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Kim Reynolds · Governor  
Adam Gregg · Lt. Governor  
Terry Rich · Chief Executive Officer

# **AGENDA**

## **IOWA LOTTERY BOARD**

**March 20, 2018**  
**10:30 am**

**Dial In: 1-866-685-1580**  
**Code: 000 999 0332**

- I. Call to Order
  - a. Approval of Agenda
  - b. Approval of Minutes – December 19, 2017
- II. Quarterly Reports
  - a. Financial
  - b. Marketing
  - c. Security
  - d. IT Systems
  - e. External Relations
  - f. Legal
- III. Approval of Membership Dues
- IV. Iowa Lottery Vision for 2019
- V. Closed Session
  - a. Litigation Issue
- VI. WLS 2018 and La Fleurs 2018 Innovation Exchange
- VII. CEO Update
  - a. Industry Update
  - b. Personnel – Retirements
  - c. Board Information and Oversight
  - d. New Board Members
- VIII. Board Member Recognition
- IX. Adjournment

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# MINUTES

## IOWA LOTTERY BOARD

December 19, 2017

10:30 a.m.

The Iowa Lottery Board convened at 10:30 a.m. at Lottery Headquarters in Clive; Board Chairperson Connor Flynn presiding.

### **Board Members Present:**

Connor Flynn; Mary Rathje (phone); Mary Junge (phone); Mike Klappholz (phone); Mike Fitzgerald (phone).

### **Board Members Absent:**

None.

### **Lottery Staff Participating:**

Terry Rich, CEO; Larry Loss, EVP; Brenda Nye, VP, Finance; Teri Wood, VP, Marketing; Cam Coppess, VP, Security; Hale Strasser, VP, Systems Operations; Rob Porter, VP, Legal Counsel; David Ranscht, Assistant AG; Deb Bassett, Board Secretary.

### **Others Present:**

David Berger, Scientific Games

### **CALL TO ORDER**

Chairperson Flynn called the meeting to order at 10:30 a.m. and roll was taken. There was a quorum. Flynn announced the meeting would be held via teleconference in accordance with Iowa Code section 21.8.

Rathje moved to conduct the meeting via teleconference. Junge seconded. Motion carried unanimously.

### **APPROVAL OF AGENDA**

Junge moved to approve the agenda for the meeting. Klappholz seconded. Motion carried unanimously.

### **APPROVAL OF MINUTES**

Flynn requested that the minutes of the September 26, 2017 board meeting be corrected related to the motion made for the Pull-Tab Printing RFP.

Klappholz moved to approve the September 26, 2017, board meeting minutes with the correction. Rathje seconded. Motion carried unanimously.

### **QUARTERLY REPORTS**

#### **Financial:**

Nye gave a financial report. The Performance Measures through November show that sales are ahead of budget by nearly 14% and that proceeds are ahead of budget by nearly 30%. The State Auditor released the lottery's Financial Audit Report on December 13th and gave the lottery an unmodified opinion. Nye also stated that the Report on Internal Control and Compliance did not identify any deficiencies in internal controls considered material weaknesses and there were no instances of non-compliance.

There was a brief discussion following Nye's financial report.

**Marketing:**

Wood gave an update on this year's holiday promotion, "Secret Santa". She also discussed the growth of VIP Club membership and upcoming promotions, including "Tiny Home, Big Wins" that will launch in January; and the spring promotion, "Powerball Power Cruise 2".

**Security:**

Coppess provided a security report for September-November, 2017.

**IT Systems:**

Strasser gave a brief update on IT-related projects.

**External Relations:**

Porter gave the External Relations report on behalf of Neubauer. Porter discussed legislation being proposed by the Iowa Department of Veterans Affairs related to lottery proceeds and the Veterans' Trust Fund. Porter also stated that two positions on the board are up for appointment in 2018.

**Legal:**

Porter talked about a federal case related to sports betting and the legality of a federal law, the Professional and Amateur Sports Protection Act (PASPA). Porter also gave an update on pending litigation including the Larry Dawson lawsuit and the Dale Culler class action lawsuit filed against MUSL.

There was discussion about the lawsuits.

Rathje moved to approve the Quarterly Reports. Junge seconded. Motion carried unanimously.

**RETAILER COMPENSATION PROGRAM**

Loss discussed modifications to the program and asked the board to approve two changes to the program.

1. A retroactive change to the existing Retailer Compensation Program, which would permit the lottery to supplement Hot Lotto sales with new Lotto America sales to give retailers an opportunity to earn jackpot bonus or sliding scale incentive on or before December 31, 2017.
2. Forward-looking comprehensive changes to the Retailer Compensation Program, which formalize changes outlined in the memo to the Board.

Klappholz moved to approve the modifications to the Retailer Compensation Program. Rathje seconded. Motion carried unanimously.

**FISCAL POLICY UPDATES**

Nye stated that the lottery's fiscal policies have been updated to reflect changes made to DAS fiscal policies related to travel advances.

Nye requested the board approve changes to the lottery's fiscal policies.

Junge moved to approve the changes to fiscal policies. Klappholz seconded. Motion carried unanimously.

**CEO UPDATE**

Rich provided the board his CEO update. Rich stated that some national news organizations are working on stories about the Eddie Tipton case. Rich also talked about policy issues including fantasy sports and sports betting.

**ADJOURNMENT**

Rathje moved to adjourn. Junge seconded. Motion carried unanimously.

Meeting adjourned at 11:16 am.

IOWA LOTTERY  
PERFORMANCE MEASURES  
FY 2018

December 31, 2017

MONTH		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Gross Sales	Budget FY 2018	25,040,187	26,514,716	25,199,976	26,063,594	27,126,655	27,334,007	32,204,745	29,923,071	30,850,681	28,329,991	29,995,886	25,836,491
	Actual '18	28,206,485	38,467,880	26,630,836	26,964,621	27,665,819	32,578,758	-	-	-	-	-	-
Prize Expense	Budget FY 2018	14,858,996	15,742,543	14,954,742	15,472,229	16,254,469	16,378,716	19,297,294	17,930,100	18,485,931	16,891,189	17,891,887	15,399,545
	Actual '18	17,143,244	22,941,217	16,472,093	16,851,231	16,580,357	20,151,447	-	-	-	-	-	-
Operating Expenses	Budget FY 2018	1,221,802	1,311,871	1,222,236	1,291,537	1,273,991	1,224,256	1,316,795	1,174,968	1,259,991	1,221,196	1,322,765	1,428,719
	Actual '18	1,106,067	1,200,084	1,034,238	1,190,849	1,157,260	1,083,851	-	-	-	-	-	-
Total Proceeds	Budget FY 2018	5,183,039	5,469,502	5,223,408	5,374,638	5,663,645	5,766,329	6,917,570	6,476,754	6,628,603	6,023,721	6,347,551	5,179,461
	Actual '18	6,524,204	9,995,533	6,097,014	5,957,452	6,396,948	7,579,571	-	-	-	-	-	-
YEAR TO DATE													
Gross Sales	Budget FY 2018	25,040,187	51,554,903	76,754,879	102,818,473	129,945,128	157,279,135	189,483,880	219,406,951	250,257,632	278,587,623	308,583,509	334,420,000
	Actual '18	28,206,485	66,674,365	93,305,201	120,269,822	147,935,641	180,514,399	-	-	-	-	-	-
Prize Expense	Budget FY 2018	14,858,996	30,601,539	45,556,281	61,028,510	77,282,979	93,661,695	112,958,989	130,889,089	149,375,020	166,266,209	184,158,096	199,557,641
	Actual '18	17,143,244	40,084,461	56,556,554	73,407,785	89,988,142	110,139,589	-	-	-	-	-	-
Operating Expenses	Budget FY 2018	1,221,802	2,533,673	3,755,909	5,047,446	6,321,437	7,545,693	8,862,488	10,037,456	11,297,447	12,518,643	13,841,408	15,270,127
	Actual '18	1,106,067	2,306,151	3,340,389	4,531,238	5,688,498	6,772,349	-	-	-	-	-	-
Total Proceeds	Budget FY 2018	5,183,039	10,652,541	15,875,949	21,250,587	26,914,232	32,680,561	39,598,131	46,074,885	52,703,488	58,727,209	65,074,760	70,254,221
	Actual '18	6,524,204	16,519,737	22,616,751	28,574,203	34,971,151	42,550,722	-	-	-	-	-	-

	Current Month	Year to Date
Prize Payout - Budget	59.92%	59.55%
Prize Payout - Actual	61.85%	61.01%
Sales - Actual increase (decrease) vs. Budget		14.77%
Proceeds - Actual increase (decrease) vs. Budget		30.20%

IOWA LOTTERY  
PERFORMANCE MEASURES  
FY 2018

January 31, 2018

MONTH		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
<b>Gross Sales</b>	Budget FY 2018	25,040,187	26,514,716	25,199,976	26,063,594	27,126,655	27,334,007	32,204,745	29,923,071	30,850,681	28,329,991	29,995,886	25,836,491
	Actual '18	28,206,485	38,467,880	26,630,836	26,964,621	27,665,819	32,578,758	34,433,194	-	-	-	-	-
<b>Prize Expense</b>	Budget FY 2018	14,858,996	15,742,543	14,954,742	15,472,229	16,254,469	16,378,716	19,297,294	17,930,100	18,485,931	16,891,189	17,891,887	15,399,545
	Actual '18	17,143,244	22,941,217	16,472,093	16,851,231	16,580,357	20,151,447	20,974,949	-	-	-	-	-
<b>Operating Expenses</b>	Budget FY 2018	1,221,802	1,311,871	1,222,236	1,291,537	1,273,991	1,224,256	1,316,795	1,174,968	1,259,991	1,221,196	1,322,765	1,428,719
	Actual '18	1,106,067	1,200,084	1,034,238	1,190,849	1,157,260	1,083,851	1,129,592	-	-	-	-	-
<b>Total Proceeds</b>	Budget FY 2018	5,183,039	5,469,502	5,223,408	5,374,638	5,663,645	5,766,329	6,917,570	6,476,754	6,628,603	6,023,721	6,347,551	5,179,461
	Actual '18	6,524,204	9,995,533	6,097,014	5,957,452	6,396,948	7,579,571	8,030,538	-	-	-	-	-
YEAR TO DATE													
<b>Gross Sales</b>	Budget FY 2018	25,040,187	51,554,903	76,754,879	102,818,473	129,945,128	157,279,135	189,483,880	219,406,951	250,257,632	278,587,623	308,583,509	334,420,000
	Actual '18	28,206,485	66,674,365	93,305,201	120,269,822	147,935,641	180,514,399	214,947,593	-	-	-	-	-
<b>Prize Expense</b>	Budget FY 2018	14,858,996	30,601,539	45,556,281	61,028,510	77,282,979	93,661,695	112,958,989	130,889,089	149,375,020	166,266,209	184,158,096	199,557,641
	Actual '18	17,143,244	40,084,461	56,556,554	73,407,785	89,988,142	110,139,589	131,114,538	-	-	-	-	-
<b>Operating Expenses</b>	Budget FY 2018	1,221,802	2,533,673	3,755,909	5,047,446	6,321,437	7,545,693	8,862,488	10,037,456	11,297,447	12,518,643	13,841,408	15,270,127
	Actual '18	1,106,067	2,306,151	3,340,389	4,531,238	5,688,498	6,772,349	7,901,941	-	-	-	-	-
<b>Total Proceeds</b>	Budget FY 2018	5,183,039	10,652,541	15,875,949	21,250,587	26,914,232	32,680,561	39,598,131	46,074,885	52,703,488	58,727,209	65,074,760	70,254,221
	Actual '18	6,524,204	16,519,737	22,616,751	28,574,203	34,971,151	42,550,722	50,581,260	-	-	-	-	-

Current Month Year to Date

Prize Payout - Budget	59.92%	59.61%
Prize Payout - Actual	60.91%	61.00%
Sales - Actual increase (decrease) vs. Budget		13.44%
Proceeds - Actual increase (decrease) vs. Budget		27.74%

**IOWA LOTTERY AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Six Months Ending Sunday, December 31, 2017**

	Month ended 12/31/2017	Month ended 12/31/2016	Year-to-date 12/31/2017	Year-to-date 12/31/2016
Operating revenues:				
Instant-scratch ticket sales	\$20,592,877.00	\$19,895,774.00	\$115,285,293.00	\$111,596,386.00
InstaPlay sales	1,037,787.00	902,164.00	4,817,986.00	1,392,979.00
Pick 3 sales	646,702.50	600,873.50	3,809,305.00	3,550,656.00
Powerball sales	5,931,049.50	3,318,546.50	32,654,614.50	28,340,732.00
Mega Millions Sales	2,080,315.00	993,662.00	9,235,611.00	8,326,651.00
Hot Lotto sales	-	656,005.00	3,761,425.00	3,905,537.00
Pick 4 sales	368,290.00	337,780.50	2,205,794.50	1,933,431.50
All or Nothing sales	-	262,660.00	-	1,654,193.00
Lucky for Life sales	431,808.00	467,154.00	2,799,048.00	2,941,812.00
Lotto America sales	648,886.00	-	956,582.00	-
Pull-tab sales	841,043.04	985,928.41	4,988,740.05	6,422,839.16
Application fees	400.00	400.00	1,900.00	1,850.00
Other	307.59	616.89	3,156.94	11,297.84
Total operating revenues	<u>32,579,465.63</u>	<u>28,421,564.80</u>	<u>180,519,455.99</u>	<u>170,078,364.50</u>
Operating expenses:				
Scratch ticket prizes	14,008,574.00	13,850,625.85	75,963,216.17	73,892,842.47
InstaPlay prizes	630,365.96	584,796.61	3,091,030.82	890,544.01
Pick 3 prizes	384,661.50	313,170.00	2,257,333.00	2,021,382.20
Powerball prizes	2,933,049.00	1,593,018.00	15,956,008.00	13,887,975.50
Mega Millions prizes	1,072,460.80	493,378.70	4,573,334.06	4,109,364.55
Hot Lotto prizes	(222,088.00)	318,775.50	1,618,496.50	1,898,503.50
Pick 4 prizes	219,539.00	200,608.30	1,309,691.70	1,144,828.90
All or Nothing prizes	(1,852.00)	154,151.09	(79,981.82)	975,943.44
Lucky for Life prizes	246,526.70	277,644.05	1,707,065.37	1,908,386.27
Lotto America prizes	324,443.00	-	478,291.00	-
Pull-tab prizes	526,015.67	614,366.56	3,115,804.92	4,012,733.25
VIP Club prize expense	23,900.00	19,000.00	90,448.44	55,491.70
Promotional prize expense	5,851.09	12,440.94	58,849.53	75,780.07
Advertising/publicity	560,591.58	572,192.86	3,645,891.65	3,242,186.22
Retailer compensation expense	2,187,498.07	1,859,664.30	11,774,441.28	11,009,404.18
Ticket expense	229,554.36	239,617.13	1,421,520.26	1,468,442.45
Vendor compensation expense	739,140.08	563,029.67	3,878,245.80	3,424,781.57
Salary and benefits	855,275.58	886,744.26	5,388,492.58	5,138,998.09
Travel	14,217.35	18,364.28	114,592.71	140,536.35
Supplies	3,763.15	3,078.82	56,629.30	62,839.77
Printing	-	192.23	5,812.00	2,774.29
Postage	258.13	220.88	1,606.44	1,690.91
Communications	12,871.00	11,766.43	70,220.66	74,647.54
Rentals	25,615.72	25,360.98	153,797.00	152,417.37
Utilities	7,710.04	8,692.56	44,431.95	45,634.56
Professional fees	13,553.00	14,437.97	82,854.96	70,533.58
Vending machine maintenance	21,231.00	41,763.97	170,922.55	275,298.18
Outside services and repairs	78,151.15	67,195.70	395,349.67	379,837.59
Data processing	7,079.16	10,789.30	42,636.27	59,678.15
Equipment	21,631.79	327,467.10	234,838.80	636,174.22
Reimbursement to other state agencies	32,150.84	33,443.20	227,510.29	224,977.02
Depreciation	46,826.24	42,399.79	277,167.77	189,024.73
Other	26,828.27	4,447.30	60,930.94	33,310.83
MUSL/Lotto administrative expense	634.57	12,385.79	3,807.42	77,468.74
Total operating expenses	<u>25,036,027.80</u>	<u>23,175,230.12</u>	<u>138,191,287.99</u>	<u>131,584,432.20</u>
Operating income	<u>7,543,437.83</u>	<u>5,246,334.68</u>	<u>42,328,168.00</u>	<u>38,493,932.30</u>
Non-operating revenue (expenses):				
Proceeds provided to State General Fund	(7,579,570.88)	(5,012,848.55)	(40,050,721.78)	(35,365,142.16)
Proceeds provided to Veteran's Trust Fund	-	-	(2,500,000.00)	(2,500,000.00)
Interest income	13,116.80	14,941.26	92,056.79	62,951.54
Gain (Loss) on disposal of capital assets	(1,250.00)	(118,153.00)	(141,221.99)	(275,159.00)
Net non-operating revenues (expenses)	<u>(7,567,704.08)</u>	<u>(5,116,060.29)</u>	<u>(42,599,886.98)</u>	<u>(38,077,349.62)</u>
Change in net position	<u>(24,266.25)</u>	<u>130,274.39</u>	<u>(271,718.98)</u>	<u>416,582.68</u>
Net position beginning of period	6,110,076.98	6,840,385.77	6,357,529.71	6,554,077.48
Net position end of period	<u>6,085,810.73</u>	<u>6,970,660.16</u>	<u>6,085,810.73</u>	<u>6,970,660.16</u>

**IOWA LOTTERY AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Seven Months Ending Wednesday, January 31, 2018**

	Month ended 1/31/2018	Month ended 1/31/2017	Year-to-date 1/31/2018	Year-to-date 1/31/2017
Operating revenues:				
Instant-scratch ticket sales	\$21,818,325.00	\$20,580,841.00	\$137,103,618.00	\$132,177,227.00
InstaPlay sales	638,098.00	653,634.00	5,456,084.00	2,046,613.00
Pick 3 sales	645,202.00	602,425.00	4,454,507.00	4,153,081.00
Powerball sales	6,414,511.00	3,190,680.50	39,069,125.50	31,531,412.50
Mega Millions Sales	2,532,751.00	1,359,734.00	11,768,362.00	9,686,385.00
Hot Lotto sales	-	591,199.00	3,761,425.00	4,496,736.00
Pick 4 sales	352,097.50	329,273.00	2,557,892.00	2,262,704.50
All or Nothing sales	-	254,807.00	-	1,909,000.00
Lucky for Life sales	477,720.00	468,482.00	3,276,768.00	3,410,294.00
Lotto America sales	719,588.00	-	1,676,170.00	-
Pull-tab sales	834,901.31	959,564.49	5,823,641.36	7,382,403.65
Application fees	150.00	250.00	2,050.00	2,100.00
Other	536.04	268.44	3,692.98	11,566.28
Total operating revenues	<u>34,433,879.85</u>	<u>28,991,158.43</u>	<u>214,953,335.84</u>	<u>199,069,522.93</u>
Operating expenses:				
Scratch ticket prizes	14,498,659.97	13,430,184.00	90,461,876.14	87,323,026.47
InstaPlay prizes	440,070.00	469,411.20	3,531,100.82	1,359,955.21
Pick 3 prizes	380,021.20	358,475.00	2,637,354.20	2,379,857.20
Powerball prizes	2,964,188.50	940,145.00	18,920,196.50	14,828,120.50
Mega Millions prizes	1,291,496.52	671,876.09	5,864,830.58	4,781,240.64
Hot Lotto prizes	(7,281.00)	280,805.50	1,611,215.50	2,179,309.00
Pick 4 prizes	208,923.50	183,813.80	1,518,615.20	1,328,642.70
All or Nothing prizes	(1,923.00)	150,848.25	(81,904.82)	1,126,791.69
Lucky for Life prizes	274,036.77	278,436.68	1,981,102.14	2,186,822.95
Lotto America prizes	359,794.00	-	838,085.00	-
Pull-tab prizes	523,194.15	600,762.35	3,638,999.07	4,613,495.60
VIP Club prize expense	37,500.00	56,000.00	127,948.44	111,491.70
Promotional prize expense	6,268.22	83,605.02	65,117.75	159,385.09
Advertising/publicity	586,566.80	539,055.95	4,232,458.45	3,781,242.17
Retailer compensation expense	2,288,651.71	1,906,709.84	14,063,092.99	12,916,114.02
Ticket expense	312,669.62	253,293.48	1,734,189.88	1,721,735.93
Vendor compensation expense	786,498.83	605,618.38	4,664,744.63	4,030,399.95
Salary and benefits	923,080.04	890,780.65	6,311,572.62	6,029,778.74
Travel	20,356.89	23,206.09	134,949.60	163,742.44
Supplies	5,485.97	8,889.31	62,115.27	71,729.08
Printing	192.24	307.01	6,004.24	3,081.30
Postage	2,637.30	2,707.88	4,243.74	4,398.79
Communications	11,897.78	13,872.78	82,118.44	88,520.32
Rentals	25,300.92	25,423.14	179,097.92	177,840.51
Utilities	13,090.86	9,448.31	57,522.81	55,082.87
Professional fees	11,235.01	11,235.92	94,089.97	81,769.50
Vending machine maintenance	21,199.78	49,028.75	192,122.33	324,326.93
Outside services and repairs	73,809.55	78,356.39	469,159.22	458,193.98
Data processing	7,111.34	9,968.65	49,747.61	69,646.80
Equipment	12,861.60	203,948.00	247,700.40	840,122.22
Reimbursement to other state agencies	30,206.08	28,711.22	257,716.37	253,688.24
Depreciation	45,847.50	45,072.66	323,015.27	234,097.39
Other	5,166.25	4,652.54	66,097.19	37,963.37
MUSL/Lotto administrative expense	893.25	12,911.45	4,700.67	90,380.19
Total operating expenses	<u>26,159,708.15</u>	<u>22,227,561.29</u>	<u>164,350,996.14</u>	<u>153,811,993.49</u>
Operating income	<u>8,274,171.70</u>	<u>6,763,597.14</u>	<u>50,602,339.70</u>	<u>45,257,529.44</u>
Non-operating revenue (expenses):				
Proceeds provided to State General Fund	(8,030,538.40)	(6,503,570.11)	(48,081,260.18)	(41,868,712.27)
Proceeds provided to Veteran's Trust Fund	-	-	(2,500,000.00)	(2,500,000.00)
Interest income	15,957.37	6,660.37	108,014.16	69,611.91
Gain (Loss) on disposal of capital assets	-	(55,631.00)	(141,221.99)	(330,790.00)
Net non-operating revenues (expenses)	<u>(8,014,581.03)</u>	<u>(6,552,540.74)</u>	<u>(50,614,468.01)</u>	<u>(44,629,890.36)</u>
Change in net position	<u>259,590.67</u>	<u>211,056.40</u>	<u>(12,128.31)</u>	<u>627,639.08</u>
Net position beginning of period	<u>6,085,810.73</u>	<u>6,970,660.16</u>	<u>6,357,529.71</u>	<u>6,554,077.48</u>
Net position end of period	<u>6,345,401.40</u>	<u>7,181,716.56</u>	<u>6,345,401.40</u>	<u>7,181,716.56</u>

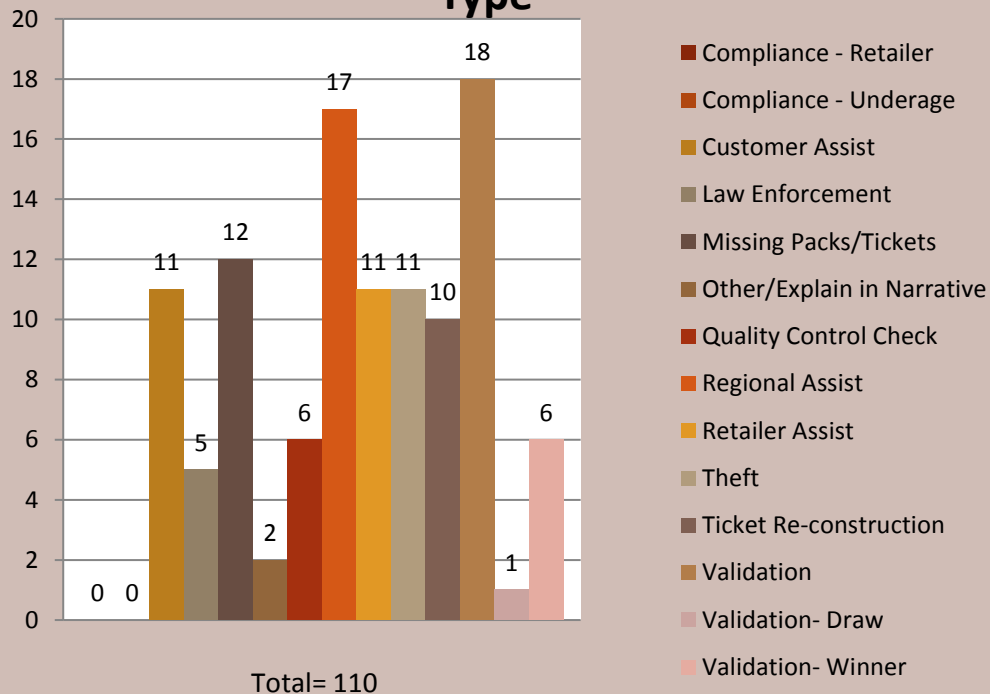




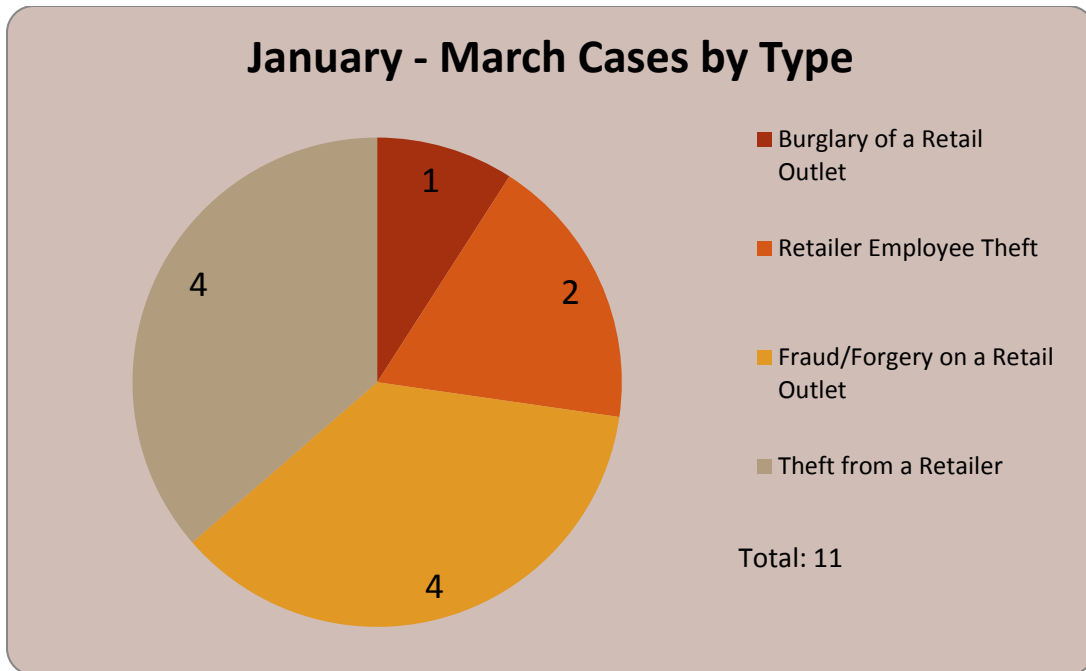
# January - March 2018 Security Report



## January - March 2018 Record of Contacts by Type



**Other:** (1) Verification of Retail License Application Form (1) Documentation of Follow Up for Game Management System message



#### Other Duties and Activities;

- Winner Validation for (1) Tiny Homes/Big Win promotional drawing
- Conducted **182** compliance/inspection checks on retail outlets, sent follow up letters to all retailers to provide results of the compliance check at their store
- **55** Retail Employee Claim Verifications



13001 University Avenue  
Clive Iowa 50325-8225  
www.ialottery.com  
515.725.7900

Terry E. Branstad · Governor  
Kim Reynolds · Lt. Governor  
Terry Rich · Chief Executive Officer

Date: 3-20-2018

To: Iowa Lottery Board  
From: Larry L. Loss  
Re: 2018 Association Membership Dues

For many years, the Iowa Lottery has participated as a member of the Iowa Grocery Industry Association (IGIA), the Petroleum Marketers and Convenience Stores of Iowa (PMCI), the North American Association of State & Provincial Lotteries (NASPL) and the World Lottery Association (WLA). As you are aware, the Board must approve memberships for the lottery. These billings come in annually at about the same time, so as with past practice, we have packaged them for Board approval.

Membership and active participation in IGIA events and activities has led to greater cooperation between the Iowa Lottery and our retailers. IGIA represents the interests of a majority of our retailer outlets. Membership enables us to keep up to date on convenience and grocery store industry trends and concerns.

**ILA staff recommends approval of the \$500 membership dues in IGIA.**

Again, this year, the Iowa Lottery is seeking approval to participate as a business associate member of PMCI. Membership and active participation in retailer industry events has enabled us to keep our fingers on the pulse of the industry and has led to stronger bonds of cooperation between the ILA and our convenience store retailers. Convenience stores are the Lottery's largest retailer trade type.

**ILA staff recommends approval of the \$688 membership dues in PMCI.**

All North American lotteries are members of NASPL. NASPL plays a critical role in connecting member lotteries with essential education, information and communication on key trends and issues and acts as a united voice for the lottery industry on critical issues. NASPL is a key participant in building and maintaining relationships with national corporate retailers as well as the standardization or major procurements for member lotteries.

NASPL is changing their billing cycle. Instead of the membership dues being due annually in July, they will be due annually in January. As such, we are submitting two

invoices for your approval. One for July 1, 2018 – December 31, 2018 and a second invoice for January 1, 2019 – December 31, 2019.

**ILA staff recommends approval of the \$10,000 membership dues for NASPL for 2018 and the \$20,000 membership dues for NASPL for 2019.**

Staff further supports approval of membership in WLA. Through our membership in WLA, the Iowa Lottery has access to educational information and training seminars, current trends and issues, security information and the opportunity to learn from and interact with lotteries across the world. As with other ventures, lottery industry problems and opportunities are not constrained or defined by international borders.

**ILA staff recommends approval of the 5,600 Swiss Francs (approximately \$5,900.89 at the monetary exchange rate current when this document was prepared on March 8, 2018) membership dues for WLA.**

The membership dues for all of the organizations are the same amount as last year.

**We are asking for the Board's approval to continue our memberships.**

Enclosed are invoices from the Iowa Grocery Industry Association, Petroleum Marketers and Convenience Stores of Iowa, North American Association of State & Provincial Lotteries and World Lottery Association.



2540 106th St., Suite 102  
Urbandale, IA 50322  
(515) 270-2628

RECEIVED

18 FEB 19 AM 8:53  
ACCOUNTING DEPT.

## Invoice

# 31516
2/14/2018

Attn: Tom Warner  
Iowa Lottery  
13001 University Avenue  
Clive, IA 50325

Qty	Item	Price	Extended
1	Membership Dues - Supplier 3/1/2018-2/28/2019 - Tom Warner Comment: Supplier Dues, 3/1/18 - 2/28/19, Tom Warner - Iowa Lottery	\$500.00	\$500.00
		<b>Total:</b>	<b>\$500.00</b>

Contributions or gifts to the Iowa Grocery Industry Association are not tax deductible as a charitable contribution for income tax purposes. However, they may be tax deductible as ordinary and necessary business expenses subject to restrictions imposed as a result of association lobbying activities. The Iowa Grocery Industry Association estimates that the deductible portion of your 2016 Dues - the portion not allocable to Lobbying - is 62%. The non-deductible portion of your dues is 38%.



*Serving Neighbors with Fuel & Convenience*

PMCI Inc  
10430 New York Ave Suite F  
Urbandale IA 50322  
United States  
www.pmcofiowa.com  
info@PMCOfiowa.com  
515-224-7545

**Bill To**

Iowa Lottery  
13001 University Ave  
Clive IA 50325  
United States

## Invoice

Date 2/12/2018  
Invoice # 61914

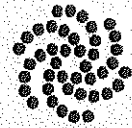
Terms  
PO #

Item	Quantity	Description	Rate	Amount	Tax Rate
AS001	1	Associate Dues July 2018 to June 2019	688.00	688.00	

Total 688.00  
Amount Due \$688.00

# North American Association of State & Provincial Lotteries

7470 Auburn Road, LL1  
Concord, OH 44077  
P. 440.361.7962  
F. 440.867.2327  
www.naspl.org



**NASPL**  
North American Association  
of State & Provincial Lotteries

## Invoice

### Bill To

IOWA LOTTERY  
TERRY RICH, PRESIDENT & CEO  
13001 UNIVERSITY AVE  
CLIVE, IOWA 50325-8225

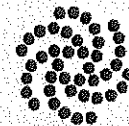
Date	Invoice #
2/27/2018	8202

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
1	NASPL DUES INVOICE, JULY 1, 2018 - DECEMBER 31, 2018	10,000.00	10,000.00
NASPL thanks you for your support - FEIN #58-1846580		<b>Total</b>	\$10,000.00

# North American Association of State & Provincial Lotteries

7470 Auburn Road, LL1  
Concord, OH 44077  
P. 440.361.7962  
F. 440.867.2327  
www.naspl.org



**NASPL**

North American Association  
of State & Provincial Lotteries

## Invoice

### Bill To

IOWA LOTTERY  
TERRY RICH, PRESIDENT & CEO  
13001 UNIVERSITY AVE  
CLIVE, IOWA 50325-8225

Date  
2/27/2018

Invoice #  
8203

P.O. No.

Terms

Project

Net 30

Quantity	Description	Rate	Amount
1	NASPL DUES INVOICE, JANUARY 1, 2019 - DECEMBER 31, 2019	20,000.00	20,000.00
NASPL thanks you for your support - FEIN #58-1846580		<b>Total</b>	\$20,000.00



## **WLA Membership Dues**

Invoice to arrive in March, 2018

On Tue, Feb 27, 2018 at 2:29 AM, WLA – Info <[info@world-lotteries.org](mailto:info@world-lotteries.org)> wrote:

Dear Terry,

Thank you for your e-mail.

The invoices will be sent out in early/mid-March. I hope to get your invoice to you by 14 March, but cannot promise it.

Kind regards,

Nicole Bosshardt

**Executive Assistant**

World Lottery Association

Tel.: +41 61 544 1106

Fax: +41 61 544 7960

[ni@world-lotteries.org](mailto:ni@world-lotteries.org)

[www.world-lotteries.org](http://www.world-lotteries.org)

On Tue, Feb 27, 2018 at 8:56 AM, Nicole Bosshardt <[ni@world-lotteries.org](mailto:ni@world-lotteries.org)> wrote:

Dear Terry,

The amount will be the same as last year: Swiss Francs 5600

Kind regards,

Nicole

Nicole Bosshardt

**Executive Assistant**

World Lottery Association

Tel.: +41 61 544 1106

Fax: +41 61 544 7960

[ni@world-lotteries.org](mailto:ni@world-lotteries.org)

[www.world-lotteries.org](http://www.world-lotteries.org)

# Iowa Lottery

Fiscal Year 2019

## Vision

The Iowa Lottery continually strives to deliver value to the State of Iowa by providing entertainment to the public, maximizing revenues, and maintaining the highest standards of integrity, security, and accountability.

## Mission

The Iowa Lottery is a nonprofit authority that operates the state's lottery in an entrepreneurial and business-like manner, accountable to a public Board of Directors, the Governor, the General Assembly, and the People of the State.

## Key Principles and Strategies

### ***Exceed ILOT's Base Proceeds Goal of \$71 Million***

- Pursue diversification of lottery sales, including product types and sales locations
- Manage expenses, research and develop new sales technologies, and deliver budgeted lottery proceeds
- Prepare for mobile gaming to meet the growing demand

### ***Maintain a High Level of Lottery Integrity***

- Maintain open and transparent oversight of lottery operations
- Continue to emphasize responsible play and ongoing security-compliance checks
- Lead, oversee and exceed industry security and integrity standards
- Maintain public and retailer education about lottery products and policies

### ***Best-in-Class Lottery Operations***

- Develop and execute a transition plan for staff turnover
- Meet and exceed player expectations for value, entertainment and game security
- Understand and work to meet player cashless-purchasing trends
- Deliver great customer service and sales support by all staff
- Strive for continuous improvement of performance in all areas of the lottery's business
- Provide continued training and staff redundancy for all aspects of Iowa Lottery operations

