

VERMONT LOTTERY COMMISSION
Berlin, VT
May 18, 2016

PRESENT: Commissioners: Martha O'Connor; Chair, Karen O'Hagan; Vice Chair, Michel Consejo, Lindsey Kurrle by phone
Staff: Greg Smith; Executive Director, Mary Cassani, Mary Stridsberg
Guests: Jeff Lipps and Jeff Savage with Intralot, Heather Bowman from NL Partners by phone, Rick Barnett with CARTER

The meeting was called to order at 10:34 am.

AN ADDITION TO THE AGENDA TO ALLOW RICK BARNETT FROM CARTER TO SPEAK ON BEHALF OF THE PROBLEM GAMBLING GRANT

ACCEPTANCE OF MINUTES FROM APRIL 20, 2016

A motion was made by Commissioner O'Hagan to accept the April 20, 2016 minutes as distributed. Motion was seconded by Commissioner Kurrle and voted in the affirmative.

MARKETING AND SALES – Greg Smith for Jeff Cavender

From the sales projections and results so far, we expect to finish at about \$123M in sales this year. This was certainly helped by the large Powerball jackpot in January, but we are still going to beat our forecast by about \$6M. Even if it were not for the large Powerball, we would have still be up between \$8M - \$10M over last year.

The upcoming special scratch tickets debuting from now through September include the Wheel of Fortune ticket, and by July we will bring out the Ghostbusters ticket. In September the new Walking Dead ticket will debut again. It was the top 3 instant ticket when it was out last time 2 years ago.

The Powerball promo called the 'Power Cruise' will begin in February of 2017. Players will have the opportunity to enter to win a spot on the Carnival Cruise Ship. 25 states will be participating and there are 1,000 rooms available. The Power Cruise will sail for four days and \$150,000 of onboard prizes will be randomly drawn throughout the cruise. There will be 12 winners from Vermont with a guest onboard.

The use of Pandora online radio for advertising was in place for February, March and April. The results were consistent and yielded excellent click throughs. Our adds that are displaying are more branding adds versus the, click here to enter to win type.

BUSINESS OFFICE REPORT – Mary Cassani

The Tri-State auditors are here now and the Vermont auditors will be here next week. While they are here they are going to do the agreed upon procedures for Lucky for Life that are required every year for that game group.

No other additions to the financial statements or report at this time.

SECURITY REPORT – Greg Smith

Phillip has found a permanent position and left his interim position here as the Security Director. Mike Ferrant will be back on staff here from his military leave the first of June.

No other additions to the security report at this time.

DIRECTORS REPORT – Greg Smith

A copy of the problem gambling grant was distributed to the Commission for review and approval. The payment schedule and payments portion of the grant have been adjusted. The Department of Health has viewed and approves of the grant and the contents. The posting of the grant will go out after this meeting and review of the responses will take place in the middle of June and a recipient will be chosen. Currently CARTER is doing a great job and the Lottery is very happy with them.

MOTION

A motion was made by Commissioner Consejo to authorize the Executive Director to post the Problem Gambling Grant. Motion was seconded by Commissioner O'Hagan and voted in the affirmative.

MOTION

A motion was made by Commissioner Kurrle to authorize the Executive Director to negotiate a contract with Scientific Games for the licensed property Walking Dead for an amount not to exceed \$35,000. Motion was seconded by Commissioner O'Hagan and voted in the affirmative.

The regularly scheduled meeting on June 15th, will now be changed to June 22nd.

The Newport Town School was the third school chosen for the Educate and Innovate Grant award of iPads. The presentation of the award will take place on Wednesday June 1st at 8 am. There is a page on the Vermont Lotteries website that is called "Giving Back" that will lead people to the Educate and Innovate Grant page. Once there they can view the videos created during the awards presentation to the other schools previously awarded.

A spreadsheet of the agent incentive payments for last quarter was handed out for viewing and discussion. An explanation was given on how the agents currently earn their bonus. A new approach for earning bonuses is currently in process and it is expected to be ready to present to the commission in June.

CARTER – Rick Barnett

CARTER is currently the recipient of the Problem Gambling Grant. Their main focus last year was building awareness and educating about problem gambling. They provide inservice trainings at clinics throughout the state. These have been very engaging workshops that not only build awareness but also target those clinicians who are more interested and focused on problem gambling. By the end of June, they will have had 6 workshops with 120 staff and participants who have been trained through CARTER. Rick and his intern have just completed a 60 hour course to become Nationally Certified as Problem Gambling Specialists. They will be designated by the National Council on Problem Gambling as Specialists. There is currently only one Nationally Certified Specialist in Vermont now.

The current plans going forward to advance the public awareness of problem gambling include doing a media spot, a radio announcement, and really getting the hotline number out there. Making sure that it is listed in visible places for customers and players to see.

INTRALOT – Jeff Lipps

A new Marketing Manager has been hired and it is hopeful that she will begin on May 31st. Her name is Cara Salvatore and she will be joining us at the next Commission meeting on the 22nd.

On May 8th a new Fast Play Progressive game was launched called Roll em'. This game will replace the Blackjack Bucks game.

A successful Amber Alert test was completed with the state last week.

NL PARTNERS – Heather Bowman

Currently working on a Megabucks promotion for June called the Megablitz, as well as the Cash n nator summer tour which involves the Lake Monsters games and select agent locations across the state.

Working on two new instant tickets called Mustache Cash and Wheel of Fortune. Also developing a new problem gambling spot with Jeff and Greg, and they will also be at the Educate and Innovate awards in Newport.

INFORMATION ITEMS

The Legislature did not support our repealing of the language on bill S252. Currently working on a plan with Intralot for the removal of the Touch Play machines in the locations that we have, and ending the lottery licenses with those agents. There are a couple of different methods that are being worked on with what to do with the machines after that. Updates to follow.

ACCEPTANCE OF REPORTS

A motion was made by Commissioner Consejo to accept the reports as presented. Motion was seconded by Commissioner O'Hagan and voted in the affirmative.

MOTION

A motion to move into executive session was made at 11:57am. Motion was seconded and voted in the affirmative.

MOTION

A motion to move out of executive session was made at 12:30pm. Motion was seconded and voted in the affirmative.

MOTION

A motion to adjourn was made by Commissioner Consejo at 12:31pm. Motion was seconded by Commissioner O'Hagan and voted in the affirmative.



Martha O'Connor, Chair