave an overview of the Audit Commission Meeting that took place on April 15<sup>th</sup>.
- The Director also shared a "Feel Good" story about a recent lottery winner who found his \$1 million dollar winning Powerball ticket just a few days before it expired. Claims was able to make sure it got processed in time for him.

### 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, May 13, 2020 at 12:00 p.m. via teleconferencing.

Respectfully Submitted,



---

Pat McDonald, Executive Director Approved:



---

Matthew Blair, Chairman