



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

MAY 8, 2019
12:00 P.M.

Present at the meeting were the following:

Members of the Commission:

John F. Lewis
Trevor A. McAleer
Angela M. Mingo
William N. Morgan
Martin J. Sweeney
Elizabeth D. Vaci
Sean A. Whalen

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
Greg Bowers, Deputy Director, Finance
Danielle Frizzi-Babb, Deputy Director, Communications
Maureen Hall, Deputy Director, Information Technology
Susan Diamond, VLT Regulation
Michael Gonzalez, Deputy Director, Product Development and Analytics
Carla Reeves, Office of Internal Audit
Tom Spayd, VLT Regulation
Sandy Lesko-Sabbath, Deputy Director, Marketing
Connie Miller, Deputy Director, Operations
Rebecca McLemore, Communications
Jon Dillinger, Deputy Director, General Services
Ron Fornaro, Instant Ticket Product Manager
Simeonia Mays, Interim Deputy Director, Security



Also Present Were:

Allie Evangelista, Penn National
Kathy, Hollywood Gaming at Mahoning Valley
Rob Swedinovich, Miami Valley Gaming
John Walker, Scioto Downs
Jamie Brown, MGM Northfield Park
Chris Kelly, MGM Northfield Park
Kyle Wentz, MGM Northfield Park
Greg Kolocia, MGM Northfield Park
Louis Tyeros, MGM Northfield Park
Dan, Penn National
John Oberle, Ice Miller
Michelle Simon, Scientific Games

CALL TO ORDER, PLEDGE OF ALLEGIANCE & ROLL CALL

Interim Chairman Whalen called the meeting of the Ohio Lottery Commission to order at 12:07 p.m. in the Central Office of the Ohio Lottery Commission, 4th 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 Kimhok TE a guest of Commissioner McAleer. Mr. TE is a fellow with the American Council of Young Political Leaders. Mr. TE is from Columbia and currently is working with the Cuyahoga County Council.

APPROVAL OF MINUTES OF APRIL 10, 2019

Interim Chairman Whalen presented to the Commission the minutes from the April 10th meeting. Commissioner Morgan made a motion that was seconded by Commissioner Lewis. The motion was affirmatively voted upon by all Commissioners present.

CHAIRMAN'S COMMENTS

Audit Committee met last month, closing four open items. The next quarterly meeting will be prior to the June Ohio Lottery Commission meeting to finalize governance documents for the next fiscal year.



Gov. DeWine Innovate Ohio – modernize innovation and technology within state agencies. An update will be given by Maureen Hall later in the meeting.

Chris Kelly of MGM Northfield Park will provide a update on their recent transition.

APPROVAL OF THREE INSTANT GAME RULES IN PROPOSED FORM

Ron Fornaro, Instant Ticket Product Manager, presented to the Commission for approval three instant game rules in proposed form:

- Rule 3770:1-9-535, *Why Did the Chicken Cross The Road?* (\$2.00)
- Rule 3770:1-9-536, *Word* (\$3.00)
- Rule 3770:1-9-537, *Lucky Loot HD* (\$5.00)

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

MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119

Charles LoPresti, Chief Legal Counsel, presented to the Commission for approval two no change administrative rules, in proposed and final form:

- Rule 3770-2-01, *Return and settlement of tickets and collection of lottery sales revenue.*
- Rule 3770-4-06, *Persons eligible; application.*

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

MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119

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

- Rule 3770:2-3-03, *Video lottery license; issuance of license.*

Commissioner Morgan 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.



RESOLUTION TO APPROVE MULTI-PURPOSE NEXT GENERATION GAME THEME

Mr. LoPresti offered a resolution to approve one multi-purpose next generation game theme:

- *Pot O' Gold Bingo*

Commissioner Vaci moved to approve the resolution with Commissioner Lewis 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 thirty-one Video Lottery Game Themes.

Commissioner Lewis moved to approve the resolution with Commissioner Sweeney 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 April 2019. Instant ticket sales for the month of April, \$141.7 million in sales, a record for the month of April, \$1.8 million higher than the same month last year.

Total traditional ticket sales for April were \$276.7 million. Draw game sales totaled \$134.9 million, \$6.6 million higher than the same month last year.

Operating transfers to the Lottery Profit Education Fund for April totaled \$96.7 million, \$1.6 million higher than the same period last year. If the Ohio Lottery meets the commitment for the last two periods, the total year end transfer will be at \$1.155 billion from the \$1.093 billion commitment.

VLT revenues for the month of April were \$89.6 million, of this, \$30 million represented revenue for the Ohio Lottery.

Questions were asked by Commissioners Whalen and McAleer.



INNOVATE OHIO UPDATE

Maureen Hall, Deputy Director, Information Technology, provided an overview of Innovate Ohio. The Innovate Ohio Platform is established to make state government more effective and efficient using technology to improve customer service and save tax dollars.

Ms. Hall offered an overview how this will impact the Ohio Lottery. There is a March 31, 2020 deadline to complete the migration. Ohio Lottery will continue meeting with agencies to discuss the migration process.

Ms. Hall and Director McDonald commented on the smooth process and good relationship between the administration and the Ohio Lottery. The gaming system and website will continue to be based in Cleveland. Other data will be transferred to Columbus and we will be working with DAS, the Lieutenant Governor and others on that process.

Questions were asked by Commissioners Whalen, Lewis and Sweeney.

SECOND CHANCE PROMO WINNER UPDATE

Danielle Frizzi-Babb, Deputy Director, Communications, presented to the Commission a video highlighting a recent winner of Willy Wonka Billion Dollar Challenge, second chance promotion, Mr. Brian Harmon of Union City, Ohio who won \$2 million in Las Vegas.

NEW BUSINESS

MGM Northfield Park – Ohio Transition Update.

Chris Kelly of MGM Northfield Park and his team provided an update to the Commission on their Ohio transition from Hard Rock Rockcino to MGM Northfield Park, which began in April.

The transition included the addition of a new sports bar, implementation of a multi layered information and technology platform and roll out of the MGM player rewards program.

Director's Comments.

Executive Director Pat McDonald briefed the Commission on the State Operating Budget, as it relates to the Ohio Lottery Commission. The Director was in Columbus last week to provide testimony to the Senate Primary & Secondary Education Sub-committee. Questions were asked of the Director by members of the committee, specifically related to the implementation of iLottery in Ohio.



Questions were asked by Commissioners McAleer, Vaci, Mingo, and Sweeney.

The Director also shared with the Commission that a consultant who implemented the Michigan iLottery, would be presenting to Commission staff regarding best practices. Additionally, the Director briefed the Commission on the timeline for implementation of iLottery, including the RFI & RFP process.

Next, the Director discussed the legislation pending in the General Assembly regarding implementation of Sports Wagering in Ohio. The Director met recently with the Governor and the Director of the Casino Control Commission to discuss various aspects of implementation as it relates to each agency.

Questions were asked by Commissioners Whalen, Morgan, and McAleer. Assistant Director Nicole Kostura also provided clarification to questions raised by Commission members.

Director McDonald reported that the photon terminal conversion has been completed, converting roughly 10,000 points of sale terminals since December 2018. Ohio Lottery is now the first lottery in USA to offer cashless as a payment option on the entire network.

The Director and senior staff will be attending the ICE North American Conference, with an emphasis on sports wagering and iLottery, in Boston during the week of May 13th.

Director McDonald also recognized National Public Service Week and thanked the employees of the Lottery Commission for their dedication and service.

Commissioner Whalen also echoed the Director's sentiments and thanked staff members for their years of loyal service and exceptional performance on behalf of the taxpayers of the State of Ohio.

ADJOURNMENT

With no further business to come before the Ohio Lottery Commission, Interim Chairman Whalen adjourned the meeting at 1:12 p.m.

A handwritten signature in blue ink that reads "Pat McDonald".

Pat McDonald, Secretary

Approved:

A handwritten signature in black ink that reads "Sean Whalen".

Sean Whalen, Interim Chairman