



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

AUGUST 10, 2022

IN PERSON/VIA TELECONFERENCE

Members of the Commission

Matthew Blair, Chairman
James Brady, Vice Chairman
Caryn Candisky
Nita Gupta
Jonathan Hughes
Angela Mingo (Not Present)
Mark Rickel
Martin Sweeney
Matthew Szollosi (Via Teams)

Director and Staff of the Ohio Lottery Commission attending in person

Pat McDonald, Executive Director
Sean Webster, Assistant Director, Operations and Administration
Nicole Kostura, Assistant Director, Sales and Marketing
Collin Sheehy, Executive Assistant to the Director
Terri Jones, Administrative Assistant, Executive Office
Greg Bowers, Deputy Director, Office of Finance
Ron Fornaro, Scratch Off Ticket Product Manager, Office of Product Development
Nick Ciofani, Deputy Director, Office of Government & Community Affairs
Charles LoPresti, Chief Legal Counsel
Karen Russo, Deputy Director, Office of Responsible Gaming
Greg Beyer, Deputy Director, Office of Internal Audit
Ken Dauenhauer, Office of Marketing
Susan Diamond, Office Responsible Gambling
Jon Dillinger, Lottery Sports Gaming Project Manager
Raymond Durant, Deputy Director, Office of Security

Ohio Lottery Commission Staff attending remotely

Tom Ackerman, Office of Marketing
Scott Basom, Office of Security
Danielle Frizzi Babb, Deputy Director, Office of Communications
Scott Frost, Video Lottery Regulator
Michael Gonzalez, Deputy Director, Office Product Innovation
Marie Kilbane Seckers, Office of Communications
Connie Miller, Deputy Director, Office of Operations
Marty Morrow, Deputy Director, Office of Sales
Jane Parker, Office of Finance
Kara Rasmussen, Office of Legal Counsel
Carla Reeves, Office of Internal Audit
Sharisse Russell, Office of Operations
Marni Santoro, Office of Legal Counsel
Tom Spayd, Senior Regulator, Video Lottery Operations
Hurst Talbott, Project Manager, Office of Product Innovation
Percy Turner, Deputy Director, Office of General Services
Joe Volpi, Office of Internal Audit

Additional Attendees

George Balajan, Intralot US
Steven Berk, Giant Eagle
Matthew Block, Scientific Games
Karen Cincione, Vorys Sater Seymour and Pease, LLC
Ed Dick, JACK Thistledown Racino
Thomas Garcia, Arrow International
Paula Harbin
Nora Larson, Recovery Resources
Kathleen Lenhart, Hollywood Gaming at Mahoning Valley
Larry King, IGT
Carla Kuchta, Intralot US
Oakley Lorson
Jim McGearry, IGT
Shelly Miller, MGM Northfield Park
Alissa Naylor, Bet MGM
Sarah O'Driscoll, Fahlgren Mortine
Debbie Pirone, Marcus Thomas, LLC
Sam Porter, ICE Miller, LLC
Craig Robinson, Miami Valley Gaming and Racing
Colleen Rowan, IGT
John Walker, Eldorado Scioto Downs
Kyle Zellman, Scientific Games

GA (guest)
Patrick (guest)
TC (guest)
309-224-5661
614-226-7276

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Vice Chairman Blair called the meeting of the Ohio Lottery Commission to order at 12:00 p.m. The meeting was held in person and via teleconferencing.

ROLL CALL

The following members of the Commission answered present to Roll Call: Matthew Blair, James Brady, Caryn Candisky, Jonathan Hughes, Nita Gupta, Mark Rickel, and Martin Sweeney.

APPROVAL OF MINUTES OF JULY 13, 2022

Chairman Blair presented to the Commission for approval the minutes from the July 13, 2022, meeting. Commissioner Rickel made a motion to approve the minutes, seconded by Commissioner Sweeney. The motion was affirmatively voted upon by the seven Commissioners present.

APPROVAL OF FOUR (4) SCRATCH-OFF GAMES IN PROPOSED FORM

Ron Fornaro, Scratch-Off Ticket Product Manager, presented before the Commission four (4) scratch-off games in Proposed Form.

- ✦ Rule 3770:1-9-758, Pay Day Multiplier (\$2.00)
- ✦ Rule 3770:1-9-760, Emerald 7's (\$5.00)
- ✦ Rule 3770:1-9-761, Lucky (\$10.00)
- ✦ Rule 3770:1-9-762, Billion (\$50.00)

Chairman Blair moved to approve the four (4) scratch-off games in Proposed Form, with Commissioner Gupta offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF FOUR (5) SCRATCH-OFF GAMES IN FINAL FORM

Charles LoPresti, Legal Counsel, presented before the Commission five (5) Scratch-Off games in Final Form.

- ✦ Rule 3770:1-9-751, Frosty the Doughman (\$1.00)
- ✦ Rule 3770:1-9-752, Winter Winnings (\$2.00)
- ✦ Rule 3770:1-9-753, \$150,000 Winter Spectacular (\$5.00)

- ✦ Rule 3770:1-9-754, Holiday Countdown (\$10.00)
- ✦ Rule 3770:1-9-755, Electric 7's (\$20.00)

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

APPROVAL OF NINE (9) ADMINISTRATIVE RULES IN PROPOSED FORM

Mr. LoPresti presented before the Commission Nine (9) Administrative Rules in Proposed Form.

- ✦ Rule 3770:3-5-03, House Rules
- ✦ Rule 3770:3-6-01, Sports Gaming Systems
- ✦ Rule 3770:3-6-03, Lottery Sports Gaming Equipment Approval and Testing
- ✦ Rule 3770:3-6-04, Type C Sports Gaming Proprietor Equipment for Hosts
- ✦ Rule 3770:3-6-05, Incident Reporting
- ✦ Rule 3770:3-3-03, Type C Sports Gaming Host Eligibility and Application for Lottery Recommendation
- ✦ Rule 3770:2-8-04, Responsibilities of Excluded Facilities and Excluded Entities Under the jurisdiction of the Ohio Lottery Commission
- ✦ Rule 3770:3-8-01, Revenue and Compensation
- ✦ Rule 3770:3-8-03, Accounting and Revenue Audit

Chairman Blair moved to approve the Administrative Rules as presented in Proposed Form, with Commissioner Sweeney 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 presented a Resolution to approve 19 Video Lottery Game Themes for inclusion in the video lottery game theme library.

Chairman Blair 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

Office of Finance Deputy Director Greg Bowers provided to the Commissioners a financial update for the month of July 2022.

Sales from Traditional Lottery games for month of July, the first month of the fiscal year were \$395.5 million, which was a 7.8% increase from last year's record setting July.

Sales from Classic Lotto in state jackpot game also increases over last July by nearly 36%. In total draw based games were up over last year by \$45.1 million or 26.5%.

VLT Revenue from VLTs for the month was \$118.0 million. Net Profit from that equaled 438.6 million, which was \$1.0 million less than last year or 4.0%.

The accounting department continues their development of the annual financial report. This summer marks the beginning of developing the next budget for fiscal year 2024 and 2025. The lottery budget submission is due to OBM on October 28th, 2022. The finance department is also involved in incorporating sports gaming into our financial reporting model before the program launch on January 1, 2023.

DIRECTOR REMARKS

The Director informed the Commission that the LPEF transfer for the month of July 2022 will be \$135 million which is \$28 million over our commitment and \$16 million more than July of 2021.

The Director indicated that the high Mega Millions Jackpot boosted of this. The jackpot rolled approximately 28 times and there was a lot of media excitement with this being the second highest jackpot ever. This run increased revenue in the last three months by 18 million more in profits.

The Director also announced that Michael Gonzalez Deputy Director of Product Innovation as the recipient of the 2022 NASPL Powers Award. Mike received the award for his diligent and innovative work amongst the Mega Millions Consortium. Mike has been a leader with the other states' product development teams to help the consortium come up with proposals to differentiate the game from Powerball.

Director McDonald shared an overview of the Cash Explosion 35th anniversary show that took place at the State Fairgrounds on Sunday July 31st. Over 5,000 fans were in attendance and participated in the days festivities which included raffle prizes, cash giveaways, eight live contestant draws, and a \$350,000 top prize winner. Chairman Blair gave opening remarks and introduced the Governor's prerecorded welcome message which was played on large video screens throughout the Taft Coliseum. Positive feedback has been received from many who attended. A highlight video of the show was played for the commissioners.

The Director then announced that the Combined Charitable Campaign will kick off this month. Last year the Lottery exceeded our goal of \$46,600, this year our goal is the same. The Director gave a shot out to the coordinators for all their work.

Director McDonald recognized Deputy Director of Responsible Gambling Karen Russo and was pleased to report that the agency won an award from the National Council on Problem Gambling for our Keep it fun, Ohio campaign. Keep it fun, Ohio focuses on problem gambling prevention and provides the public with tools and tips to play responsibly when they choose to play Ohio lottery games. Director also recognized Commission Jon Hughes for all his work too.

Director McDonald also announced after 31 years of service to the Ohio Lottery, Deputy Director Karen Russo has announced her retirement effective September 1, 2022. The Director gave an overview of her various positions within the lottery over the years.

Director Russo stood up and gave some final remarks.

Sports Gaming Operations Manager Jon Dillinger gave a status update his department's work and progress to implement lottery sports gaming.

ADJOURNMENT

With no further business before the Ohio Lottery Commission, Chairman Blair informed Commissioners that the next meeting will be held on Wednesday, September 14, 2022, at 12:00 p.m. via teleconferencing and in person.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Pat McDonald". The signature is written in a cursive style with a large initial "P".

Pat McDonald, Executive Director

A handwritten signature in blue ink that reads "Matthew Blair". The signature is written in a cursive style with a large initial "M".

Matthew Blair, Commission Chair