

VERMONT LOTTERY COMMISSION
Berlin, VT
July 20, 2016

PRESENT: Commissioners: Karen O'Hagan; Vice Chair, Ed Flanagan, Michel Consejo, Lindsey Kurrle
Staff: Greg Smith; Executive Director, Mary Cassani, Mike Ferrant, Mary Stridsberg
Guests: Cara Salvatore, Jeff Lipps and Jeff Savage with Intralot

The meeting was called to order at 10:34 am

MARKETING AND SALES – Greg Smith for Jeff Cavender

The marketing team is just finishing up with their "Catch the Cash Tour". They are currently at the last location of five in the tour.

The Tri-State Half Million Dollar Giveaway for the 30th anniversary of Megabucks Plus was held at the Meadowbrook Arena in New Hampshire, just prior to the start of a Keith Urban concert.

The "Mega Blitz" promo was held in June. This was a 12-hour promotion that ran on Thursday, June 16th. It featured random prizes of \$16, \$60 or \$600 for a \$6 buy-in. \$6 ticket sales increased 2000% above the norm for the day, doubling the daily average. Jeff and Cara will provide more detailed results at the next meeting after further evaluation of the promotion.

There are currently two marketing or related open positions. One is the Web Marketing and Game Coordinator, and the other is the Lottery Product Administrator and Support Technician. Interviews for the Web Marketing position will be scheduled before the end of the month. The posting is still up for the Lottery Product Admin and will be until Friday.

A new ad agency was chosen to replace NL Partners. NL will continue with the Lottery until their current contract runs out on the last day of August. The new agency, FuseIdeas from Boston, will probably be attending the August VLC meeting to introduce themselves.

BUSINESS OFFICE – Mary Cassani

The year finished very well with the total Lottery sales higher than last year, and also higher than projected, particularly in instant tickets. The instant ticket sales have had a tremendous impact on our sales growth.

The Tri-State Auditors are currently here. The Vermont auditors will be in next week.

There is a new temp out front in the Business office. Her name is Tiffany LoRe and she is covering most of Amanda's duties, while Amanda is covering some of David's previous duties. We are currently evaluating who does certain work to determine which job to fill.

SECURITY – Mike Ferrant

The annual MUSL Security Certification has been submitted.

A formal VLC Security Policy was created. A copy was supplied to the Commissioners for review. A vote to implement the policy will occur at the next meeting in August.

During the past year the warehouse has implemented a couple of changes that have saved a substantial amount of shipping costs. We reduced our frequency of shipments to some retailers and consolidated our initial shipments of new games into once per month, down from approx. four per month. While we have experienced over 20% growth in ticket volume we have reduced our package volume by over 20%. This has resulted in savings of approx. \$45K per year.

ACCEPTANCE OF MINUTES FROM JUNE 22, 2016

A motion was made by Commissioner Flanagan to accept the minutes of June 22, 2016 and the July 5, 2016 minutes as distributed. Motion was seconded by Commissioner Kurrle and voted in the affirmative.

DIRECTORS REPORT – Greg Smith

The proposal from CARTER for the Problem Gambling Grant was discussed and a request for approval was made.

MOTION

A motion was made by Commissioner Consejo to authorize the Executive Director Greg Smith to award the grant for Problem Gambling for FY17 to CARTER. Motion was seconded by Commissioner Kurrle and voted in the affirmative.

The Powerball Game Group and the Mega Millions Game Group have made some minor housekeeping rules changes to the Powerball and Mega Millions rules. These are mainly cosmetic language changes and administrator changes. We will need to implement these changes in our rules also.

MOTION

A motion was made by Commissioner Flanagan to approve the changes brought forward from the Powerball Game Group and the Mega Millions Game Group to the Powerball and Mega Millions games. Motion was seconded by Commissioner Consejo and voted in the affirmative.

The NASPL Lottery organization has created a Responsible Gaming Training Video. This video may benefit our agents and it is being reviewed for possible use on our agent website for training of employees.

The Vermont Retailers Grocers Association holds an annual golf tournament fundraiser for scholarship awards. The Lottery usually provides scratch tickets as give away items. This year the Lottery is considering being a sponsor and inviting some agents to participate with us.

An income statement comparison for FY 13-14-15-16 was handed out to the Commissioners and a discussion was had regarding its contents.

Greg has reviewed a new lottery game concept from Grover Gaming with our AAG. We will continue to evaluate how this fits our plans for extended play offerings. Once we have formalized our intent we will bring this to the commission to consider.

A company named Auto Lotto approached the VT AG for legal review of their ticket purchase service and were advised that their plans were not aligned with our statutes. Greg has informed Auto Lotto that the lottery commission will not provide a statement of support.

A new agent incentive program with new criteria to earn a bonus has started. All of the agents were sent a letter and the information has been posted on our agent website.

INTRALOT – Jeff Lipps

A local partner was selected for the upcoming demographics survey. That company is CRPP and they are located in Ludlow Vermont. We are finalizing our questions and expect to begin the online survey in August.

Some software is being turned over to Sylvia for testing this week or next. No major games in the software, it is mostly cosmetic or terminal change that will be released in mid to late August.

INFORMATION ITEMS

There is a Lake Monsters game tomorrow night, and then three more in August.

ACCEPTANCE OF REPORTS

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

MOTION

A motion was made at 12:19 pm to move into executive session was made by Commissioner Consejo. Motion was seconded by Commissioner Kurrle and voted in the affirmative.

MOTION

A motion to move out of executive session was made at 12:55 pm. Motion was seconded and voted in the affirmative.

MOTION

A motion to adjourn was made by Commissioner Consejo at 12:56 pm. Motion was seconded by Commissioner Kurrle and voted in the affirmative.

Karen O'Hagan, Vice Chair