



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

FEBRUARY 10, 2021

VIA TELECONFERENCE

Members of the Commission

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

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  
Michael Gonzalez, Deputy Director, Office of Product Innovation  
Charles LoPresti, Chief Legal Counsel, Office of Legal Counsel  
Greg Bowers, Deputy Director, Office of Finance  
Terri Jones, Administrative Assistant, Executive Office  
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  
Dan Carter, Deputy Director, Office of Legal Counsel  
Nick Ciofani, Deputy Director, Office of Government & Community Affairs  
Marty Morrow, Deputy Director, Office of Sales  
Rick Perk, Deputy Director, Office of Sales  
Sandy Lesko-Sabbath, Deputy Director, Office of Marketing

Michael Black, Deputy Director, Office of Security  
Jon Dillinger, Deputy Director, Office of General Services  
Marie Kilbane Seckers, Communications  
Carla Reeves, Internal Audit  
Thomas Spayd, VLT Management

Additional Attendees

Kevin Davis, Hollywood Gaming at Dayton Raceway  
Jim Nash, Marcus Thomas, LLP  
John Walker, Eldorado Scioto Downs  
Carla Kuchta, Intralot  
Sarah O'Driscoll, Fahlgren Mortine  
Debbie Pirone, Marcus Thomas LLC  
Sam Porter, IceMiller, LLC  
Justin Remschneider, Belterra Park  
Rob Swedinovich, Miami Valley Gaming and Racing

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, James Brady, Nita Gupta, Jonathan Hughes, Angela Mingo, Mark Rickel, Martin Sweeney, and Matthew Szollosi.

APPROVAL OF MINUTES OF JANUARY 13, 2021

Chairman Blair presented to the Commission for approval the minutes from the January 13, 2021 meeting. Commissioner Mingo made a Motion to approve the minutes, seconded by Commissioner Gupta. The Motion was affirmatively voted upon by all Commissioners present.

APPROVAL OF THREE (3) SCRATCH OFF GAMES IN PROPOSED FORM

Charles Lopresti, Chief Legal Counsel presented before the Commission three (3) Scratch Off Game Rules in Proposed Form.

✦ Rule 3770:1-9-658, Bingo! (\$1.00)

- ✦ Rule 3770:1-9-659, Hit the Jackpot (\$20.00)
- ✦ Rule 3770: 1-9-661, White Ice (\$2.00)

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

#### APPROVAL OF ONE (1) EZPLAY® GAME IN FINAL FORM

Ron Fornaro, Instant Ticket Project Manager presented before the Commission one EZPLAY game in Final Form.

- ✦ Rule 3770:1-9-965, EZPLAY® PAC-MAN® (\$2.00)

Commissioner Blair moved to approve the Rule as presented in Final Form. Commissioner Brady offered a second to the Motion. The Motion was affirmatively voted upon by the eight Commissioners present.

#### MANDATORY RULES REVIEW PURSUANT TO CHAPTER 119 IN FINAL FORM-ADMENDMENT

Chief Legal Counsel Charles LoPresti presented in Final Form four administrative rules under Mandatory Rules Review Pursuant to Chapter 119.

- ✦ Rule 3770:4-05, *Sales Representative*
- ✦ Rule 3770:1-6-05, *Prize drawings*
- ✦ Rule 3770:1-6-06, *Special lottery drawings or promotions.*
- ✦ Rule 3770:1-8-07, *Pay vouchers*

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

#### RESOLUTION TO APPROVE ONE (1) TOUCH & WIN EZPLAY® TAP GAME THEME

Chief Legal Counsel Charles LoPresti presented a resolution to approve one game theme, *Coin Collector*.

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

## RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Charles LoPresti, Chief Legal Counsel, presented a Resolution to approve thirty-three (33) Video Lottery Game Themes.

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

## FINANCIAL REPORT

Finance Deputy Director Greg Bowers provided to the Commissioners a financial update for the month of January 2021.

- Profits for the month of January were \$131.9 million. This was achieved through sales of \$441.1 million from traditional lottery games, and \$88.5 million from VLT gross gaming revenue.
- Traditional Lottery sales were led by Scratch-off game sales, which generated \$28.8 million in profits.
- In addition to robust sales from scratch-offs, the Numbers games continue to perform well with combined sales of \$64.9 million.
- Keno and the Lucky One games played in social environments generated \$46.7 million.
- Both multi-state jackpots got to very high levels, as sales for the month for both games were \$92.4 million, which was \$68.7 million or 291% more than last year in January.

## NEW BUSINESS/EXECUTIVE DIRECTOR'S COMMENTS

Executive Director McDonald provided an update of the Lottery Commission's budget. Governor Mike DeWine introduced his Fiscal Year 2022 and Fiscal Year 2023 budget, which incorporates our funding request for the next biennium of \$388 million and \$402 million respectively. These funding levels represent slight increases compared to this fiscal year's budget of \$368 million. The increase is mostly attributable to gaming-related expenses tied to projected sales growth over the next two years. In the past years, over half of our budget is composed of direct prize payments (prizes over \$5,000) and annuity prize payments. Gaming related expenses constitute approximately 22 % of our budget and primarily include our gaming system, instant ticket printing, and CSP contracts. Operating expenses represent 15% of the budget, which include payroll, personal services, and non-gaming equipment purchase. Finally, marketing and problem gambling account for approximately 8% of the budget, at \$28 million and \$4 million each year. The budget should support our operations and priorities for the next biennium. These priorities will include: Recruitment and onboarding of major chain stores, adding new trade channels; and continued expansion and utilization of our digital presence.

The Director informed the Commissioners of the recent record setting jackpots from both Mega Millions and Powerball. The longest jackpot roll in Mega Millions history came to an end with the January 22<sup>nd</sup> drawing as an estimated \$1.05 billion jackpot was hit in Michigan. Total sales from both jackpot rolls in Ohio totaled over \$130 million, which is a little over two-thirds of all sales forecasted for the entire year for both games.

Director McDonald reported that Walmart has officially become an Ohio Lottery retailer, with tickets being sold through a new vending unit called a Dream Touch Smart. This unit is specifically designed for placement at the end of their self-service checkout lanes. These units will be placed in approximately 146 locations throughout the state.

During the March 10, 2021 Commission Meeting we will be joined by the Director of Mental and Addiction Services, Lori Criss. Director Criss will discuss the Ohio Lottery's support of free treatment, training, research, public awareness and continuum of care efforts for Ohioans in Problem Gambling Services. She will also discuss how Covid-19 has impacted and continues to affect the behavioral health system of care, including services for prevention of problem gambling and clinical care for Ohioans with Gambling Disorder.

Commissioner Mingo shared that the Internal Audit will soon roll out its Risk Assessment Survey. The goal of the survey is to access our stake holder views of the agency including the areas that we believe are most important in achieving our goals; supporting the mission of the lottery; and assessing what risks might prevent our success. The Commissioners will receive the survey by the end of the week, and we ask you to please complete the survey.

#### 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, March 10, 2021 at 12:00 p.m. via teleconferencing.

Respectfully Submitted,



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Pat McDonald, Executive Director



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Matthew Blair, Commission Chair