

WYOMING LOTTERY CORPORATION

Board Meeting Minutes

Wednesday, January 29, 2025

Wyoming Lottery Corporation
1620 Central Avenue, Suite 100
Cheyenne, WY 82001

In Person and Zoom Video Conference

Board Members via Zoom: Gina Monk- Chairwoman, Gerry Marburger- Treasurer, Mary Throne

Board Members Present in Person: Todd Peterson- Vice Chairman, David Snyder- Secretary, Jim Willox, Frosty Williams, Lori Brennan

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

Guest Present via Zoom: Matt Kaufman- Legal Counsel and Jessie Dafoe- Legislative Consultant

Guest Present in Person: Jeffrey Collins- Appointed Board Member

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 Tuesday, October 29, 2024

Following a Motion from Board Member Jim Willox and seconded by 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:

- Three-year strategy review to be discussed during executive session
- Keith White
 - NCPG Director stepped down
 - The Interim Director has been appointed, and he will be meeting with her during the upcoming MUSL meetings
- Planning for retailer and player forums around the state for spring and summer
 - Face-to-face updates to the public are beneficial and enjoyed by players
- MUSL Meetings to be held in March
- CFO recruitment
 - Over 60 resumes were received
 - 4 individuals were chosen to be interviewed by Jon
 - 2 have already been interviewed and the other 2 will be interviewed later in the week
 - The top candidates will come to the office for interviews and meet the staff
- Jeffrey Collins has been appointed by the Governor to be part of the Wyoming Lottery Board. The background check has not been finalized but he will be joining the team. The bio and press release will be sent out once the background check is complete.
- Legislative Session
 - Has met with the Governor's office and has been keeping them updated on sales, etc.
 - Wyoming Lottery is not on the docket for anything during legislative session
 - Gaming expansion is not very popular with the new legislature

Questions from Board Members:

- Chairwoman Monk questioned if Intralot got the RFP bids from Ohio and New Mexico?
 - CEO Clontz stated that Intralot did not get the RFP for either state
 - However, Intralot was able to secure Ontario which balanced it out
- Board Member Willox questioned if the Wyoming Lottery will go to an RFP if Intralot continues to lose accounts?
 - CEO Clontz stated that due to the turnovers and multiple CEOs, he has maintained a good relationship with them and has stressed the importance of making sure the Wyoming Lottery doesn't get pushed to the side and continues to be listened to.
 - Intralot put together a plan that works with our performance management and they will continue to work on improvements that fall in line with our performance management system (quarterly target reviews and tracking).
 - If they fail to do certain things, we can assess damages (some of the individuals that have been hired by Intralot have been caught stealing, which was caught and dealt with by our office)
 - Intralot changed their process within the past 6 months and now are making sure their employees have a thorough background check

- Contracts could be breached for lack of performance on their part, but they have done a good job with communicating and working with us on performance management
 - Jon hosted a breakfast with Intralot representing the other jurisdictions and addressing concerns
 - Intralot listened to concerns and asked for suggestions, and it was agreed that Intralot needed to have Director's meetings more often and face-to-face to address any questions, concerns and follow-ups (2 times a year). Those meetings will be held in Chicago. Jon will keep the board apprised of anything coming up regarding the meetings.
- Chairwoman Monk questioned the land that the lottery owns. Has it been listed?
 - CEO Clontz stated it is listed and there was one hit on it a few months ago but it was mostly curiosity from a builder. He noticed a few months ago a construction company had dropped trash and concrete blocks on the land. Dave Stevens and the agent were able to get it cleared up within a few days. CEO Clontz drives by every day and there is a giant sale sign up. The agent states that springtime/summer will bring more interested buyers and now that the new hotels are being completed and roads are being added, it will entice buyers

Financial Report:

WLC CFO Loy Jackson presented an overview of the Financials. All Directors received detailed statements prior to the board meeting. Statements are attached.

Questions from Board Members:

- Chairwoman Monk asked what the trademark amounts were for
 - COO Robin Medina stated that we trademark logos and tag lines
 - We do not want other lotteries to use them
- Board Member Willox questioned, how is there a prize payable for \$0.49?
 - CFO Jackson explained that when we pay MUSL we pay a percent
- Vice Chairman Peterson questioned the Keno sales, Keno sales were up and now the excitement has faded, is that a normal trend?
 - CEO Clontz stated that the new rise in Skill Games, online sports betting, and iGaming has created a lot more competition
 - COO Medina is looking into Keno sales and how to expand them
 - The Governor is concerned about how these new horse racing venues and casinos are impacting the lottery
 - Throughout all jurisdictions there has been a 67% decline in all products

Vice Chairman Peterson made a motion to approve the financials as presented. The motion was seconded by Board Member Lori Brennan, and the motion passed by a unanimous vote.

Marketing Report:

WLC COO Robin Medina presented the Marketing Report.

1. Sales Update

- a. Total Sales – FY'25 Actual vs. Projection
 - i. FY'25 Actual Sales YTD: \$15.6 Million
 - ii. FY'25 Projected Sales YTD: \$15.5 Million
 - iii. Sales we over projections YTD: .67%
- b. Total Sales – FY'25 vs. FY'24
 - i. Total sales FY'25: \$15.6 Million
 - ii. Total sales FY'24 same time last year: \$23 Million
 - iii. Difference year over year: \$7.3 Million under in FY'25
- c. Actual Weekly Sales – FY'25 vs. FY'24
 - i. FY'25 Average Weekly Sales: \$601,000
 - ii. FY'25 Weekly Pace Amount: \$597,000
 - iii. FY'24 Average Weekly Sales: \$885,000
- d. Total 1st Quarter Sales – FY'25 Actual vs. Projections
 - i. FY'25 Q2 Actual Sales: \$7.8 Million
 - ii. FY25 Q2 Projected Sales: \$7.7 Million
- e. Powerball Sales – FY'25 vs. FY'24
 - i. FY'25 sales to date: \$3.5 Million
 - ii. FY'24 same time last year: \$8.2 Million
- f. Mega Millions Sales – FY'25 vs. FY'24
 - i. FY'25 sales to date: \$4.5 Million
 - ii. FY'24 same time last year: \$5 Million
- g. Cowboy Draw Sales – FY'25 vs. FY'24
 - i. FY'25 sales to date: \$3.5 Million
 - ii. FY'24 same time last year: \$5 Million
- h. Lucky for Life Sales – FY'25 vs FY'24
 - i. Total sales for FY'25: \$1.3 Million
 - ii. Total sales for FY'24: \$1.4 Million
- i. 2by2 Sales – FY'25 vs. FY'24
 - i. Total sales for FY'25: \$500,000
 - ii. Total sales for FY'24: \$590,000
- j. Keno Sales – FY'25 vs. FY'24
 - i. Total sales for FY'25: \$2.3 Million
 - ii. Total sales for FY'24: \$2.6 Million
- k. WyoLotto All Product Sales YTD
 - i. Total sales YTD PB: \$3.5 Million
 - ii. Total sales YTD MM: \$4.5 Million
 - iii. Total sales YTD CD: \$3.5 Million
 - iv. Total sales YTD L4L: \$1.3 Million
 - v. Total sales YTD 2by2: \$500,000
 - vi. Total sales YTD Keno: \$2.3 Million
 - vii. Round Up sales total: \$1.5 Million
- l. Round Up Sales – FY'25 vs. FY'24
 - i. Round Up total sales FY'25 YTD: \$1.5 Million

- ii. FY'25 total plays: 116,000
- iii. Round Up total sales FY'24: \$1.9 Million
- iv. FY'24 total plays: 138,000

2. Marketing Update

a. Mega Millions Game Change

- i. Due to the decision made by Mega Millions consortium, we must update this national game in order to continue to offer it in Wyoming. The focus is on making updates and communicating with existing players and creating new ones.

- 1. Effective April 5, 2025
- 2. Price point will increase to \$5

ii. Three phases of marketing the game change

- 1. Logistics phase: January 27 – April 4
- 2. Pre-Launch phase: March 17 – April 4
- 3. Launch phase: April 5 – July 15

b. Cowboy Draw BOGO & \$20K Giveaway

- i. Campaign ran September through December
- ii. Ran 3 BOGOs
- iii. Promoted through radio, digital ads, social, email, app, pads, Keno monitors and website
- iv. Give away \$20,000 to one winner – first year to add prize amount to this promotion
 - 1. Players had to enter code from BOGO ticket on website
 - 2. Total valid entries: 9,562
- v. Average Sunday net sales during non-BOGO: \$20,000
- vi. Average Sunday net sales during BOGO: \$94,100
- vii. Total Net: \$282,300

c. Holidays

- i. Visited 2 Grocery Stores
 - 1. Featured spin-to-win prizes, with \$30 gift cards on the wheel
 - 2. Went to Safeway and Albertsons
- ii. Holiday Giving Giveaway
 - 1. Promoted Mega Millions and Powerball
 - 2. 12 days of Christmas from December 16 – 27
 - 3. Players must purchase a pair of tickets and submit a selfie through the website
 - 4. 10 winners were awarded a \$250 gift card

d. What comes next

- i. Continue Corporate Campaign through August 2025, media buys January 6 – 26, April 7 – 27, and July 7 – 27
- ii. Continue progress on RG verification, now 37% complete on 2-year plan
- iii. Trigger to support low jackpots, January – March 2025
- iv. Mega Millions game change campaign, January – July 2025
- v. Potential KTD promotion, March – May 2025

Governance Report:

CEO Clontz and David Stevens presented the Governance Report.

1. Legislative Updates
 - a. Will be presented in Executive Session
2. Internal Operating Policy for IT
 - a. IT policy was written in 2016 and needs to be updated which is what is being presented today
 - i. Very archaic language and will be updated and taking a few things out

Board Member Frosty Williams made a motion to approve the Technology and Security Policy Update as presented. The motion was seconded by Secretary Dave Snyder, and the motion passed by a unanimous vote.

Executive Session:

Board Member Willox made a Motion to enter Executive Session, and the Motion was seconded by Board Treasurer Marburger.

Meeting Adjournment: Chairwoman Monk announced the closure of the meeting at 11:30 with the motion to adjourn by Board Secretary Snyder, seconded by Board Treasurer Marburger, and passed with a unanimous vote.