

Minutes for the Colorado Lottery Commission

Call to Order

A Commission Meeting for the Colorado Lottery was held on Wednesday, June 9, 2021 via Zoom and in person. The meeting was called to order at 8:30 a.m. and was presided over by Chairwoman Peterson.

Attendees

In attendance were the following:

Stella Peterson, Chairwoman	Dwayne Wilson – IGT
Stan Podolski, Vice Chair	Jeff Martinez - Lottery
Dennis Maes, Commissioner	Daniel Bewley – Lottery
Bill Clayton, Commissioner	Chris Hines – Lottery
Jim Bensberg, Commissioner	Cristi Gannon – Lottery
Tom Seaver, Senior Director – Lottery	Nancy Bartosz – Lottery
Jennifer Anderson, Deputy Director – Lottery	Joe Conrad – Cactus
Jessica Ross – AGO	Chris Schroll – Lottery
Terri Geier – Lottery	Christian Hawley – Lottery
Heather Love – Lottery	Ethan Nosky – Cactus
Emily Stewart – Lottery	Suzanne Karrer – DOR
Todd Greco – Lottery	Scott Chavkin – Lottery
Jay Sisson – Lottery	Tom Campbell – Lottery
Dave Aldag – Lottery	Michelle Hauck – Lottery
Tyson Barr – IGT	Diane Boddicker – Lottery

Introductions and Welcome

Tom Seaver presented Commissioner Maes with a plaque commemorating his eight years of service on the Colorado Lottery Commission.

Jennifer Anderson introduced the lottery's new Director of Operations, Terri Geier. Ms. Geier returns to the Colorado Lottery after having worked with IGT a handful of years ago. She replaces Carol Sanchez, who retired.

Public Comment

Chairwoman Peterson called for public comment. There was none.

Lottery Spotlight

Daniel Bewley presented a slideshow on the Colorado Lottery's current proceeds location photography. Photos included: Boyd Lake State Park in Larimer County; Centennial Park, Cortez in Montezuma County; Sky Mountain Park in Pitkin County; Aven's Village Playground, Greely in Weld County; San Luis Hills State Wildlife Area in Costilla County; Durango Animas River Greenway Trail Connection in La Plata County; Thumb Open Space, Estes Park in Larimer County; and, Brush Creek Valley Ranch and Open Space in Eagle County.

Mr. Bewley added that additional proceeds photos will be taken to help illustrate where the lottery dollars go and what projects they're funding.

Approval of Minutes

A motion to approve the minutes from the May 12, 2021 lottery Commission meeting was made by Commissioner Maes and seconded by Commissioner Bensberg. The motion passed unanimously.

Colorado Lottery

A motion to open the rulemaking hearing was made by Commissioner Clayton and seconded by Commissioner Maes. The motion passed unanimously.

Ms. Stewart presented Rules 14.A, 14.B and 14.F for Powerball.

Rule 14.A.7 added the additional draw day of Monday to reflect the changes of the game by the Product Group.

Rule 14.B corrected a formatting error identified during the review as well as add the additional draw day of Monday to reflect the changes of the game by the Product Group.

Rule 14. F is a new add-on option, "Double Play", that offers players an additional drawing for an extra \$1.00. The additional drawing is held after Powerball drawings on Monday, Wednesday and Saturdays. Prize categories and odds of winning are included in the rule.

A motion to approve the rulemaking hearing was made by Commissioner Maes and seconded by Commissioner Clayton. The motion passed unanimously.

A motion to close the rulemaking hearing was made by Commissioner Clayton and seconded by Commissioner Maes. The motion passed unanimously.

MAIN MOTIONS

Approval of Scratch Game Guidelines, presented by Emily Stewart;

- Game #212 \$1 WILD NUMBERS
- Game #213 \$3 TREASURE HUNT
- Game #214 \$3 ALL THE MARBLES
- Game #215 \$5 MONEY MATTERS
- Game #216 \$5 PYRAMID OF PRIZES
- Game #217 \$10 TRIPLE RED 777
- Game #218 \$10 HOLIDAY DELIGHT / RITZY RICHES

A motion to approve the Repeal of Scratch Games presented was made by Commissioner Bensberg and seconded by Vice Chair Podolski. The motion passed unanimously.

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

- Game #127 \$1 \$50 FRENZY
- Game #128 \$2 \$100 FRENZY
- Game #145 \$5 EXTREME WINS
- Game #149 \$3 \$30,000 MONEY SCRAMBLE
- Game #152 \$10 PAY ME!

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

Decision Items

Approval of Scratch Games, presented by Todd Greco;

- Game #219 \$1 \$10,000 JACKPOT
- Game #220 \$2 \$20,000 JACKPOT
- Game #222 \$5 \$100,000 JACKPOT
- Game #223 \$10 \$250,000 JACKPOT
- Game #224 \$20 \$1,000,000 JACKPOT

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

Scratch Game Performance

Mr. Greco reported that in May, scratch sales were over \$53 million – the third month that sales have topped \$50 million. This year was the first time that three consecutive months have seen this amount. May sales were down about \$1.2 million compared to April. Scratch sales is trending around \$45 million ahead of goal and have already surpassed this year's goal with a little over three weeks left.

Jackpot Game Performance

Mr. Sisson reported that jackpot sales for May were at \$19 million, an increase of \$3.5 million, or 18%, compared to April. Sales were \$3.2 million higher than May of last year. A \$515 million Mega Millions jackpot was hit in Pennsylvania on May 21st. As of June 5th, jackpot sales are 13.1%, or \$25.4 million, ahead of projection year-to-date. Jackpot sales have surpassed the \$101 million projection about a month ago. Currently trending towards \$228.5 million for the year end.

Powerball is up \$3.9 million, Mega Millions is up \$15.7 million, Lotto+ is up \$8.8 million and Lucky for Life is up around \$300,000. Both Pick3 and Cash5 are down around \$300,000.

FY21 Projected Sales, Expenses, and Disbursements

Mr. Aldag reported that an overflow to BEST is projected at \$12-13 million, depending how the next few weeks go.

Commissioner Clayton asked how the retailer commission is set. Mr. Aldag responded that the commission is set through the retailer contracts and rates haven't changed in almost 30 years. The Lottery is only asking the JBC for additional funds for retailer commissions and not changing the rate. Ms. Anderson added that asking for continuous spending authority would allow raising the rate by 10% without going back to the JBC but it's not the intent. Mr. Seaver added that Colorado's rates are competitive with what other state lotteries pay their retailers and there's no reason to change the rate. Mr. Aldag included that Colorado is one of the top third lotteries in terms of retailer commission rates.

The budget development starts a year before the beginning of the next fiscal year. Currently working on decision items for FY23. From a lottery specific perspective, budget development starts in January to February for operational expenses and gets adjusted all the way up until July 1st. Discussions with department heads occur all year long.

Commissioner Clayton asked if the pandemic altered any operational costs due to staff working from home. Ms. Anderson answered that updating laptops was already factored into the budget and money was saved on travel because of staff working from home. Mr. Aldag added that some positions weren't filled and office supplies were also down.

Director's Report

Starburst Awards Ceremony Update – Daniel Bewley

Mr. Bewley presented pictures from the most recent Starburst Awards ceremonies. These included ceremonies at Barr Lake and Circle Park Pond. Mr. Seaver added that these Starburst

Awards mean a lot to these smaller towns with giving access to recreational activities and outdoor events.

Comeback Cash Vaccination Drawing – Jennifer Anderson

Ms. Anderson reported that the Governor's office wanted to provide an incentive to Coloradans with getting the COVID-19 vaccine. The Colorado Lottery partnered with the Governor's office in providing the drawing for five separate \$1,000,000 prizes. The drawings are random, using the lottery's ADM machine, and the winners are contacted by CDPHE.

Vice Chair Podolski asked if it was true whether the winner had to be an individual and not a trust or an LLC. Ms. Anderson replied that was true and, in regards to disclosing a winner's name, the lottery operates under the entertainment exception. This means that an individual would have to disclose their first name and first initial of their last name.

Lottery Tour with Mark Ferrandino and Heidi Humphreys – Tom Seaver

Mr. Seaver reported that Mr. Ferrandino and Ms. Humphreys were in the Pueblo area for the levee event and had the opportunity to take a tour of the Colorado Lottery. Their tour began at the Pueblo warehouse where they saw the tremendous job that the warehouse staff do in ticket management. The tour continued with claims, drawings and a visit to the Jackpocket retailer.

Commission Items

Chairwoman Peterson whether there were any conversations occurring about having an even more diverse representation within various areas of the lottery, including the marketing agency, lottery staff, etc.

Ms. Anderson responded that the Colorado Lottery is focusing on widening the diversity pool within its staff by currently hiring for a Spanish speaking claims employee, which will benefit additional customers. In terms of Commissioner Maes' replacement, the lottery is keeping diversity in mind.

Ms. Hawley added that, on the marketing side, diversity is always kept in mind when approaching different populations with Colorado Lottery's different messages. Currently, the entire Colorado Lottery website is undergoing a Spanish translation, making it the first state lottery with a Spanish translation.

Mr. Conrad, from Cactus, added that their media teams are very good at reaching every corner of the state of Colorado.

Mr. Seaver included that, for the Commissioners, a tour of Cactus would be very educational and very beneficial. Ms. Anderson added that additional tours of the lottery office and warehouse would be beneficial, especially during the August meeting and Legislative BBQ.

Executive Session

A motion to move into the executive session and conferring with Counsel pursuant to section 24-6-402(3)(a)(II) for the purpose of receiving legal advice regarding specific legal questions related to game reprint authority was made by Commissioner Clayton and seconded by Commissioner Maes. The motion passed unanimously.

Adjournment

Chairwoman Peterson adjourned the meeting at 10:40 a.m.

Heather Love

Completed by: Heather Love

August 27, 2021

Date of Approval