

# Minutes for the Colorado Lottery Commission

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## Call to Order

A Commission Meeting for the Colorado Lottery was held on Wednesday, February 12, 2020, at the Pueblo Lottery Headquarters, 225 N. Main St., Pueblo, CO 81003 and via videoconference at the Denver Lottery Office, 720 Colorado Blvd., Denver, CO 80246. The meeting was called to order at 8:00 a.m., and was presided over by Chairman Jim Bensberg.

## Attendees

In attendance were the following:

### Present Pueblo:

Jim Bensberg, Chairman  
Dennis Maes, Commissioner  
Tom Seaver, Lottery  
Trisha Macias, Lottery  
Carol Sanchez, Lottery  
Wendy Weldon, Lottery  
Emily Stewart, Lottery  
Jay Sisson, Lottery  
David Aldag, Lottery  
Cristi Gannon, Lottery  
Nancy Bartosz, Lottery  
Dwayne Wilson, IGT

### Via Teleconference:

Stan Podolski, Commissioner

### Present in Denver:

Bill Clayton, Commissioner  
Jennifer Anderson, Lottery  
Chris Schroll, Lottery  
Laruen Kramp, Lottery  
Meghan Dougherty, Lottery  
Tyson Barr, IGT  
Jessica Ross, AGO  
Tom Cargal, Lottery  
Tom Horvat, Lottery  
Mark Ocker, Lottery  
Brian Peterson, Lottery  
Cassie Boutsoulis, Lottery  
Marie Valtakis, Lottery  
Jim Shriver, Lottery  
Todd Greco, Lottery  
Chris Castalian, GOCO  
Bryan Rasco, Lottery  
Tom Campbell, Lottery  
Joe Conrad, Cactus  
Ethan Nosky, Cactus  
Angela Saviano, SCI  
Diane Boddicker, Lottery

## Public Comment

Chairman Bensberg asked for Public Comment. There was none.

## Lottery Spotlight

Lottery Directors introduced new and upgraded employees to the Commission.

## **Approval of Minutes**

A motion was made by Commissioner Maes to approve the minutes for the Commission Meeting held on January 8, 2020 and was seconded by Commissioner Clayton. The motion passed unanimously.

## **Colorado Lottery**

### **MAIN MOTIONS**

Approval of Scratch Game Guidelines, presented by Emily Stewart;

- Game #157 \$1 Washington
- Game #158 \$2 Hamilton
- Game #159 \$3 Jackson
- Game #160 \$5 Grant
- Game #161 \$10 Franklin
- Game #162 \$2 Play On!

A motion to approve Scratch Game Guidelines presented was made by Commissioner Maes and seconded by Commissioner Podolski. The motion passed unanimously.

Approval of Repeal of Scratch Games, presented by Emily Stewart;

- Game #834 Win Sum Ca\$h
- Game #866 Money \$ign
- Game #870 Colorado Wine Producers
- Game #892 Super Special Break the Bank Bingo
- Game #105 30X
- Game #107 100X

A motion to approve the Repeal of Scratch Games presented was made by Commissioner Clayton and seconded by Commissioner Maes. The motion passed unanimously.

## **FY20 Projected Sales, Expenses, and Disbursements**

David Aldag presented FY20 projections performance for the first half of the fiscal year. Scratch sales are ahead of pace. Powerball and Mega Millions sales are lagging while Lucky for Life, Cash 5 and Pick 3 are all on target. Lotto sales are a bit behind but continue to grow. On the expenditures side, direct costs are running low because prize expense is low but there no concerns. Operations expenses are running behind projections but will catch up with year-end expenditures. Sales were on pace in the first two months of the year to match FY19 beneficiary distributions at nearly \$166.5M, but lower Jackpot game sales have resulted in the creation of new distributions projection scenarios. The first scenario requires \$164M in Jackpot sales to meet the proceeds cap minimum. The second scenario maintains the current run rate to generate \$183M in Jackpot sales for a proceeds distribution in the area of \$150M, with BEST coming in at around \$4M. Large jackpots in the second half of the year outside of these scenarios will result in an increase proceeds distributions.

## **Decision Items**

Approval of Scratch Games, presented by Todd Greco;

- Game #163 \$2 7s Series
- Game #164 \$5 \$100,000 4X Crossword
- Game #165 \$10 \$250,000 Crossword

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

## **Scratch Game Performance**

Mr. Greco reported that Scratch game performance continues to be outstanding with January sales at \$41.7M, about \$4.2M higher than last January. Six of seven months in this fiscal year have had sales over \$40M. The eXtreme family of games had \$15M in sales after its launch on Dec. 30<sup>th</sup>. Scratch sales are almost \$30M ahead of last year this time. Sales are tracking close to goal for the year. Five new Scratch games launching in February are expected to add another boost to sales.

Tom Seaver stated that the current Scratch sales growth is extraordinary and greater than industry average.

## **Jackpot Game Performance**

Jay Sisson reported that Jackpot sales had a good month in January, up 10.5% over December, due to a building Powerball jackpot. Unfortunately the jackpot got hit before it got to \$400M. Coverage was poor at about twelve percent of numbers being covered, meaning there was an 88% chance of it not getting hit. There was hope that a Mega Millions pot would start a run but it was hit last night and is starting over with a new pot today.

The good news is that Colorado Lotto+ keeps tracking thirty percent higher than what sales were at lower jackpot levels prior to changing the game. There have been two winners so far, one being a Plus winner. 49% of players are paying an extra dollar for the Plus option. Lotto is still a little behind goal but big jackpots in Powerball and Mega Millions would help it perform better.

## **Director's Report**

- Great Outdoors Colorado (GOCO) Update

Chris Castilian, GOCO Executive Director, presented an update. GOCO is in the midst of updating their 2015 strategic plan to become a more valued spaced granting organization, as the result of key partner and stakeholder feedback. Initial work has identified five values to articulate with partners in the areas of community vitality, resource conservation, outdoor stewardship, equitable access and youth connections. The results of conversations with partners around these values will be presented to the GOCO Board March to develop a spending and transition plan to implement new programs. The program portfolio will be scaled back for efficiency from fifteen programs

to encourage partners to collaborate more to encourage greater collaboration and community involvement, think more broadly beyond current program silos for broader impact. GOCO will continue with stakeholder meetings over the next few weeks to meet with members of the community, educate them about GOCO, and identify opportunities for future projects.

Mr. Seaver asked for information on potential upcoming projects. Mr. Castilian responded that there is a possible opportunity near Gunnison to replicate the Arkansas Headwaters Recreation Area through a collaboration of public and private land owners for a new potential state park. GOCO is working with the Land Board to look at better uses of land ownership to create a string of pearls of state parks in urban Denver areas similar to others in the state. GOCO is also working to address ways to enhance equitable access for hard to get to public lands that require access through right ways and easements of private lands.

Chairman Bensberg inquired how far along progress is on making Fischers Peak a state park. Mr. Castilian responded that the land purchase will close in May and the planning process should allow for public access in late spring or early summer this year.

- **Stock Show Performance Recap**

Marie Valtakis reported on Lottery participation and performance at the National Western Stock Show held Jan. 11-26<sup>th</sup> in Denver. Lottery participated in the kick off parade with the Dream Machine, mascots, and via Facebook Live. The Lottery theme and promotions focused on the eXtreme family of games, played off the concert commercial currently in market. Ninety four packets of eXtreme games were sold with estimated total sales at \$163,602, almost twenty two percent over last year. Scratch had the highest estimated sales at \$126,600 followed by Jackpot at \$37,000. One ticket with a top prize of \$20,000 was sold, which created a large buzz at the event. Lottery sponsored arena performances, a t-shirt toss, and upgraded guest experiences with draft horse rides, Gold Buckle Seat upgrades, and a Professional Bull Riders Behind-the-Chutes experience.

- **Lottery Annual Report Overview**

Ms. Dougherty shared the finalized Annual Report. Player demographic information is included in the report. Lottery highlights are presented in a condensed format in an effort to reduce the amount of paper used for the printed document.

Commissioner Maes suggested the report be circulated to media. Commissioner Clayton suggested the report be sent to members of the Joint Budget Committee.

- **Second Chance Prize**

Ms. Dougherty shared video from a January prize surprise winner experience. The videos get a lot of views on the Lottery YouTube channel and are shared with media outlets. One television station shared the most recent video.

- **Commission Meeting Video Streaming**  
Trisha Macias reported that DOR Executive Director Lu Cordova has required that all public meetings be available via live stream. Lottery staff are gathering quotes on equipment and live streaming of Commission meetings will begin in the next few months.
- **Pueblo Levee Mural Project**  
Ms. Macias provided information about the Pueblo levee mural. The levee was listed in the Guinness Book of World Records for the longest public art mural and had been a point of pride for Pueblo prior to being torn down in 2012 due to structural concerns. A new levee is under construction along with plans for another public art display. Lottery will issue an RFP through the Pueblo Arts Alliance to commission a muralist to create and paint a mural to represent Lottery proceeds in the area. More than one mural may be funded by the Lottery over the span of the multi-year project. The first Lottery mural is expected to be complete in 2020.
- **Jackpocket Update**  
Jennifer Anderson informed the Commission that Jackpocket officially launched in Colorado last week. Jackpocket is a third party courier that allows players to order tickets through its mobile app. Jackpocket then purchases all of its Jackpot tickets from a licensed Lottery retailer, Winners Corner, which is located in Pueblo. FAQs were sent to staff and retailers in preparation for player inquiries regarding Jackpocket. Jackpocket has reported strong initial sales and will share data with Lottery. Commissioner Clayton expressed interest in seeing Jackpocket's demographic information.  
  
Mr. Seaver was interviewed about Jackpocket on KOA Radio and provided a quote to several television stations for their news stories. Jackpocket is now in six states, including Colorado.
- **National Association of State and Provincial Lotteries (NASPL) Professional Development Seminar**  
Ms. Anderson shared that the Lottery is hosting the NASPL Professional Development Seminar in Denver from July 20-24<sup>th</sup>. Industry leaders and vendors will discuss industry issues and trends in different professional tracks. There will be opportunities for Commissioners to participate and attend.
- **Responsible Gambling Awareness Month**  
Tom Cargal reported that Lottery is expanding efforts in promoting responsible gambling as part of Word Lottery Association Level II Certification. The advertising budget for the advertising campaign has doubled to promote responsible gambling through digital advertising, smart play brochures available at all retailers, sponsorship of an 800 counseling number, a website take over to promote access to problem gambling resources, proactive media relations, and point of sale items at retailer sites.

The Director's Report was concluded at 9:36 a.m.

**Commission Items**

Jessica Ross informed the Commissioners that the Colorado Supreme Court decided not to take further review of the Massihzadeh appeal, upholding the Court of Appeals ruling in favor of the Colorado Lottery.

Also, the AGO's office is following the Federal Wire Act lawsuit appeal for its potential impact to lotteries.

**Adjournment**

Chairman Bensberg adjourned the meeting at 9:38 a.m.



Completed by: Trisha Macias



Date of Approval