

WYOMING LOTTERY CORPORATION

Board Meeting Minutes

Friday, October 27, 2023

In Person and Zoom Video Conference

Rodeway Inn Pronghorn Lodge

Lander, Wyoming

Board Members in person: Gina Monk- Chairwoman, Todd Peterson- Vice Chairman, Dave Snyder- Secretary, Gerry Marburger- Treasurer, Frosty Williams, and Jim Willox.

Board Members via Zoom: Lori Brennan, Sandra Wallop

Board Members not present: Mary Throne

Staff Members Present: Jon Clontz- CEO, Robin Medina- COO, and Loy Jackson- CFO.

Staff Members via Telephone/Zoom: Jessica Baldwin- Executive Assistant

Guests Present via Zoom: Matt Kaufman-Legal Counsel, and Brandy Marrou-MH&P Auditor

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 to the agenda.

Approval of the Minutes:

Minutes from August 7, 2023

Chairwoman Monk wanted to add “in Cheyenne” to Page 5 regarding the launch of the ticket dispenser machines and “in all areas of the state”.

Vice Chairman Todd Peterson questioned Mr. Jon Clontz regarding the question made by Jim Willox in the August 7th board meeting about different Jackpot payouts. Mr. Clontz stated that he did bring it up to Bret Tyron and it was shelved until the upcoming NASPL meeting in Wisconsin. Mr. Clontz will follow up with Bret in Wisconsin.

Following a Motion from Jim Willox and seconded by Board Treasurer Gerry Marburger, the minutes were approved by a unanimous vote.

CEO Report:

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

- NASPL annual conference coming up in Wisconsin that Chairwoman Monk and Vice Chairman Peterson will be attending
 - The CEO of Intralot will meet Chairwoman Monk and Vice Chairman Peterson
- New Game Research
 - Mr. Clontz will share his findings, the details, and numbers at the January board meeting
 - Cash Pop is an interesting new game that we will be looking into further (Florida, Michigan and Mississippi have this game)
 - Simple basic game
 - Good fit for Wyoming
 - 1-15 numbers and you can bet up to 5 times on a certain number or several numbers
 - 1 or 2 draws a day / 7 days a week
 - Intralot is on board however, they are wanting to do a presentation regarding their Pitch Perfect game
 - We could bolster revenue with this new game to make up for the loss of 2by2 revenue or get rid of 2by2 all together
 - Ticket Dispensers
 - Robin will be updating the Board on the machines with her presentation later on with her marketing presentation
 - WLC Audit
 - Great outcome and grateful for Brandy and her team and MH&P
 - BOGO
 - Has been producing great revenue and we are excited to get to do it every time the Pokes win.
 - Legislative Session
 - Teaming up with Jessie Dafoe to get prepared for the upcoming session and the strategic plan.

Questions / Comments from Board Members:

NONE

Budget:

Brandy Marrou from MH&P presented the FY'22 Audit.

- No significant issues in performing this audit
- Audit went very well, and everything MH&P needed to perform the audit was received on time
- No significant or unusual transactions
- MH&P proposed 4 audit adjustments
 - 3 of those adjustments relate to the standards
 - The pension liability
 - The lease asset and liability
 - The subscription asset and liability

- These adjustments are what the lottery has asked MH&P to be prepared on their behalf and Mrs. Loy Jackson reviews and approves them
 - The 4th audit adjustment that was proposed
 - Cleaning up the lottery's fixed assets
 - Several assets no longer being used in operation
 - Eliminated the cost and accumulated depreciation
 - No impact to net income as a result of that adjustment
 - General Observations
 - No disagreements with management
 - Not aware of any areas where management consulted with other accountants over areas that were disagreed with
 - No significant issues discussed with management related to the audit other than the implementation of these new standards
- No difficulties or issues that need to be brought to the Board's attention

Mrs. Jackson presented an overview of the Financials. All directors had received detailed statements prior to the board meeting. Statements are attached.

Questions from Board Members:

- 1. Who has WLC credit cards and do they get paid every month?**
 - a. Yes, the credit cards get paid every month and Jon Clontz, Robin Medina, Loy Jackson, Dave Stevens, Marty Baker and Jessica Baldwin have credit cards
- 2. Transfers to the State**
 - a. Mrs. Jackson and Mr. Clontz will be working with the State Treasurer to change the date of the transfer to give Mrs. Jackson more breathing room to calculate expenses for the lottery. Normally, the transfer to the State happens on the 5th however, they will be contacting the Treasurer to discuss a new potential transfer date of the 15th.
- 3. Can reserve funds be moved into the building fund?**
 - a. Brandy with MH&P stated there is no restrictions when it comes to the reserve fund and it is fully at the Board's discretion to move those funds

Board Secretary Dave 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 Report:

WLC COO Robin Medina presented the Marketing Report.

Sales Update Report

FY'24 Actual vs. Projection

- FY'24 Actual Sales YTD: \$12.9 Million
- FY'24 Projected Sales YTD: \$7.4 Million
- Sales were over projection YTD: 73.83% and \$5.5 Million

FY'24 vs. FY'23

- Total sales for FY'24 was \$13 Million
- Total sales for FY'23 was \$9.5 Million

Actual Weekly Sales FY'24 vs. Actual Weekly Sales FY'23

- FY'24 Average weekly sales: \$994,000
- FY'24 Weekly pace amount: \$572,000
- FY'23 Average weekly sales: 733,000

1st Quarter FY'24 Actuals vs. Projections

- FY'24 Quarter 1 Actual Sales: \$12.9 Million
- FY'24 Quarter 1 Projected Sales: \$7.4 Million

Powerball FY'24 vs. FY'23

- FY'24 sales to date: \$4.2 Million
- FY'23 sales to date: \$2 Million

Mega Millions FY'24 vs. FY'23

- FY'24 sales to date: \$3.7 Million
- FY'23 sales to date: \$4.2 Million

Cowboy Draw Sales FY'24 vs. FY'23

- FY'24 sales to date: \$2.75 Million
- FY'23 sales to date: \$2 Million

Lucky for Life Sales FY'24 vs. FY'23

- Total sales for FY'24: \$717,000
- Total sales for FY'23: \$748,000

2by2 Sales FY'24 vs. FY'23

- Total sales for FY'24: \$309,000
- Total sales for FY'23: \$367,000

Keno Sales – FY'24

- Total sales for FY'24: \$1.3 Million
- Total sales for FY'23: \$109,000 (only one week of revenue reported)

WyoLotto Product sales YTD

- Total Sales YTD for Powerball: \$4.2 Million
- Total Sales YTD for Mega Millions: 3.7 Million
- Total Sales YTD for Cowboy Draw: \$2.75 Million

- Total Sales YTD for Lucky for Life: \$717,000
- Total Sales YTD for 2by2: \$308,000
- Total Sales YTD for Keno: \$1.3 Million
- Total Round Up Sales: \$1.1 Million

Round Up Sales FY'24 vs. FY'23

- Round Up total sales FY'24 YTD: \$1.1 Million
- Round Up total sales FY'23 YTD: \$1.1 Million

Marketing Update

Luke Combs Giveaway

- Ran from July 1st through August 19th
- Goals
 - 12,000 Entries
 - Results
 - 16,154 Entries
- Promote at events:
 - Laramie Jubilee Days
 - Wyoming State Fair
 - Wyoming Downs in Evaston
 - UW in-game announcement

Cowboy Draw BOGO

- September 3rd
 - Gross: \$180,000
- September 10th
 - Gross: \$222,000
- September 24th
 - Gross: \$265,000
- October 1st
 - Gross: \$301,000

Jackpots

- Powerball
 - \$1 Billion as of September 30th
- Cowboy Draw
 - \$1.2 Million as of September 30th
- Mega Millions
 - \$300 Million as of September 30th

Responsible Gambling Planning Verification

- September 8th
 - Deadline to submit 200 word entry for acceptance

- September 15th
 - Receive acceptance for verification submission
- October 13th
 - Deadline to upload submission to NASPL Matrix
- November 3rd
 - Questions from assessors
- November 13th
 - Deadline for responses to assessors questions
- January 26th
 - Verification report with whether planning level was achieved or if a revised submission is required. Revised submission due two weeks after report is received.

What comes next:

- October: RG Verifications Submission
- December: Freebie Fridays KENO Promotion
- January: RG Verification Submission Results
- February: KENO Brand Campaign

Governance Report:

CEO Clontz presented the Governance Report.

CEO Clontz spoke about the updated contract for Jessie Dafoe to replace Gail Gerringer as the WLC lobbyist for 6 months through session. They also spoke to her about making it a more permanent position and he will update the Board when that time comes.

Executive Session:

The motion was made by Board Member Jim Willox to move into Executive Session. The motion was seconded by Board Treasurer Gerry Marburger, and the motion passed by a unanimous vote.

Readjournalment: Board Member Willox made a motion for the CEO to enter into a contract to finalize the purchase of the lot on Lincolnway not to exceed the amount of \$611,000 plus closing costs. The Motion was seconded by Board Member Dave Snyder and was passed unanimously.

Meeting Adjournment: Chairwoman Gina Monk announced the closure of the meeting with the motion to adjourn by Board Treasurer Marburger, seconded by Chairwoman Monk, and passed with a unanimous vote.