

## WYOMING LOTTERY CORPORATION

### Board Meeting Minutes

Wednesday, August 7, 2023

Hampton Inn & Suites Buffalo

85 US Highway 16 E

Buffalo, WY 82834

**Board Members Present:** Gina Monk- Chairwoman, Todd Peterson- Vice Chairman, David Snyder- Secretary, Gerry Marburger- Treasurer, Jim Willox, Lori Brennan

**Board Members Attending via Zoom:** Mary Throne

**Board Members Not Present:** Sandra Wallop

**Staff Members Present:** Jon Clontz- CEO, Robin Medina- COO, Loy Jackson- CFO, Dave Stevens- Chief of Security, Jessica Baldwin- Executive Assistant

**Guests Present via Zoom:** Matt Kaufman- Legal Counsel

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### **Establish Quorum:**

Chairwoman Gina Monk called the meeting to order at 8:30 a.m. with a roll call of board members and staff members.

### **Agenda Approval:**

Chairwoman Monk presented there were no additions or changes requested.

### **Approval of the Minutes:**

Minutes from Wednesday, April 26, 2023, in Laramie

- Chairwoman Monk would like a little more elaboration on topics and the questions asked.
- Board Treasurer Gerry Marburger would like to start adding the financial documents to the meeting minutes so that nothing gets missed.
- Minutes were approved with a Motion made by Board Member Jim Willox and Seconded by Treasurer Marburger.

Minutes from Wednesday, June 28, 2023, Special Session Meeting via Zoom

- Minutes were approved with a Motion made by Board Secretary David Snyder and Seconded by Board Member Lori Brennan.

### **CEO Report:**

Wyoming Lottery Corporation (WLC) CEO Jon Clontz reported and discussed the following:

- Main happenings
  - Will follow up on the Minutes with Jessica and the changes that Chairwoman Monk has requested

- Sales
  - A lot of activity with sales due to Keno and the large jackpots
  - Increased revenue due to the jackpots
  - We are up to 142 Hang n' Plays for Keno
    - Marty Baker (Keno Manager) has been doing fantastic and is covering a lot of ground and pushing Keno.
  - Audit
    - MH&P (Auditors) will be in the office during the first week of September to start the process
  - New Building
    - Will be discussed during executive session
  - State Fair Sponsorship (August 14<sup>th</sup> through the 19<sup>th</sup>)
    - Douglas, Wyoming
    - We will be up in Douglas selling tickets and doing the spin to win
    - \$15,000 is what the sponsorship costs for State Fair
  - Football Season Sponsorship
    - Coming up and we are ready to be active at the games and continue on with the BOGOs on Sunday if the Pokes win
    - The Board is invited to the September 2<sup>nd</sup> UW football opener
  - Strategic Session for the Board Members
    - September 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup> in Jackson, Wyoming
    - Jessie Dafoe will be the facilitator for the workshop
    - Agenda will be sent out to the board members soon
    - New Board Member Frosty Williams will be attending the workshop in Jackson as well
    - The Staff will also be doing a Strategic Session with Jessie on the 8<sup>th</sup> of September

Board Member Jim Willox wanted to discuss the payment options regarding the high jackpots.

- Board Member Willox would like to question MUSL regarding the payment options and see if it would be possible to have multiple payouts (some in an annuity and some in cash)
  - Would the board be willing to pass a policy for Jon to speak to MUSL and see if that is something MUSL would be willing to consider
  - Chairwoman Monk thought it was a great idea and asked for a Motion
  - A motion was made by Board Member Willox to have Jon lobby for a change in MUSL's rules regarding payouts so that a winner could choose multiple options and multiple percentages of the jackpot. The Motion was seconded by Secretary Marburger. The Motion passed.
  - Jon will propose this in the next MUSL meeting the upcoming week.

### **Financial Presentation:**

WLC CFO Loy Jackson presented an overview of the Financials.

**Attached as requested by Treasurer Marburger and agreed upon by the Board.**

**Questions:**

**Board Member Willox questioned the interest that is being made on the \$3.5 million Cowboy Draw as the winner has not come forward yet.**

- **Mrs. Jackson stated that the interest doesn't change and the \$3.5 million will continue to accrue interest until it has been claimed.**

**Board Member Willox questioned the interest being earned from the jackpots. Where does the interest payments go? Which account?**

- **Mrs. Jackson stated that a few times a week, she moves extra funds from the operating accounts into the savings accounts and that is where the interest is earned. There is no interest being earned in the checking accounts, prize accounts or the operating accounts.**
- **The interest amounts received stay in the savings account.**

**Board Member Mary Throne brought up responsible gambling and the skillz games that have been progressing throughout the state.**

- **Chairwoman Monk agreed with Board Member Throne regarding the expansion on the skillz games and how important responsible gambling is.**
- **Mr. Clontz stated that he is working with a group now regarding this and would like to do more regarding more money being added to the responsible gambling fund.**
- **Mr. Clontz stated we would be adding this to the Governance Subcommittee to discuss.**

**Board Member Willox questioned why the temp agency contract amount was put under outside services.**

- **Mrs. Jackson explained that the temp agency is an outside service provider.**

**Chairwoman Monk questioned the Keno percentage payout.**

- **Mrs. Jackson stated the payout is at 68%**

Board Secretary David Snyder made a motion to approve the financials as presented. The motion was seconded by Board Member Willox, and the motion passed by a unanimous vote.

**Marketing Presentation:**

WLC COO Robin Medina presented an overview of the Sales Update

**Total Sales: FY'23 Actual vs. Projection**

- **FY'23 Actual sales YTD**
  - **\$44 Million**

- FY'23 Projected sales
  - \$32.5 Million

**Total Sales: FY'23 vs. FY'22**

- Total sales FY'23
  - \$44 Million
- Total sales FY'22
  - \$27.3 Million

**Actual Weekly Sales: FY'23 vs. FY'22**

- FY'23 Average weekly sales
  - \$847,000
- FY'23 Weekly pace amount with Keno
  - \$616,000
- FY'22 Average weekly sales
  - \$525,000

**Total 3<sup>rd</sup> Quarter Sales: FY'23 Actual vs. Projections**

- FY'23 Q4 Actual Sales: \$8.5 Million
- FY'23 Q4 Projected Sales: \$9.5 Million

**Powerball Sales: FY'23 vs. FY'22**

- FY'23 sales to date: \$11.7 Million
- FY'22 sales to date: \$9 Million

**Mega Millions Sales: FY'23 vs. FY'22**

- FY'23 sales to date: \$9.9 Million
- FY'22 sales to date: \$4.9 Million

**Cowboy Draw Sales: FY'23 vs. FY'22**

- FY'23 sales to date: \$14 Million
- FY'22 sales to date: \$8.7 Million

**Lucky for Life Sales: FY'23 vs. FY'22**

- Total sales for FY'23: \$2.8 Million
- Total sales for FY'22: \$2.9 Million

**2by2 Sales: FY'23 vs. FY'22**

- Total sales for FY'23: \$1.3 Million
- Total sales for FY'22: \$1.8 Million

Sales are declining. WLC is investigating other games and other avenues. Will be updating the Board on other games that could be considered and removing 2by2 due to sales.

### **Keno Sales FY'23**

- Total sales for FY'23: \$4.3 Million

Ticket dispenser machines will be tested and go live on September 24<sup>th</sup> in Cheyenne, WY.

The ticket dispenser machines will be placed in high traffic areas and hopefully in all areas of the state in the future.

Retailers will take cash from the machine daily

### **WLC Product Sales YTD**

- Total sales YTD PB: \$11.7 Million
- Total sales YTD MM: \$9.8 Million
- Total sales YTD CD: \$14.1 Million
- Total sales YTD L4L: \$2.8 Million
- Total sales YTD 2by2: \$1.3 Million
- Total sales YTD Keno: \$4.3 Million
- Total sales YTD Round Up: \$4 Million

### **Round Up Sales: FY'23 vs. FY'22**

- Round Up total sales FY'23 YTD: \$4.1 Million
- FY'23 total plays: 290,000
- Round Up total sales FY'22: \$4 Million
- FY'22 total plays: 276,000

### **Marketing Update**

- Keno Promotion
  - June 1 – June 30 / Every Friday
    - Increase awareness for non-players and motivate trial play
    - Incentivize an increase in play by existing players
  - Buy \$5 Keno ticket and get a \$2, 4-spot ticket for free
  - During happy hour – 5pm to 7pm every Friday in June, potentially October, and during the holidays
  - Promotions are the way to go with KENO
    - KENO winners can be tracked
    - Free tickets can be tracked and how much was won
  - Statewide push at all locations
  - Marketing at all retailers with an extra focus at Hang n' Play locations
  - Friday average sales: \$18,000
    - Total: \$121,722 net vs. approximately \$90,000 on Fridays
- **Keno Parties**

- Testing phase of KENO Parties
  - Focus on supporting retails by providing education and increasing awareness
  - April 27
    - Paradise Valley Golf Club in Casper
  - April 28
    - 307 Bar & Grill in Torrington
  - May 6
    - Wyoming Downs in Green River
  - May 19
    - Legends in Gillette
  - June 9
    - Horseshoe Bar & Grill in Casper
  
- **KENO Promotion #2**
  - July 1 – August 19
    - Goal
      - 12,500 mail-in entries
      - Partnership with Atlas Experiences
      - Second change promotion for any KENO ticket purchased during dates
      - One winner and guest will go to private concert in Nashville in February 2024
        - 3 days in Nashville
        - \$10,000
        - \$500 Spending cash
        - Flight and meals
        - Chance to win \$500,000
          - Odds are 1 in 168
        - Announcement of the winner will be at the first UW football game against Texas Tech on September 2<sup>nd</sup>
  
- **Up Next**
  - Responsible Gambling
    - Verification (instead of certification) and Coalition / in America
    - Tracker Study doesn't indicate a problem with gambling in Wyoming
      - Working on:
        - Educating individuals
        - Self-Governing
        - Self-Exclusion Agreement
        - Awareness
    - There are limitations on the lottery however, skillz games do not have any limitations, which causes some frustration (Board Member Throne)
    - Problem Gambling Conference in Las Vegas, NV
    - CD BOGO
    - Keno Promotions

Board Member Willox questioned the WyoLotto app and if it tells the individual if they won money and how much they won.

- Mrs. Medina stated the app does tell you how much money was won but with a disclaimer.

**Governance Report:** Matt Kauffman, Jon Clontz and Dave Stevens

Governance Subcommittee did not occur before the board meeting and problem gambling was already discussed

**Executive Session:** Motion to Approve the land purchase (Hitching Post Complex) for \$300,000 - Board Secretary Snyder made a motion for the land purchase for \$300,000 for the new building. The motion was seconded by Board Member Brennan, and the motion passed by a unanimous vote.

**Meeting Adjournment:** Vice Chairman Todd Peterson made a motion to adjourn the meeting and was seconded by Board Treasurer Marburger. The motion passed by a unanimous vote.