



**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**

**DECEMBER 17, 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
Martin Sweeney
Elizabeth Vaci
Sean Whalen

Executive Staff of the Commission:

Dennis Berg, Director
Greg Bowers, Deputy Director, Finance
Danielle Frizz-Babb, Deputy Director, Communications
Maureen Hall, Interim Deputy Director, Information Technology
Steve Kmiotek, Interim Deputy Director, General Services
Sandy Lesko Sabbath, Deputy Director, Marketing Communications
Charles LoPresti, Chief Legal Counsel
Richard Perk, Deputy Director, Sales Management
Liz Popadiuk, Deputy Director, Human Resources
Carla Tricarichi, Deputy Director, Public Policy
Jennifer Wilson, Deputy Director, Internal Audit
Traci Konesky, Assistant to the Director

Also Present Were:

Martin Morrow, Assistant Deputy Director of Sales
Dan Carter, Office of Legal Counsel
Mike Sliwinski, Office of Legal Counsel
Karen Russo, Office of Public Policy
Marie Kilbane Seckers, Office of Communication
David Evans, Marcus Thomas
John Walker, Scioto Downs
Kathy Lenhardt, Hollywood Gaming, Mahoning Valley
Kyle Wentz, Hard Rock Rocksino
Greg Kolocin, Hard Rock Rocksino
Ed Dick, JACK Thistledown
Tony Frabielle, Penn
Sam Porter, Penn
John Oberle, Ice Miller

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

- The Ohio Lottery Commission (“OLC”) meeting of December 17, 2018, was called to order at 12:07 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: John Lewis, Trevor McAleer, Pat McDonald, Angela Mingo, William Morgan, Martin Sweeney, Elizabeth Vaci and Sean Whalen. Commissioner James Brady arrived following Roll Call at 12:10 p.m.

INTRODUCTION OF FIRST TIME ATTENDEES

- Chairman McDonald recognized first time attendee Sam Porter from Penn National.

APPROVAL OF MINUTES OF NOVEMBER 19, 2018

- Chairman McDonald requested a Motion to approve the November 19, 2018 Minutes. Commissioner Lewis made a Motion that was seconded by Commissioner Mingo. The Motion was affirmatively voted upon by all Commissioners present.

DIRECTOR'S REPORT, DENNIS BERG, DIRECTOR

- Director Berg reported that November represented the fifth month of fiscal year 2019. Total Sales of \$258.2 million were up \$11.7 million or 5.0% higher compared to last November. This was an all-time monthly record for the month of November in the OLC's history.
- Multi-State game sales of \$17.3 million were up \$1.8 million or 12% higher than last November. This was less than the record shattering \$87 million from October 2018 due to the record Mega Millions® jackpot.
- Director Berg reported that sales for the daily draw games such as Pick 3, Pick 4 and Pick 5 were \$49.0 million, up \$1.4 million or 3% from last November.
- Traditional Keno sales of \$36.2 million were \$1.7 million or 5% higher than last November and was an all-time monthly sales record for the month of November since the game went on sale in August 2008. The Lucky One sales were \$1.4 million for November.
- Director Berg reported that instant ticket sales of \$131.6 million were \$3.2 million or 3% higher than last November. This was a record sales month for the month of November.

- VLT sales were \$80.4 million, of which \$26.9 million went to the OLC. On a gross sales basis, this is \$4.5 million more than last November for over an 5.8% increase.
- Director Berg reported that transfers to the Lottery Profits Education Fund were \$89.7 million, roughly \$2.7 million over projections and \$3.1 million over last November's transfer.

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

- Mr. Morrow brought before the Commission four (4) Instant Game Rules for approval in Proposed Form. The Rules are as follows:
 - Rule 3770:1-9-509, *Diamonds X 10* (\$2.00);
 - Rule 3770:1-9-510, *Twisted Treasures* (\$3.00);
 - Rule 3770:1-9-511, *Monopoly™ 25X* (\$5.00); and
 - Rule 3770:1-9-512, *50X The Money* (\$10.00).
- Chairman McDonald then requested a Motion to approve the four (4) Instant Game Rules in Proposed Form. Commissioner McAleer made a Motion that was seconded by Commissioner Whalen. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

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

- Mr. LoPresti brought before the Commission five (5) Instant Game Rules for approval in Final Form. The Rules are as follows:
 - Rule 3770:1-9-502, *Fireball Bingo Doubler* (\$2.00);

- Rule 3770:1-9-503, *Wild Cherry Doubler* (\$1.00);
- Rule 3770:1-9-504, *Some Like It Hot* (\$2.00);
- Rule 3770:1-9-506, *Jewel 7s* (\$5.00); and
- Rule 3770:1-9-507, *\$5,000,000 Bonus* (\$20.00).

Chairman McDonald then requested a Motion to approve the five (5) Instant Game Rules in Final Form. Commissioner Lewis made a Motion that was seconded by Commissioner Vacì. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF AMENDMENTS TO ADMINISTRATIVE RULE IN PROPOSED FORM

- Mr. LoPresti brought before the Commission Amendments to one (1) Administrative Rule in Proposed Form.
 - Rule 3770:2-4-06, *Video lottery sales agent employee licenses; suspension or revocation.*
- Chairman McDonald then requested a Motion to approve Amendments to one (1) Administrative Rule in Proposed Form. Commissioner Brady made a Motion that was seconded by Commissioner Mingo. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

**MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 IN PROPOSED
FORM -AMENDMENTS**

- Mr. LoPresti brought before the Commission two (2) Administrative Rules based on the Mandatory Rule Review Pursuant to Chapter 119, Amendments, in Proposed Form. The Rules are as follows:
 - Rule 3770-4-07, *Stolen and destroyed tickets.*
 - Rule 3770:2-5-06, *Technology providers licenses; suspension or revocation.*

- Chairman McDonald then requested a Motion to approve two (2) Administrative Rules based on the Mandatory Rule Review Pursuant to Chapter 119, Amendments, in Proposed Form. Commissioner Brady made a Motion that was seconded by Commissioner McAleer. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

**MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 IN PROPOSED
FORM -RESCISSION**

- Mr. LoPresti brought before the Commission one (1) Administrative Rule based on the Mandatory Rule Review Pursuant to Chapter 119, Rescission, in Proposed Form. The Rule is as follows:
 - Rule 3770-4-08, *Payment of Minor Prizes.*

- Chairman McDonald then requested a Motion to approve one (1) Administrative Rule based on the Mandatory Rule Review Pursuant to Chapter 119, Rescission, in Proposed Form. Commissioner Vaci made a Motion that was seconded by

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

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

- Mr. LoPresti brought before the Commission two (2) Administrative Rules based on the Mandatory Rule Review Pursuant to Chapter 119, no change, in Proposed and Final Form. The Rules are as follows:
 - Rule 3770-4-03, *Sale of lottery games.*
 - Rule 3770:2-3-08, *Video lottery licenses; compensation, credits, and reimbursement of expense.*

- Chairman McDonald then requested a Motion to approve two (2) Administrative Rules based on the Mandatory Rule Review Pursuant to Chapter 119, no change, in Proposed and Final 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.

RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES, MAUREEN HALL, INTERIM DEPUTY DIRECTOR

- Ms. Hall brought before the Commission a Resolution to approve fifty-two (52) new Video Lottery Game Themes. These game themes have been internally reviewed for technical compliance, content and game matrix. The fifty-two (52) new Game Themes are as follows: three (3) game themes submitted by AGS; two (2) game themes submitted by Ainsworth; six (6) game themes submitted by Aristocrat; one (1) game theme submitted by Bally; three (3) game themes submitted by Everi;

twenty-nine (29) game themes submitted by IGT; two (2) game themes submitted by Incredible Technologies; two (2) game theme submitted by Novomatic; three (3) game themes submitted by Scientific Games; and one (1) game theme submitted by WMS.

- Chairman McDonald then requested a Motion to approve the Resolution for fifty-two (52) new Video Lottery Game Themes. Commissioner Morgan made a Motion that was seconded by Commissioner Whalen. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

**OFFICE OF INFORMATION TECHNOLOGY REPORT, MAUREEN HALL,
INTERIM DEPUTY DIRECTOR**

- Ms. Hall gave a brief presentation on the new photon terminals.

**OFFICE OF SALES MANAGEMENT REPORT, RICHARD PERK, DEPUTY
DIRECTOR**

- Mr. Perk reported that this November recorded yet another record breaker. Sales for all categories broke previous sales for the month of November. Total sales were stronger than last year's record setting month of November by \$7.8 million.
- Instant sales year-to-date for fiscal year 2019 are \$738.1 million compared to \$709.7 million last year through the same time period. That is a \$28.4 million increase or 4% over the OLC's record setting pace from fiscal year 2018.
- Mr. Perk reported that holiday game sales are trending well, but behind last year's pace by \$3 million. The \$1.00, \$5.00 and \$10.00 holiday games are performing at or above expectations. The \$2.00 and \$3.00 games continue to decline and strategies have been adjusted to address these declines.

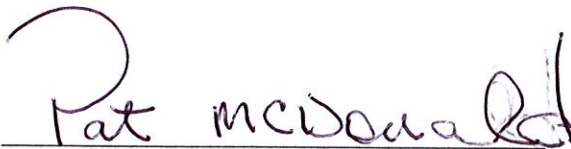
- Overall, the OLC is performing well considering all the challenges confronting the sales force and retailers. Some of those challenges include the following: competition from all the other products and services competing for prime counter space; merchandising OLC products efficiently and effectively; and equipment issues developed from converting on-line terminals to the new photon.
- Mr. Perk stated that with all things considered, the regional sales team has done a remarkable job growing sales and maintaining a strong relationship with their retailers through this challenging period.

ADJOURNMENT

- Chairman McDonald thanked the staff on behalf of the Commission for all of their hard work in 2018. Chairman McDonald stated that the next Meeting will be held on January 7, 2019 at 12:00 p.m. Chairman McDonald adjourned the December 17, 2018 Meeting at 12:58 p.m.


Dennis Berg, Director

Approved:



Pat McDonald, Chairman