

Minutes for the Colorado Lottery Commission

Call to Order

A Commission Public Hearing for the Colorado Lottery was held on Wednesday, July 11, 2018, at the Denver Lottery Office - 720 Colorado Blvd, Denver, CO, 80246 and via video conference in the Pueblo Lottery Headquarters - 225 N. Main Street, Pueblo, CO 81003. The meeting was called to order at 8:01 a.m., and was presided over by Chairman Jim Bensberg.

Attendees

In attendance were one (1) Chairman, three (3) Commissioners, eighteen (18) representatives from the Colorado Lottery, four (4) representatives from IGT, one (1) representative of the public, one (1) representative from Scientific Games, one (1) representative from Cactus, two (2) representatives from the Attorney General's Office (AGO), and two (2) representatives from the Department of Revenue (DOR).

Present in Denver:

Jim Bensberg, Chairman
Stella Peterson, Vice Chair
Dennis Maes, Commissioner
Kevin Knierim, Commissioner
Colin Waters, Lottery
Jennifer Churchill, Lottery
Dwayne Wilson, IGT
Tom Campbell, Lottery
Tom Horvat, Lottery
Angela Saviano, SCI Games
Jay Sisson, Lottery
Todd Greco, Lottery
Larry King, IGT
David Skaggs, Denton's
Matt Cedor, IGT
Tyson Barr, IGT
Kyle Anderson, Lottery
Christian Hawley, Lottery
Summer Hershey, Cactus
Cindy Delaney, AGO
Pam, AGO
Marie Valtakis, Lottery
Tom Cargal, Lottery
Kevin Fiore, Lottery
Heidi Humphreys, DOR
Tom Seaver, Lottery
Mike Hartman, DOR
Trisha Macias, Lottery
Kelly Tabor, Lottery

Present in Pueblo:

Nancy Bartosz, Lottery
Byron Martinez, Lottery
Carol Sanchez, Lottery
Juslena Trujillo, Lottery

Introductions

Tom Seaver introduced himself as the new Senior Director of the Colorado Lottery. Mr. Seaver brings more than thirty years of lottery experience to include start ups of state lotteries, development processes for lotteries around the world, and as an independent consultant.

Lottery Spotlight

Colin Waters presented the new interactive proceeds map feature on the website. The map details Lottery projects and dollars awarded per county, with regional highlights. A social media campaign will be launched next week to encourage people to explore the map. Proceeds beneficiary information has also been moved to this area of the website.

Mr. Waters also shared that the Lottery was presented with a Stewardship Award at the Arapahoe County annual breakfast.

Colorado Lottery

MAIN MOTIONS

Approval of Scratch Game Guidelines, presented by Trisha Macias;

- Game #888 \$5 G-Eight to Riche\$
- Game #889 \$3 Poker Pirate
- Game #890 \$3 Special Bing-A-Go-Go
- Game #891 \$5 Super Stellar Crossword
- Game #892 \$5 Super Special Break the Bank Bingo
- Game #893 \$10 \$250,000 Crossword Dazzler

A motion to approve the Scratch Games presented was made by Commissioner Maes and seconded by Chairman Bensberg. The motion passed unanimously.

Approval of Repeal of Scratch Games, presented by Trisha Macias;

- Game #688 Tic Tac Toe Craze
- Game #800 Right On The Money
- Game #804 Super 7-11-21
- Game #816 NASCAR Fast Track Cash

Commissioner Maes asked why Game #816, NASCAR Fast Cash, gross profits and contributions to proceeds percentages were low in comparison to the other games up for repeal. Todd Greco responded that licensing fees cut into the profits of the game. He added that the game launched fairly well but fell back into the \$5 sales curve and didn't perform at expected levels for a licensed game.

A motion to approve the repealed games presented was made by Commissioner Knierim and seconded by Vice Chair Peterson. The motion passed unanimously.

Public Comment

Chairman Bensberg asked for public comment. There was none.

Chairman Bensberg adjourned the public meeting at 8:22 a.m.

Trisha Macias

Completed by: Trisha Macias

8/24/18

Date of Approval

Minutes for the Colorado Lottery Commission

Call to Order

A Commission Meeting for the Colorado Lottery was held on Wednesday, July 11, 2018, at the Denver Lottery Office - 720 Colorado Blvd, Denver, CO, 80246 and via video conference in the Pueblo Lottery Headquarters - 225 N. Main Street, Pueblo, CO 81003. The meeting was called to order at 8:22 a.m., and was presided over by Chairman Jim Bensberg.

Attendees

In attendance were one (1) Chairman, three (3) Commissioners, eighteen (18) representatives from the Colorado Lottery, four (4) representatives from IGT, one (1) representative of the public, one (1) representative from Scientific Games, one (1) representative from Cactus, two (2) representatives from the Attorney General's Office (AGO), and two (2) representatives from the Department of Revenue (DOR).

Present in Denver:

Jim Bensberg, Chairman
Stella Peterson, Vice Chair
Dennis Maes, Commissioner
Kevin Knierim, Commissioner
Colin Waters, Lottery
Jennifer Churchill, Lottery
Dwayne Wilson, IGT
Tom Campbell, Lottery
Tom Horvat, Lottery
Angela Saviano, SCI Games
Jay Sisson, Lottery
Todd Greco, Lottery
Larry King, IGT
David Skaggs, Denton's
Matt Cedor, IGT
Tyson Barr, IGT
Kyle Anderson, Lottery
Christian Hawley, Lottery
Summer Hershey, Cactus
Cindy Delaney, AGO
Pam, AGO
Marie Valtakis, Lottery
Tom Cargal, Lottery
Kevin Fiore, Lottery
Heidi Humphreys, DOR
Tom Seaver, Lottery
Mike Hartman, DOR
Trisha Macias, Lottery
Kelly Tabor, Lottery

Present in Pueblo:

Nancy Bartosz, Lottery
Byron Martinez, Lottery
Carol Sanchez, Lottery
Juslena Trujillo, Lottery

Approval of Minutes

A motion was made by Commissioner Maes to approve the minutes for the Commission Meeting held on June 13, 2018, and was seconded by Vice Chair Peterson. The motion passed unanimously.

Financial Reports

Nancy Bartosz presented financials for the ten months ending April 30, 2018 and reported that Fiscal is in the process of closing results for FY18.

On the proceeds sheet, sales have been updated to actual. It was a record setting year at \$611,993,333, \$27M in sales over goal and \$56.6M over the previous year. Projections, still in the closing process, show at \$139M with a \$3.3M spillover.

Chairman Bensberg asked whether FY18 proceeds set a record. Ms. Bartosz responded that FY16, the year of the \$1.5B Powerball jackpot, was the record year at \$143M. FY18 is the second best year.

Decision Items

Approval of Scratch Games, presented by Todd Greco;

- Game #894 \$1 Reindeer Game\$
- Game #895 \$2 Silver Bell\$
- Game #896 \$3 Glowing Gift\$
- Game #897 \$5 Holiday Riche\$

Mr. Greco pointed out that the inventory of the \$5 game was raised by 100,000 tickets because it has sold out too quickly in previous years. Holiday sales are strong enough on their own that we do not need to sell licensed holiday games.

A motion was made by Vice Chair Peterson to approve the games presented and was seconded by Commissioner Knierim. The motion passed unanimously.

Director's Report

- 2018 State Fair Update

Marie Valtakis provided an update for the 2018 Colorado State Fair. Loteria will be the featured Scratch Ticket. The Prize Wheel will be on site for \$10, \$20 and \$25 purchases and cash boxes will be set up to give away promo items. The winners' wall is being moved to be more visible to the public and will showcase players who win during the State Fair. iPads will be available for players to sign up for MyLottery. This year's Grand Prize is a 2018 Jeep Trailhawk that will be given away on the last day of the Fair.

- **Security Update**
Kevin Fiore reported that Security is on track for compliance checks and sting operations for the first quarter of FY19. Theft is down and not as big of a problem when the economy is doing well and sales are up. Security will present a joint operation with the sales group at next Commission Meeting.
- **2018 Sales Meeting**
Tom Campbell reviewed the draft agenda for the annual sales meeting, August 16-17 in Colorado Springs.
- **Lottery Rules Project**
Juslena Trujillo provided an overview of the Lottery rules review project. Ms. Trujillo and Trisha Macias are working closely with the AGs Office on the project. Rules 1, 10 and 14 for Definitions, In-State, and Multi-State games respectively, are included in the first phase and will be presented to the Commission for approval in August. All sixteen Lottery rules will eventually be reviewed. Verbiage and rule layout are being standardized and common definitions are being moved from individual rules into Rule 1. Outdated information and Play at the Pump references are being removed from all rules and Promotional Jackpot Drawing guidelines that go into effect at the end of October are being added. This project satisfies the annual twenty percent rule review requirement per statute.

A correction filing with the Secretary of State to update all Lottery Rules to Title 44, Article 40 per HB18-1027 will also be included in this first rules review phase.
- **Wyoming Lottery Visit**
Mr. Seaver reported that on June 19th the Security Director and Drawing Manager from the Wyoming Lottery visited Pueblo Lottery headquarters to view mid-day, evening, second-chance and promotional drawings, and review computer operator checklist procedures.

The Director's Report was concluded at 8:46 a.m.

Commission Items

Commission Maes inquired about the timeline for a new Commissioner appointment. Mike Hartman responded that the Governor's Office is in the process of reviewing candidates and expects to have someone identified and appointed by next Commission Meeting.

Mr. Hartman also reported that we are still waiting on the AG's formal opinion on sports betting. Internal discussions are ongoing as to where sports betting would best fit in

DOR. There is also discussion that it would be a good fit under DORA, who currently oversees fantasy sports.

Executive Session

Vice Chair Peterson made a motion that the Commission enter into Executive Session for the purpose of conferencing with counsel pursuant to C.R.S. 24-6-402(3)(a)(II) concerning personnel matters. Commissioner Maes seconded. There was no discussion and the motion passed unanimously. No decisions or votes were made in Executive Session. Executive Session ended at 9:32 a.m.

Public Comment

Chairman Bensberg asked for public comment. There was none.

Adjournment

Chairman Bensberg adjourned the meeting at 9:33 a.m.



Completed by: Trisha Macias



Date of Approval