

VERMONT LOTTERY COMMISSION

Berlin, VT

October 12, 2016

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

The meeting was called to order at 10:35 am.

**AN ADDITION TO THE AGENDA UNDER OTHER BUSINESS WAS MADE TO DISCUSS THE LIST OF PENDING ITEMS FROM GREG SMITH AFTER HIS DEPARTURE.**

**ACCEPTANCE OF MINUTES FROM SEPTEMBER 21, 2016**

A motion was made by Commissioner O'Hagan to accept the September 21, 2016 minutes as distributed. Motion was seconded by Commissioner Consejo and voted in the affirmative.

**ACCEPTANCE OF MINUTES FROM OCTOBER 7, 2016**

A motion was made by Commissioner Flanagan to accept the October 7, 2016 minutes as distributed. Motion was seconded by Commissioner Consejo and voted in the affirmative.

**MARKETING AND SALES – Jeff Cavender**

The marketing and sales team is in the midst of a lot of activity right now. The Walking Dead Ravager Hunt, which is a scavenger hunt, will launch on Saturday. Those who are successful at finding the clues will be entered into a grand prize drawing to be given away at Mazza's Corn Maze in Colchester on October 22<sup>nd</sup>.

The Tetris ticket launched last week. This ticket has an online game play component with it and has generated some good interest.

Holiday tickets will begin launching in two weeks.

**BUSINESS OFFICE – Mary C**

The financials are currently in draft form and will be completed and provided by the next meeting. When Mary has had the opportunity to complete her thorough examination, she will send the Commission any changes and the final draft with the net profits.

We are currently doing better than last September by about \$200K mostly due to instant tickets. Year to date we are ahead of our projections. Our operating expenses look high due to September having three pay periods in it. We also had vacancy savings which offsets it as well.

**SECURITY OFFICE** – Mike Ferrant

There will be an Amber Alert test next Wednesday, October 19th.

The two new employees received the new security training that will become a full staff requirement.

Mike gave the Commissioners a security plan of what the next 90 days look like for the Security Office after Greg's departure. A discussion was had on the contents of the items on the list.

**DIRECTOR'S REPORT** – Greg Smith

No report at this time.

**INTRALOT** – Jeff Lipps

The demographics survey has been completed with CRPP. There were some very insightful findings that Intralot plans to share with the Commission at the next meeting.

Working on a new Progressive Fast Play game that is being launched in coordination with four other states called Miss/Match. The first functional specification was just put together and it is planned to launch in April of 2017.

**OTHER BUSINESS** – Greg Smith

A status of work sheet was created and handed out by Greg. Greg went through each item to explain where it is currently and who will be in charge of what going forward. The list included current contracts, the grant agreement, and various other ongoing activities. The following motions were part of the delegation of responsibility to take place after Greg's departure.

**MOTION**

A motion was made by Commissioner Consejo to authorize the management team to negotiate a contract amendment with Pollard Banknote to include 1) the last one-year extension of the term date to January 2019; 2) the addition of a 4<sup>th</sup> overprint color at no extra charge (currently we get three); and 3) a discount from original contract pricing on a specialty print ticket (such as the Gamebook, or Scratch FX). This amendment must be reviewed by our Assistant Attorney General before submitting to the Administration for approval. Motion was seconded by Commissioner O'Hagan and voted in the affirmative.

**MOTION**

A motion was made by Commissioner Consejo to authorize the management team to negotiate a contract amendment with Intralot to include 1) the two-year extension of the term date to June 2020; 2) Intralot providing a field sales software program integrated with the gaming system at no cost; and 3) additional liquidated damages provisions that are more specific to performance of system releases. This amendment must be reviewed by our Assistant Attorney General before submitting to the Administration for approval. Motion was seconded by Commissioner Kurrle and voted in the affirmative.

**MOTION**

A motion was made by Commissioner O'Hagan to approve the Vermont Lottery joining the Multi State Progressive Jackpot Game Group and a member of the management team voting to approve the Group Agreement. The Agreement has been prepared and reviewed by the member lotteries legal counsels, and the Group should be holding a meeting in the next few weeks to vote for approval. Upon approval the Agreement document should be signed by the VLC Board Chair. Motion was seconded by Commissioner Kurrle and voted in the affirmative.

**ACCEPTANCE OF REPORTS**

**MOTION**

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

**MOTION**

A motion was made at 11:46 am by Commissioner O'Hagan to move into executive session to discuss a personnel issue and a legal issue with no action expected at the completion. Motion was seconded by Commissioner Kurrle and voted in the affirmative.

**MOTION**

A motion was made to move out of executive session at 12:22 pm. Motion was seconded and voted in the affirmative.

**MOTION**

A motion was made by Commissioner O'Hagan to adjourn at 12:23 pm. Motion was seconded by Commissioner Kurrle and voted in the affirmative.

  
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Martha H. O'Connor, Chair