



## WASHINGTON'S LOTTERY COMMISSION MEETING MINUTES

June 22, 2023

Lottery HQ – Olympia, WA/Microsoft Teams

### Commission Member Attendees:

Schuyler Hoss, Commissioner  
Rudy Mendoza, Commissioner  
Eileen Sullivan, Commissioner

### Lottery Staff Attendees:

Jim Bevan, SharePoint and Office Administrator	Josh Johnston, Acting Director
Maria Douka, Chief Financial Officer	Wyatt Labaw, Lottery Security Specialist
Crystal Fischer, Chief Information Officer	Derek Poppe, Director of Security & Licensing
Sue Fitzgerald, Fiscal Analyst	Tiffany Pringle, Legal Services Coordinator
Gaylene Gray, Instant Product Manager	Ron Smerer, Director of Sales & Marketing
Shar Hawley, Org. Perf. & Planning Administrator	Kristi Weeks, Director of Legal Services
Jenna Johnson, Procurement Manager	Shanelle Montano, Acting Executive Assistant
Cheryl Earsley, Promotion/Scratch Coordinator	Jenny Whiteside, Corporate Acct. Manager
Teresa Wood, Fiscal Analyst	Kathi Patnode, Marketing Operations Manager
Carissa Glassburn, IT Business Analyst	Young Cho, Customer Support Specialist
Chris Rhodes, IT Customer Support	

### Other Attendees:

Matthew Block	Dan Miller, Curator
Becky Bogard, IGT	Drew Scolaro, Scientific Games
Kristie Christensen, Wunderman Thompson	Richard Pirtle, Community Member
Brent Ludeman, Gano and Associates	Xiamara Garza
Rebecca Kaldor, Washington Indian Gaming	Jacob Frawley
Tom Kitts	Fanny Sparling

### Call to Order:

8:30 a.m. – Commissioner Eileen Sullivan called the Lottery Commission Meeting. She asked for a roll call of the Commissioners present at the meeting. In addition to Commissioner Sullivan, Commissioners Schuyler Hoss and Rudy Mendoza were confirmed in attendance.

### Approval of Meeting Minutes:

Commissioner Sullivan entertained a motion to adopt the minutes of the April 20, 2023, meeting as presented.

Commissioner Hoss **so moved**, and Commissioner Mendez **seconded**. Commissioner Sullivan called for a vote for approval of the minutes of the April 20, 2023, Lottery Commission Meeting. Ayes were unanimous. **Motion carried.**

#### **Director's and Deputy Director's Update:**

Josh started by talking about the NASPL Directors meeting that he attended last week. Future conferences were discussed. There was also conversation about the "gray machines" that have been popping up in retailers around the country. These have not been much of an issue in Washington but have been in other States. Our sales team has been great at identifying these machines and reporting them to management right away.

Josh then spoke about a group of players who purchase a large number of lottery tickets to take advantage of the odds of the game. This group has not come any further west than Texas at this time. This activity does not appear to be illegal.

Josh then spoke about the Mega Millions consortium meeting. The consortium reaffirmed that the price will change to \$5.00 per ticket. There will be a state and a national drawing. Local jackpots will be funded by 10.2 percent of all sales. The target go-live date for this change is January of 2025.

Josh then gave an update about the move from Yakima to the Tri-Cities. There are preliminary designs for the space with an anticipated opening date of September of this year. Josh spoke about the Southcenter DOI store, reporting that they have been working hard on the space and we should be able to open early next year.

Josh spoke about our new game, Cash Pop. The roll out of this new game is going very smoothly. We are still on track for our October 23 launch. The new game will be pushed out to machines on October 2<sup>nd</sup> and then will be turned on, on the 23<sup>rd</sup> so that support is available when the game goes live. Advertisements should be seen for this game soon.

Josh updated the group on the RFP's that are currently in process. They are the following.

1. App and Loyalty program – rebidding this, and close to announcing a successful bidder
2. Primary scratch ticket vendor – RFP will close on Sept 14 – announce the successful bidder on 30<sup>th</sup>
3. Market Research RFP

Josh announced that Debbie Robinson, Human Resources and Support Services Director, will be retiring this August. Josh thanked Debbie for all her hard work in the organization and the influence that she's had on our business model.

Finally, Josh announced that we are on track to hit one billion dollars this year! Sales have increased dramatically, but has been done in a very responsible way.

Eileen Sullivan congratulated the Lottery on the prospective billion dollars made. Eileen also thanked Debbie Robinson for her service and work with the Lottery. Eileen asked where in the Southcenter Mall will our DOI store be. Ron Smerer answered that it's on the second floor next to Crate and Barrel. It's in a good location that fits our needs better than other locations in the mall. The grand opening for the last

DOI had the Director and Commission Chair speak, with a ribbon cutting. Something similar will happen this time. Eileen also thanks for the heads up on the group that is coming in to buy the large amounts of tickets. Kristi mentioned that we do have a rule that prohibits retailers from selling every possible combination of numbers on tickets. Schuyler spoke up and congratulated the Lottery at potentially hitting one billion dollars and thanked Debbie for her service. Schuyler wanted to amplify that Debbie has helped tremendously with the agency culture.

### **Legislative & Legal Services Update:**

Kristi reported that they have processed 16 new requests for records since last meeting. This is a typical number of requests for this amount of time. Two of those were identical requests regarding the number and locations of certain high-value Scratch tickets. We received one new request for administrative hearing about a prize denial case. The requestor has not submitted any materials for the hearing.

Kristi then spoke about agency contracts. Each year the Lottery enters in 90-100 contracts/contract extensions. Kristi reviews each contract before its signed by the Director. Kristi explained the types of contracts that we hold. Kristi mentioned the Washington State Department of Ecology is in the process of banning thermal paper. This is the type of paper that the Lottery prints the draw tickets on. This rule will go into effect on July 1, 2023, and the ban begins on January 1, 2025. IGT is aware of this and is working to find a type of paper that meets requirements for this law. Kristi did a wrap up the 2023 legislative session She reviewed the bills that were passed in the final few days of session. Commissioner Mendoza was also confirmed the very last day of session.

Commissioner Sullivan had a question about the ban on thermal paper. Kristi will get more information for a current update. Schuyler commented that there has been universal regard and praise for the Lottery in his experiences. Josh thanked Schuyler and reported that our employment engagement survey reflects that people are satisfied with their work. Rudy Mendoza echoed Commission Hoss's praises.

### **FY 2023-2025 Budget Review and Approval:**

Maria Douka, Chief Financial Officer, presented the proposed budget for Fiscal Years 2023-2025. There were no questions about the budget.

Commissioner Hoss **so moved**, and Commissioner Mendez **seconded**. Commissioner Sullivan called for a vote for approval of the FY2023-2025 Budget for Washington's Lottery. Ayes were unanimous.  
**Motion carried.**

### **Sales & Marketing Update:**

Ron presented on the fiscal years sales for FY23. We have already hit our sales goal for this year! We have made several records for the Lottery this year. We need about 31 million dollars to hit a billion dollars in sales by the end of June.

Ron reported that we have 200 new Lottery Vending Machines coming into play. The new machines are replacing old machines in Safeway stores. Safeway will be completed soon and then they will move on the Albertsons, Winco, and 7-11. We have new machines coming in at the end of July and we have several more requests for new machines. Ron also talked about our Ticket to Adventure RV winners.

Randy Warick reviewed our current public relations. 183 media stories were done on the Lottery from April 2023-May 2023. There has been a lot of positive PR for the Lottery. Randy then reviewed the new locations for the billboards that will go up in the future. We will go from 6 to 8 boards. Randy then reviewed the light bulb change and example message rotation for the billboards for the fiscal year. All lit signs will be updated to LED. We will also be getting rid of the blue lights for the signs because the visibility is low. All of the lights will now be white. Randy reviewed the throwback Seahawks ticket and talked about the opportunity to meet Michael Bennett (former Seahawks player).

Commissioner Mendez commented that he was impressed with the billboard designs and locations.

**Commission Report – Instant Ticket Artwork Review:**

Gaylene Gray, Instant Product Manager, presented new Scratch ticket artwork for the Commissioners to review. The Commissioners did not have any questions or concerns about any of the presented artwork.

**Commission Business/Agenda Items:**

Commissioner Sullivan asked if the Commissioners wished to bring anything forward for discussion, or if there were any topics the Commissioners wanted to recommend for the June meeting agenda. Josh reported that the next Commission Meeting will be in the Tri-Cities and Shanelle will make travel arrangements for Lottery staff and Commissioners.

**Public Comment:**

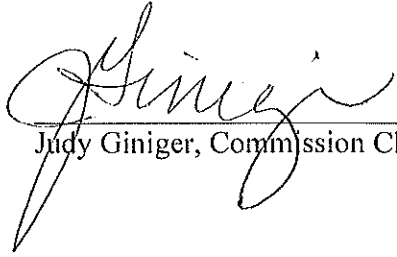
Commissioner Sullivan asked if any members of the public wished to make comments or voice any concerns. There were no comments made.

**Adjournment:**

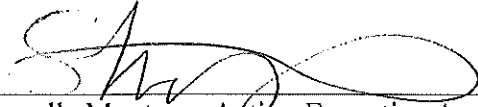
9:36 a.m. – Commissioner Sullivan adjourned the meeting.

The June 22, 2023, Lottery Commission Meeting Minutes were approved this 17<sup>th</sup> day of August, 2023.

Respectfully submitted,



Judy Giniger, Commission Chair



Shanelle Montano, Acting Executive Assistant