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Debbs Potts Oregon State Lottery Commission Building

500 Airport Road SE
Salem, OR 97301

**OREGON STATE LOTTERY COMMISSION MEETING
Feb. 23, 2024**

Lottery Commission: MardiLyn Saathoff, chair
Maulin Patel
Marty Ramirez
Jeff Weller
Julie Wilcox

Director: Mike Wells

Commissioner Patel called the Feb. 23, 2024, Oregon State Lottery Commission meeting to order and stated for the record that the commissioners are attending today's meeting via a web meeting, Chair Saathoff is excused, and a quorum of commissioners is present.

Commissioners present at roll call: Commissioners Patel, Ramirez, Weller, and Wilcox.

A. PUBLIC COMMENT

Commissioner Patel stated that members of the public had the opportunity to provide written public comment and confirmed with the clerk that no written public comments were received.

B. DIRECTOR'S REPORT, Exhibit 1

Presenter: Mike Wells, director

Director Wells shared that a long-time staff member passed away earlier this month. Lenny Thompson was hired in 2004 and held various positions throughout Lottery. Director Wells extended his condolences to his family.

Director Wells reported that there are two weeks remaining in the legislative session. Lottery was closely monitoring the House Committee on Gambling Regulation, which had introduced three bills related to gaming policy. The committee ultimately decided not to move any bills forward this session. There is a written legislative update in the meeting materials and Lottery will continue to monitor the session for any impacts to the Lottery.

Lottery's first all hands meeting of 2024 was earlier this month and close to 400 employees attended. The meeting included a guest speaker and an update from Lottery's policy advisor in the Governor's Office.

Director Wells and several staff attended the Oregon Restaurant and Lodging Association's annual Taste of Oregon event earlier this week and added that it was a good opportunity to network with those in the industry. Director Wells shared that Oregon Restaurant and Lodging Association is a great partner and helps Lottery stay in tune with the industry and many of Lottery's retailers.

The annual Governor’s State Employee Food Drive is taking place this month. Staff is supporting the event with a chili cook-off and a silent auction. Results from the Food Drive will be shared at a future meeting.

Sales

Director Wells reported that impacts from the ice storm last month lowered the forecast for Video Lottery by about \$5.5 million for January and games such as Keno and Scratch-its also experienced a 20-30 percent decrease. Lottery is anticipating a rebound from people receiving their tax refunds beginning in March.

- Mega Millions sales are down year-over-year due to the billion dollar jackpot last January.
- Powerball is up 16.6 percent this year due to more recent billion-dollar jackpots.
- St. Patrick’s Day Raffle sales are up over the past couple weeks, with sales trending slightly ahead of business from the past three years.
- Win for Life sales are still seeing a slight lift of 15 percent six months after the end of the marketing campaign.
- Sports betting during the Super Bowl:
 - Increase in the total number of wagers placed (over 420,000 vs nearly 307,000 last year)
 - Higher margin of revenue, about 19 percent above last year
 - New registrations increased, with over 6,000 new users registering the week leading up to the game.

Winners – Director Wells shared stories about the following winners:

- Caleb S. of Forest Grove won \$40,400 on a Super Bowl wager.
- Mark G. of Gresham won \$17,500 playing Big City 5’s Diamonds Video Lottery.
- Zoe B. of Eugene won \$100,000 playing a crossword Scratch-it.

C. MINUTES OF THE PREVIOUS MEETING, Exhibit 2

Presenter: Maulin Patel, commissioner

The Commission reviewed the draft minutes of the Jan. 26, 2024, Oregon State Lottery Commission meeting, which were circulated in advance of the meeting. There were no recommended changes.

Commissioner Patel called for a motion.

Commissioner Ramirez moved that the minutes of the Jan. 26, 2024, Oregon State Lottery Commission meeting be approved as final, as presented today. Commissioner Wilcox seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Patel, Ramirez, Weller, and Wilcox voting aye.

D. FINANCIAL REPORT, Exhibit 3

Presenter: Jami Eglund, senior manager, accounting

Financial statements, January 2024

Eglund provided an overview of the financial statements and described expenses and variances in the operating statement, services and supplies supplemental schedule, and balance sheet. Eglund noted that beginning this month, the meeting materials will include an analysis of the variances.

- Commissioner Weller shared that he appreciates the new variance report that was provided with the materials and thanked the accounting staff for providing the additional information.

Commissioner Patel called for a motion.

Commissioner Wilcox moved that the Oregon State Lottery financial statements for the month ended Jan. 31, 2024, be approved for the record as presented today.

Commissioner Ramirez seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Patel, Ramirez, Weller, and Wilcox voting aye.

E. ALTERNATIVE DISCLOSURE REQUEST: WINCO FOODS, LLC, Exhibit 4

Presenter: Mike Wells, director

Director Wells reminded the Commission that OAR 177-040-0001(4) authorizes an alternative disclosure process for large public companies, multi-state retail chains, or entities owned by a federally recognized tribe seeking traditional contracts with the Oregon Lottery. Director Wells reported that WinCo Foods, LLC meets the requirements laid out in the rule allowing the Commission to authorize an alternative disclosure process and is seeking approval to proceed with this process.

Commissioner Patel called for a motion.

Commissioner Weller moved that the Oregon State Lottery Commission approve the alternative disclosure process, waiving the personal disclosure requirements for WinCo Foods, LLC, as presented today. Commissioner Ramirez seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Patel, Ramirez, Weller, and Wilcox voting aye.

F. 2020 RETAILER CONTRACT AMENDMENT, Exhibit 5

Presenter: Mike Wells, director

Director Wells reported that the 2020 Retailer Contract is set to expire at 4:59 am on June 29, 2025 and recommended that the contract be extended until 4:59 am on June 29, 2027 to provide time for Lottery to work on two major system upgrades. The first upgrade is to replace an obsolete internet system, which will provide faster service, more stability and redundancy throughout the network and will include new equipment in over 3,500 retail locations across the state. The other upgrade is to Lottery's internal retailer and contract management system that is not expected to be completed for another year and a half. The new system will provide internal benefits and will feature a retailer portal to allow retailers the ability to securely interact and exchange documents in a secure, digital fashion.

With both bodies of work occurring at the same time, associated costs still undetermined and a concern that delivery of a new Retailer Contract would be hampered by the retail system upgrade, Director Wells feels that an amendment to extend the existing Retailer Contract is prudent. Director Wells added that all other terms and conditions of the 2020 Retailer Contract will remain in full force and effect and noted the Department of Justice has been reviewed and approved for legal sufficiency.

Commissioner Patel called for a motion.

Commissioner Ramirez moved that the Oregon State Lottery Commission approve the amendment to the 2020 Retailer Contract that extends the termination date of the contract from June 29, 2025 to June 29, 2027, as presented today. Commissioner Weller seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Patel, Ramirez, Weller, and Wilcox voting aye.

G. COMMISSIONER COMMUNICATIONS AND OTHER BUSINESS

No other business was shared.

Commissioner Patel stated that the next monthly commission meeting is scheduled on March 29, 2024, and adjourned the meeting. (The March meeting was later rescheduled to March 27.)

The Oregon State Lottery Commission approved these minutes on March 27, 2024.

Alisa Zavala, Senior Executive Assistant
Lottery Director's Office

Approved by:

Commissioner MardiLyn Saathoff, Chair
Oregon State Lottery Commission

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OSL Commission meeting exhibits are available for one year on the [Oregon Lottery's website](#).