

WYOMING LOTTERY CORPORATION

Board Meeting Minutes

January 27, 2020

Teleconference

Board Members Present: N/A

Board Members via Teleconference: Sandi Chitwood-Chairman, Gerry Marburger-Vice Chairman, Dave Bonner-Secretary, Gina Monk-Treasurer, Sandra Wallop, Jim Willox, Todd Peterson, Mary Throne and Ed Liebzeit.

Board Members Absent: None

Staff Members Present: Jon Clontz-CEO, Robin Medina-COO, Loy Jackson-CFO, Dave Stevens- Security Manager, Sarah Shoden- Executive Assistant and Social Media/ Events Coordinator, and Arin Schlensker- Player Services Specialist.

Staff Members Absent: Ashley Pexton- Marketing Manager

Staff Members via Teleconference: None

Guests Present: Matt Kaufman-Legal Counsel

Guests via Teleconference: Vlad Simoneko and Jennifer Bohlig - Intralot

Establish Quorum:

Chairman Sandi Chitwood alongside Vice Chairman Gerry Marburger called the meeting to order at 8:34 a.m. with a roll call of board members and staff members. All guests were welcomed.

Approval of Meeting Minutes:

The motion was made by Board Secretary Dave Bonner to approve the minutes from the October 28th Board Meeting with amendments. The motion was seconded by Board Member Ed Liebzeit and the motion passed by a unanimous 9/0 vote.

Amendments made by Secretary Dave Bonner for the minutes for October 28th:

- Review full minutes for the correct spelling of the word “statute” instead of “statue”

CEO Report:

Wyolotto CEO Jon Clontz presented the following Quarter Two (Q2) overview report:

Mr. Clontz welcomed the board and thanked them for their time. He began by reviewing the status of Keno development. He stated that as approved previously they are continuing the work and moving into the next phase. He noted that this phase will require expenses which will be further covered during the Executive Session. Mr. Clontz also noted that they plan to begin working with Intralot on both equipment ordering and to start the intensive training to ensure everyone fully understands the game and how to play. He went on to explain that this plan would cover both staff and retailers. He explained that this training will be an ongoing process and that they will be scheduling those training sessions out. Mr. Clontz then noted that they do have a demo version of Keno inside the Lottery Headquarters for staff and board members to view.

Mr. Clontz then shared that Intralot will be funding a large portion of the Keno equipment purchases should the kiosks be allowed. He explained that the next steps in ordering this equipment would begin later in the week.

Mr. Clontz also shared that he and his staff had a strategy session to begin plans for the Keno Development plan to ensure all categories are well thought out and tasks assigned. He included examples of such categories being the Marketing RFP which needs to be shared out for bids, training plans, as well as onboarding and new contracts for retailers. He then referred to the development of Keno to be similar to “rolling out a new mini lottery”. Mr. Clontz concluded that they are currently completing and compiling all the research to see what the impact will be in using kiosks for Keno versus without.

Mr. Clontz then spoke about the clerk report that both his team and Intralot had been working on. He made mention that this was the specific report that had been requested by Mr. Snyder who is the president and owner of the Red Horse Oil Company as well as Mr. Larsen who is the president of the Wyoming Petroleum Marketers Association. He went on to explain that the purpose of this report was giving retailers the ability to monitor specific sales activity at a store level. He summarized that while this process did take some work to get developed, they had been able to create this report. Mr. Clontz shared that this report was rolled out to retailers a few weeks ago and that currently there were still a few technical issues being worked out. He assured everyone that the report had gone live and that they were currently working through those few issues. Board Member Ed Liebzeit asked for further clarification on both of the corporations that Mr. Snyder and Mr. Larsen represented as he was not aware of them. He went on to ask if they represented multiple locations or if they were a single entity. Mr. Clontz responded that they were multi-location based. Mr. Clontz then went on to elaborate that the reason for this report was that these locations were encountering issues with theft and that this

report would be used as a tool for the locations to do further tracking of transactions. Mr. Clontz then continued to explain that the lottery already has extensive reports to track ticket sales data including items like time of sale, game, location, etc. He then explained that this report gave the retailers further data to assist them in their own locations. Mr. Clontz then asked his COO Robin Medina, to speak to the particular technical issue. Mrs. Medina responded that the issue pertained to a glitch within the system, but that they had already been able to fix it and all retailers are able to pull these reports.

Mr. Clontz then reviewed his recent meeting with Governor Gordon earlier in the month. He stated the purpose of this meeting was a follow-up from their previous meeting when Governor Gordon initially took office. He summarized that the meeting had gone well and that during it he was able to share a presentation with the Governor. He noted that this presentation covered recent updates as well as historical facts in regard to transfer history, retailer compensation as well as the amounts paid out to winners. He included that they spoke to the status of game development specifically about Keno. He concluded that he was able to share with him the concern around Keno with kiosks and that the Lottery was planning on pushing a bill for those to be allowed. He also noted that he shared with the Governor the board's directive to implement Keno with or without the kiosks. Mr. Clontz shared that the Governor expressed his appreciation for the update with no questions or concerns, and to pass on his regards to the board.

Mr. Clontz then spoke to the status of the board retreat and strategic planning. He went on to explain that in the last few months they have been working to update their strategic plan and have a working doc to cover updates and refinement. He spoke to the process they are taking internally to get this document ready and that they plan to have a draft ready to present to the board during their 2020 retreat. He then noted that this is tentatively planned for the Spring. Vice Chairman Marburger questioned the length of the retreat and if it was planned to span one or two days. Mr. Clontz responded that he foresaw it being a two day retreat if the board could accommodate that within their schedules. He said they could also consider doing two, one day sessions at different dates if that worked best for the board. He then concluded that they will begin planning and will send out date options soon. Chairman Chitwood made mention that she felt like this was a good time to plan for another strategic session as many new board members had joined since the previous session had taken place. She went on to express her hope that with the talk of new games and technology this session could be very beneficial for all. She then asked Mr. Clontz what month they were thinking, to which Mr. Clontz responded that they were looking tentatively at May or June. Board Member Sandra Wallop shared that her preferred time would be in May. Mr. Clontz responded that they will send out the summary of possible dates out soon for everyone's review and that he commended the board in general for being very financially "frugal" throughout the seven years he had been there and that this would be a wise and beneficial investment for the future.

Mr. Clontz then covered compliance for the Wyoming Lottery. He began by noting the recent successful audit with MH&P and appreciated the insights they provided to him. He then noted that since the beginning of the Wyoming Lottery, they have had in total sixteen audits including

MUSL audits, gaming audits, technical audits, etc. He then noted that every aspect of the corporation has gone through some level of audit at this time. Mr. Clontz then shared that he was pleased with the outcomes of these audits and appreciated each one in what it taught the team going forward. Mr. Clontz then noted that there is a fairly large systems audit available that primarily focuses on the gaming system from Gaming Laboratories Inc or GLI. He then went on to explain that this is not required, but that many other state lotteries do conduct this audit. He then noted that they have had their system audited throughout the years and he does not have concerns in regard to the system but felt like this deeper dive into the gaming systems would benefit the Wyoming Lottery. Mr. Clontz noted that this is a rather expensive audit which costs roughly \$50,000. He then noted that at this time this was just being brought up as a topic starter and that going forward he would plan a full presentation for the board's review and approval before moving forward. He continued that he would foresee the timing of the audit taking place in the calendar year of 2021.

Mr. Clontz then made mention of the upcoming Legislative Session. He noted that the previous session went very well and that he looked forward to this one. He shared that this year Mrs. Gale Geringer would be joining the efforts alongside the legal counsel for the Wyoming Lottery, Mr. Matt Kaufman. Mr. Clontz then noted that efforts have already begun prior to session by meeting with certain groups and that he had given a presentation to the Joint Appropriations Committee. He noted that they are planning to do a legislative activity and share a 1-page fact sheet in regard to the status of the lottery and plans for Keno. He then shared that they have been able to learn and better prepare for each session year over year and that he felt confident by the relationships they've been able to build.

Mr. Clontz then made note of the recent awards they've received. He shared that he was especially proud of the PGRI Shannon Sharp award for the highest return of any lottery in the country to the benefactors. He then shared that he was hopeful to hear about another award for this year as the conference date was coming up soon.

Mr. Clontz then concluded his report by noting that this has been a difficult year for sales with lower jackpots for both Powerball and Mega Millions. He shared that because these jackpot driven games were being hit more frequently he felt it was especially important to look at games like Keno to bring in more consistent revenue. He then noted that this current lull in sales is one of the longest stretches they have seen to date. He shared that promotions like the Cowboy Draw BOGO have certainly helped during these times but that the biggest way to impact sales positively is to see jackpots continue to rise.

Mr. Clontz then concluded his CEO report and asked if there were any questions. Secretary Bonner then asked how long had it been since they had conducted the player survey, which shows the demographic of who is playing the games. Mr. Clontz asked if he was referring to the Tracker Study, to which Secretary Bonner responded, yes. Mrs. Medina responded that it had been a few years since the last Tracker Study had been conducted. She continued that conversations were currently taking place between the Wyoming Lottery and Intralot to start

planning for that next survey to take place. She then went on to explain that this would be an ideal time to gain that consumer information on who the players are and what they are wanting from the games. Secretary Bonner agreed that this would be a great time to better understand who the players are for the Wyoming Lottery and wondered if it was expensive. Mrs. Medina responded that it can be, but that it is a part of their contract with Intralot. Mr. Clontz then noted that in the past the Wyoming Lottery did have a Research Department that conducted various levels of player research routinely, but then after the initial player demographic was created that department was dissolved and the research was then continued in other manners. He then shared his agreement that this would be an ideal time to conduct the survey. He concluded that they along with most all other lottery jurisdictions are continuing to find ways to attract the younger demographic which he felt both the Wyolotto App and the addition of Keno could do. Board Member Jim Willox then asked if it would be beneficial to wait until after the launch of Keno to conduct the survey or doing so prior would give better intel into the current lottery player. Mrs. Medina responded that it is key to get the Tracker Study out to better gain information on how to craft the right messaging to reach the younger player base prior to the launch of Keno. She then suggested a consideration of repeating the Tracker Study a year after Keno launched, which would be helpful in seeing how well it was being received.

This concludes the CEO Report for Q2.

Finance & Accounting Report:

Wyolotto CFO Loy Jackson presented the Quarter Two (Q2) Financials Report.

Q2 Financials:

Mrs. Jackson began with a review of the balance sheet as of December 31st of 2019. Before sharing the numbers, she did make note that sales are slower currently and that they were going to be compared to last year at this time which was one of the most successful years for Wyolotto to date.

She began with a review of the checking account, noting that the balance was almost \$3 million compared to the \$5 million last year. She noted that a large portion of the difference was due to the state transfer fund. She then explained that the transfer this time last year was a little over \$2 million while this year was \$800,000. She then noted that the unclaimed prize fund was just a little over \$1 million, noting that this does increase weekly by \$10,000- \$15,000 on average. She then shared that \$750,000 of that account was used for the payment of the Ragtime Raffle winner. She noted that the Responsible Gambling Fund had decreased by \$100,000 which was used within fiscal year '19.

Mrs. Jackson then covered the other current assets noting the retail accounts receivable of \$532,000 which was down \$71,000 from the prior year due to lower sales with lower jackpots. She then noted the capital assets difference which is all due to depreciation and the sale of the original Wyolotto bus in March 2019. She then pointed out the “work in progress” of \$25,600 which is just the continued work on the development of the Wyolotto App. She then explained that once the costs of the App were fully paid, this Work in Progress amount will move to a capital asset account. She concluded this section by explaining the difference in the Pension Related Outflows, which is a result of the Wyoming State Retirement deferred inflows and outflows.

Mrs. Jackson then began to cover the liabilities section. She stated that the difference seen in the accounts payable was again a direct reflection of lower sales due to lower jackpots. She then went on to cover the difference in the Transfer Payable account as well as the Unearned Revenue noting these are all impacted directly by sales. She concluded the section noting the difference in the net income would be explained in further detail during the profit and loss portion of the presentation.

She then presented the profit and loss statement for October through December. She then reiterated that these comparisons were based on one of the lowest quarters in comparison to one of the highest. She shared that each game’s sales were significantly lower than in the previous year and that during the Marketing Report, Mrs. Medina would give a more detailed explanation on that. She then shared that they did receive \$19,000 in a dividend distribution from MUSL which did help in overall revenue but in total they were below in comparison by around 59%. She then went on to review the lower cost of goods sold, concluding that they ended with a gross profit of over \$1.5 million which was a decrease of almost \$2.29 million from the previous year. She then went on to review the expenses comparison. She made note of the bank fees which were not incurred this year, the savings within the board expenses, the reduced legal fees, and the UW sponsorship cost being pushed to the next quarter. Mrs. Jackson then noted that the facilities and equipment line item had decreased by over \$5,800 which was due to depreciation decreases. She made note of the increase in outside services of \$7,300 which was due to the legislative contract work starting earlier than it did in the previous year. She explained the difference in the salaries, wages & benefits of the \$43,600 which was largely due to the benefits having increased now that almost every staff member is participating within it, whereas in the earlier year that was not the case. She concluded the section, by stating if the UW comparison had been included, they came under the prior year by \$43,000.

Mrs. Jackson then noted that the interest income was up slightly from the prior year and the interest expense was down. She summarized that prior to the transfer they were left with a net income of over \$831,679 compared to the prior year of \$3,180,664, and after transfer there is a net income of \$30,523. She then noted that the \$30,523 would be utilized as the savings bucket going forward. She explained that \$14,223 of that was allocated to the 25% savings allocation which is in result of the new legislative 75% mandate. She then noted that \$16,300 was transferred into the contingency account infrastructure allocation which is preparation for the upcoming staff and board training and travel. Mrs. Jackson then noted that the state transfer was at 96.33% of the net income which is significantly over the mandated 75%. She explained that through thorough planning and decision making, they felt it was extremely important to maximize the transfer to the state even with lower sales.

Mrs. Jackson then went on to the yearly profit and loss comparison. She shared that the difference year to year in sales is around a 43% decrease, due largely in part to lower jackpots resulting in lower sales. She then went on to highlight the decrease in both gaming costs and total prize expenses, which was again a result of lower sales. She concluded the section that the total gross profit was \$3 million in comparison to the \$6 million the previous year. She then noted within the operating expenses that the change of \$31,00 within membership dues was a result of NASPL having a billing cycle change. She also shared that between the accounting fees and legal fees there was a savings of around \$30,000, and that marketing had a decrease of \$47,000. She then covered the operating expenses, beginning by noting that the IT line item would likely balance out in the next quarter, but they did encounter several IT needs early on in the year. She then pointed out the depreciation of \$10,400 for the facilities and equipment and that there were cost savings done within the office costs to save around \$7,600. She then shared that the increase of \$86,800 for the salaries, wages & benefits was due to a fully staffed team and an increase to the amount of employees within the benefits. She concluded that for the operating expenses, they were under the prior year by \$46,799.

Mrs. Jackson then noted that the interest income was up again and then the interest expense was down slightly. She summarized that their total income before the transfer was \$1.7 million in comparison to \$4.8 million the year prior. She then shared that the total transfers were at \$1.6 million in comparison to the \$4.2 million previously. She noted that within that \$4.2 million in the previous year, there was the highest transfer to date of over \$2 million. She summarized that the total net income for the year was \$75,500 which was down from the previous year by \$587,000. She went on to explain that \$59,000 went towards the 25% savings allocation and the \$16,300 was earmarked for Keno development. She noted that the state transfer percent

was at 95.64%. Board Member Willox then asked about a previously discussed capital reserve account that could be utilized for a new vehicle or major expense. He then asked if the 25% saving allocation was that same account and if things were being earmarked within that account or if it was just being built up. He then asked for clarification on if the infrastructure account is essentially for launching Keno, then is the 25% savings allocation a capital expense in the future account or if that was elsewhere. Mrs. Jackson responded that he was correct and that the 25% savings allocation account is for capital improvements for the future and that in total it is \$75,000. She then explained that within that \$75,000 they are earmarking anticipated expenses especially during these lower sales times, but that it is all coming out of the same "bucket". Board Member Willox then went on to ask about the labeling of the account as "25% savings allocation", and that it should expand to include "capital asset displacement" or some additional explanation of the plan for those funds. Chairman Chitwood voiced her opinion that this had been discussed previously and that she felt this was a great question to be raised to ensure it is correctly labeled, but to ensure that it does not hinder the accounts fluidity with how it is used. Mr. Clontz agreed that it was sound reasoning. He went on to say that they would get it properly labeled and would send over to the Board for review. Board Member Willox agreed and that he wanted that account to still be allowed fluidity as needed so perhaps using languaging like "ie" or "example" instead of locking the account to a specific utilization.

Mrs. Jackson then went on to review the profit and loss budget vs. actual report for Q2. She began by noting that the actual sales revenue came in at \$6 million which was below the budgeted amount by \$1.19 million. She then reviewed the COGS of \$4.4 million under the budgeted amount of \$5.48 million which brought their total gross profit to \$1.5 million which was under budget by \$171,000. She then covered the expenses, noting that many of the line items were below the budgeted amount. She reviewed the line items that were below, noting the reasoning and sharing that the Wyoming Lottery tried to cut back at every opportunity available. She summarized that total expenses came in at \$727,600 which compared to the budgeted amount, they came in under \$98,800. She concluded the report that the net income before the transfer to the state came in under budget by \$73,779, therefore narrowing the overall gap.

Mrs. Jackson then reviewed the profit and loss budget vs. actual for the year to date. She began by noting that the cost savings within the report showed the active work to narrow the gap from sales. She noted the income/revenue came in under budget by \$2.29 million, mentioning that a large portion of that was due to Ragtime Raffle ticket sales. She then pointed out that the total COGS came in under budget by \$1.5 million, which leaves the overall gross profit under budget by \$743,700. She then reviewed the expenses again noting the under budget reasoning. She

shared that the total expenses came in under budget by \$195,000. She concluded that the net income before the transfer came in under budget by \$548,500, but shared that based upon their income and revenue being under budget by \$2.2 million, that the gap was narrowed substantially.

Mrs. Jackson then reviewed the final report in the financial section, the profit and loss responsible gambling budget vs actual. She noted that there was no activity this fiscal to date and that they still maintain a \$65,000 budget within that line item.

This concluded Mrs. Jackson's report, she then asked if there were any questions or concerns. Secretary Bonner commended her and the team on resulting in a net positive even with such decreased sales. Mr. Clontz then shared his appreciation for the work his team had done and also thanked Intralot for the work they had picked up to help in the research and development for future games. He made mention that while he knew this was within their contract, he wanted to share his appreciation to Intralot and their CEO for being so accommodating during this time. He then shared that he felt confident that they would see upward growth again soon and that since the beginning of the lottery in Wyoming he has seen benchmarks and goals exceeded and that this year felt like an anomaly. He then concluded that this is why he feels so strongly to bring in a non jackpot based game like Keno, so they can best regulate sales and maximize their transfer to the state.

Vice Chairman Marburger then brought up a previous conversation in regard to the transfer to the state being over the mandated amount by 20%. He then asked Mr. Clontz to share with the board how these increased transfer amounts have not hampered the operations of the lottery by contributing more than the minimum 75%. Mr. Clontz responded that he has set an internal expected amount of money owed that is produced by a gaming entity, and that based on this there is a certain amount he tries to meet with each transfer. He went on to explain that because of this he wants to maximize as much money allocated each week. He then shared that with this new formula it has allowed them to reserve funds and to plan for the future. Mr. Clontz then shared that each week he meets with his COO and CFO to best calculate the amount of transfer and to set the best expectation going forward on what percentage will be transferred. He then noted that while they are actively cutting back on budgets where possible, they are not cutting back on any critical areas and have not touched their reserved accounts. Vice Chairman Marburger thanked Mr. Clontz for sharing that, and that he just wanted to reassure everyone that the budget cutbacks and transferring over the percentage required was not hindering any of

the day to day work for the lottery. Mr. Clontz assured him that based on their weekly meetings all aspects are fully reviewed.

This concludes Mrs. Jackson Q2 financial report. Motion was made by Board Member Liebzeit to accept the financials as presented. The motion was seconded by Board Treasurer Gina Monk and the motion passed by a unanimous 8/0 vote.

Marketing & Sales Report:

Wyolotto COO Robin Medina presented the Quarter Two (Q2) Marketing Report.

Q2 Marketing:

Mrs. Medina began by presenting the sales reports. Her first report was the Total Sales Actual vs. Projection for the year to date. She noted that overall sales are under projection by 20.19%. She noted that the lower jackpots began the end of Q4 of last fiscal and have been ongoing since. She then shared that the jackpot for Powerball had grown to \$394 million which was the highest it has been at since June.

She then covered the total sales comparison of FY20 to FY19. Noting again that there was a large difference but that Q2 of last year was the “banner quarter” for the lottery so the comparison was more drastic than normal. She then covered the actual weekly sales comparison for FY20 to FY19, again noting the decrease due to lower sales and Raffle sales shortages. Mrs. Medina did note that the Cowboy Draw BOGO promotion resulted in \$840,175 net sales which helped sales in both Q1 and Q2. Mrs. Medina then moved on to review the Q2 sales comparison between actual and projection which was under 17.11%.

She then covered the individual game comparisons. She noted that for Powerball there has not been an advertised jackpot that has surpassed \$300 million since June 1. She then shared that for Mega Millions the jackpot has only gone over \$300 million once in this fiscal and over \$200 million five times. With Cowboy Draw, Mrs. Medina pointed out the success of the BOGO promotion which was run for six normal home games and an additional promotion was added for the Bowl Game for UW. She concluded by reviewing Lucky for Life sales and that due to low jackpots for the other games, the Round Up bundle sales feature was not being utilized as much which usually increased the sales for Lucky for Life as well. She concluded the sales report by showing the breakdown of each game for total sales noting that the highest was Cowboy Draw followed by Powerball.

Mrs. Medina then moved onto the marketing report, beginning with public relations. She noted that extra effort was put behind the push to encourage players that \$100 million and \$200 million are still significant amounts to win. She then moved on to review the social media efforts sharing that these continue to be steady and grow brand loyalty. She did note that this was a

quieter quarter in comparison to the previous one which was heavily focused around Ragtime Raffle communication.

She then moved onto the review of the website analytics. She noted that there usually isn't big movement on the audience for this corporate channel, but they did notice that for the second consecutive quarter they are seeing the largest visiting city being Denver. In Q1 they had attributed this to the large influx of new players coming from Colorado to Cheyenne Frontier Days who were then checking their Ragtime Raffle tickets they had purchased. She noted that now seeing the continued increase in that audience may be due to a new player based that has grown in that state. Board Member Liebzeit then asked if the number could be a result of a higher population in Denver in comparison to the other Wyoming cities. Mrs. Medina responded that could be a possibility, but that this is the first time that any city in Colorado has ranked as #1 on the top cities visiting. Chairman Chitwood remarked that a large portion of Wyoming's younger generation has moved into the Denver area which could be a result of the higher numbers as well. Mrs. Medina agreed and assured the board that they would continue to monitor this and share any additional findings. She then added that once the Wyolotto App goes live they will have access to additional player demographics as well.

Board Member Mary Throne then questioned if they had industry data to show that the sales decrease for the Wyoming Lottery was in line with what other jurisdictions are encountering. Mrs. Medina responded that they do have that data and have heard from other jurisdictions as well as from MUSL, that most are having the same struggles with sales at this time. She continued that while other jurisdictions are struggling with jackpot game sales, they do have both scratch tickets and VLTs to keep their overall sales more consistent. She concluded that the games themselves may change to include addons to help with sales drops in all states.

Mrs. Medina then reviewed the email analytics with no major notings. She then reviewed the internal marketing initiatives taking place in the last quarter. She noted that now with both PR and Social management being taken inhouse, the Wyoming Lottery has had the ability to be more nimble in their reactions to low jackpot communications. She then covered the campaign efforts for the quarter, starting with the Cowboy Draw BOGO. She noted that this was the second year of the promotion and that it had already gained a large amount of brand recognition and support from players. She then noted that they are currently brainstorming the next promotion to provide for the Wyolotto Players.

Mrs. Medina then gave an overview of the Wyoming Athletics Sponsorship. She noted that they are always looking for the best way to maximize their sponsorship and that this season they were going to do an event for the UW Wrestling team. She noted that this event was going to take place in February and will highlight the Yolo mascot. She concluded that for this year's basketball sponsorship they were going to be at both the CSU game on the 15th as well as the game on February 25th. She noted that both events will include the Yolo mascot and the game on the 25th will have an engaging half time event. Chairman Chitwood then took a moment to thank Board Member Willox for the suggestion of including Wrestling as an event for the

Wyoming Lottery to sponsor and she looked forward to hearing how the event goes. Vice Chairman Marburger then asked if any consideration had been made to sponsoring UW's Women's athletics. Mrs. Medina responded that they had considered it, and that going into the next contract for UW they are considering expanding to several other sports. Mr. Clontz then noted that when they had created their contract initially they had tried to sponsor the Women's Basketball team, but at that time there were no open spots available. He continued that he was looking forward to expanding to other sports, such as Wrestling. He concluded that he felt with the recent additions to his team, primarily in the marketing side, has allowed for continued idea and thought growth into how to expand the brand into new programs.

Mrs. Medina then covered the status of the Wyolotto App. She noted the continued collaboration between the three partners; Wyoming Lottery, Intralot and Park Avenue Games as the background work continues to be developed. She shared that their goal is to make a "world class" app for the Wyoming Lottery. She continued to explain that they plan to utilize a 3rd party tester once the app is developed to ensure that it's working as it should before then releasing it to a selected BETA group for testing. She noted that based on the current schedule they are looking at an April or May launch but would update the board once the dates were finalized. She then shared a list of some of the features that will be within the app such as promo notifications, ticket scanner, retailer locator, and jackpot alerts. She concluded that the next steps are developing the campaign that will support the app downloads. Secretary Bonner asked if it would be super easy for players to download the app. Mrs. Medina responded that it would be very easy and similar to other app downloads. She continued on that all Wyolotto players would be notified about the app and how to access it. She then explained that the first phase will be a "soft launch" where only a select group of players will be notified about the app in order to test the app and provide feedback to the Wyoming Lottery.

She concluded with next steps noting that they are going into their winter events and continue brainstorming the next promo campaign. She then asked for any questions. Board Member Sandra Wallop then referenced a conversation that took place during the Marketing Subcommittee, in which she suggested a sponsorship for the Skijoring event in Sheridan. She then asked if that event had been considered for sponsorship at this time. Mr. Clontz responded that his team was currently pulling together all the details for that in addition to other possible winter event sponsorship opportunities. Board Member Wallop then shared that she felt like many of the events that were sponsored seemed to centralize around the southern part of the state. She said she understood such large events such as UW games and CFD did take place in those regions, but felt a stronger presence needed to be shown in other regions as well. Mrs. Medina responded that she appreciated her comments and that similar to what Mr. Clontz stated, they are pulling together information from the sponsor groups to see what opportunities are still available at this time. She then noted that they do have to take into consideration the time of year and that oftentimes weather does not allow for the Wyolotto bus to travel safely across the state. She shared that they wanted to ensure they gave it a great Wyolotto presence at the events, so they were reviewing all the details as well as the budget to find the right opportunities. Mr. Clontz then noted that while there is a large presence in Laramie and

Cheyenne, his team has also supported recent events in many other regions of the state including Powell, Jackson, Rock Springs, Cody, etc. He noted that while they do enjoy sponsoring those events, they do not always get the best ROI based on travel costs and pulling staffing from the office in relation to ticket sales. He said that they are continuing to brainstorm the best way to get the brand out there at events and that he had asked for recommendations and ideas from the board to get a better idea of opportunities available. He noted that he and his team are committed to finding the best options available. He continued by noting a recent trip to Jackson in which Board Member Liebzeit gave the opportunity for him to present to the local Rotary group and meet other local contacts for that region. He reiterated that he is committed to expanding their brand coverage and that he will be doing so with a lot of consideration as they have been given criticism in the past for some event sponsorships, but that they are just learning what events work best with their brand. Mr. Clontz then noted that their primary goal with events is to give back to Wyoming communities and provide entertainment value while also supporting sales. He made note that due to lower than usual sales, they will have to weigh all opportunities against the budget and what makes the most sense financially as well. Mrs. Medina then noted that their winter event sponsorships are at times more scaled back in terms of the amount of staffing available as in comparison to the summer events, so they are trying to be creative with representation ideas. Board Member Wallop thanked Mr. Clontz and Mrs. Medina for their information, then noted that she felt like the Wyoming Lottery brand itself was quiet in her region of the state and thought that this was the case in other regions as well. She noted that she felt like extra efforts should be done across the state to help with this. Mr. Clontz responded that he understood her concern and that he and his team would continue to review opportunities to better cover the state. He then noted that unfortunately they do encounter limits on opportunities based on just the small staff of only eight full time employees. He concluded that they will set into place a plan to get up to Sheridan to meet with the local community and media if possible in the near future. Chairman Chitwood then shared her appreciation for Board Member Wallops concerns, but that she felt like each event must be reviewed for the best ROI and also considered based on the player demographic to ensure that the event is as successful as it can be. She then made mention that it must be considered how much support of lottery ticket sales are present in each region as well. Board Member Wallop agreed with her, and then made mention that she felt like there were marketing opportunities available as well that would not require in-person attendance such as their local newspaper or radio stations. Mr. Clontz responded that based on the recent conversations they would be conducting a review of plans but would also have to consider costs to ensure they fit within the budget. He then noted that they would compile a presentation highlighting the activities that had taken place in each region to best illustrate the brands presence across the state which will include the ROIs. He concluded that they would strive to give the best presence they can within a strained budget due to lower sales. Secretary Bonner then noted that he was currently working on getting Mr. Clontz signed up for an upcoming celebrity softball game in Cody that would feature Kanye West. Chairman Chitwood shared her excitement around the Cody event.

This concludes Mrs. Medina's sales and marketing presentation for Q2.

Executive Session:

Motion to move into the Executive Session was made by Board Secretary Bonner. The motion was seconded by Board Treasurer Gina Monk and the motion passed by a unanimous 8/0 vote.

Meeting Adjournment:

Chairman Chitwood announced the closure of the meeting, with the motion being made by Board Secretary Bonner. The motion was seconded by Board Member Willox and passed with a unanimous 8/0 vote. The meeting was adjourned.