

VERMONT LOTTERY COMMISSION
Berlin, VT
June 22, 2016

PRESENT: Commissioners: Martha O'Connor; Chair, Michel Consejo, Ed Flanagan,
Lindsey Kurrle
Staff: Greg Smith; Executive Director, Mary Cassani, Jeff Cavender, Michael Ferrant,
Mary Stridsberg
Guests: Jeff Lipps and Cara Salvatore with Intralot, Russ Leonard and Heather Bowman
with NL Partners

The meeting was called to order at 10:35 am

ACCEPTANCE OF MINUTES FROM MAY 18, 2016

A motion was made by Commissioner Kurrle to accept the May 18, 2016 minutes as distributed. Motion was seconded by Commissioner Consejo and voted in the affirmative.

MARKETING AND SALES – Jeff Cavender

There is only a week and a half left to go in the record year of FY 16. Sales are currently at 121.7M in total sales, which is up 10.7% above last year. Since FY13, instant ticket sales are up approximately 23%.

A week ago Thursday was the Megablitz promo, which was the last promo for the fiscal year. This was a 12-hour blitz sale for Megabucks. There were more sales during that 12-hour time period on a non-draw day than normally seen on a whole draw day – draw day sales being the highest of the week.

Tomorrow is the last day of the ad agency RFP process with oral presentations from the finalists. The RFP committee will convene and make a decision by the end of the month.

The Web Marketing and Game Coordinator position has been open since March and we have struggled to find qualified candidates. During this third time of recruiting for this position, we have reached out to Green Mountain Advertising who is assisting us in our recruiting efforts by creating an advertising plan that expands our access to interested and qualified applicants. After following their plan, we have received approx. 20 new applicants that have better qualifications than re received during prior postings of this position. We will begin arranging interviews soon.

On June 8th the most recent 2nd Chance drawing took place with a record of over a million entries submitted. It was also the first time we had over \$400,000 in second chance prizes.

BUSINESS OFFICE REPORT – Mary Cassani

Total sales for May 2016 were lower than last May by \$1.1M due to one extra week last May. Last May has five weeks of sales compared to this year with four weeks. Total sales for May were higher than projected and year to date sales are also ahead of last year.

Net profit for May was lower than last year and higher than projected. Net profit YTD was higher than last year by \$3.0M and higher than expected by \$2.2M. Last year's YTD net profit was 19.7% of sales; and expected net profit YTD was 19.4% of sales.

David Sicely's wife took a new position in Philadelphia and he will be leaving the lottery at the end of this month. There is a temp person in training now and will be working for us for the next couple of months to help with the reduction in staff.

The auditors will be here July 25th to do the Vermont audit.

SECURITY REPORT – Mike Ferrant

MUSL has made some changes at their level that are starting to be implemented now. Mike has made contact with their new security team. The annual security certification has been completed and presented to Greg for review. It will be ready to submit within the next month.

DIRECTORS REPORT – Greg Smith

A short video presentation was shown about lottery games created by Grover Gaming called the Green Lottery. The concept is to buy a ticket at a retailer, enter the code online for credit to play games online. We should look at this approach to see if we are interested in offering their products and methods.

We are in day 3 of the 4 day removal of the Touch Play Consoles. The agents who are having the machines removed are unhappy with the decision to revoke their licenses. Some of these agents have contacted their legislators to express their dissatisfaction.

The annual trade show and conference for NASPL will be held in Atlanta on October 3-6.

Rick Barnet from CARTER will submit a proposal for the problem gambling grant. The posting will be removed very soon.

INTRALOT – Jeff Lipps

A couple of proposals for the demographic survey have been submitted and shared with the Lottery. We expect this project will be finished by the end of summer.

Intralot welcomes a new Marketing Manager, Cara Salvatore, to the Vermont Intralot staff.

NL PARTNERS – Heather Bowman

NL is Supporting the Lottery with the initiatives of the new tickets and the Lake Monsters events. Also working on a new Problem Gambling ad as well as supporting the Lottery during the time that there is an absence of a social media coordinator.

ACCEPTANCE OF REPORTS

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

MOTION

A motion to move into executive session to discuss a contractual matter was made by Commissioner Kurrle at 11:58 am. Motion was seconded by Commissioner Consejo and voted in the affirmative.

MOTION

A motion to move out of executive session was made at 12:52 pm. Motion was seconded and voted in the affirmative.

MOTION

A motion to adjourn was made by Commissioner Kurrle at 12:55 pm. Motion was seconded by Commissioner Flanagan and voted in the affirmative.



Martha H. O'Connor, Chair
KAREN O'HAGAN