

VERMONT LOTTERY COMMISSION

Intralot

50 Packard Road

East Montpelier, VT

August 17, 2016

PRESENT: Commissioners: Martha O'Connor; Chair, Michel Consejo, Ed Flanagan, Lindsey Kurrle
Staff: Greg Smith; Executive Director, Michael Ferrant, Mary Stridsberg
Guests: Jeff Lipps, Cara Salvatore and Jeff Savage with Intralot.
Steve Mason, Josh Barrett and Molly Martin with Fuseldeas

The meeting was called to order at 10:33 am.

ACCEPTANCE OF MINUTES FROM JULY 20, 2016

A motion was made by Commissioner Kurrle to accept the July 20, 2016 minutes as distributed. Motion was seconded by Commissioner Flanagan and voted in the affirmative.

MARKETING AND SALES – Greg Smith for Jeff Cavender

Vermont had a \$5M Mega Millions winner from Barre. The selling agent will receive a \$30,000 bonus for selling the winning ticket. The agent bonus is 1% of the win, and is capped at \$30,000.

The first extended play online game with our new vendor, Milestone Entertainment, through our 2nd chance website launched last Tuesday. Milestone Entertainment created the game called Lucky Leaper and it is paired with our scratch ticket called Pay Me.

Three weeks from now the second Walking Dead ticket will be out on the market. The first one we did was two years ago and is still the best indexing ticket we have done to date. The price point on this ticket is \$5. The last Walking Dead ticket had a price point of \$2.

A handout of the actual daily sales during the promo of Mega Blitz was distributed. This showed the daily sales for a couple of days prior to the event, the day of the event, and then a couple of days after. This was to highlight the effect on sales the promo had, and what those sales did after the promo was completed.

BUSINESS REPORT – Greg Smith for Mary Cassani

There were five extra days in this fiscal year compared to last fiscal year. Sales are up over 2M and profits are up \$700K over last year even without the extra days. After six weeks into the fiscal, sales are already ahead of last year by \$1.1M.

The FY17 budget was brought forward showing \$24M in profits. There was a short discussion about what numbers are used for the monthly revenue report issued by the Administration and who provides them. The monthly revenue report almost never matches our actual results because we pay an advance

deposit on our expected monthly profits, then pay the actual remaining balance in the following month, normally completed after the revenue report is issued.

SECURITY REPORT – Mike Ferrant

The annual MUSL security certification has been submitted.

Mike attended the annual NASPL conference in PA. It was very informative and educational to get together with other security directors from other lotteries.

A COOP exercise was performed two years ago with the office staff setting up operation at the Intralot office. This was done to test our procedures and ability to execute them. In Sept the Intralot Disaster Relief plan will be tested. This test will run from September 12th-16th and is a MUSL requirement for systems management.

Mike's Army contract will expire on the 29th of August, and he will be officially retired from the Service.

The request was made for the formal Security Policy brought forward at last month's meeting be voted into effect.

MOTION

A motion was made by Commissioner Consejo to accept the new formal Security Policy for The Vermont Lottery. Motion was seconded by Commissioner Kurrle and voted in the affirmative.

DIRECTORS REPORT – Greg Smith

Last week Intralot came to The Vermont Lottery and gave a State of the Industry report and presentation. It was well done and very informative.

The potential press release that may be issued was discussed and decided that it will be released as written.

The NASPL trade show will be held on October 1st – 4th in Atlanta. Greg will be attending this conference and encourages the Commissioners to attend if available to do so.

INTRALOT – Jeff Lipps

Jeff gave a recap of the State of the Industry presentation that he presented at The Lottery Office last week.

ACCEPTANCE OF REPORTS

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

OTHER BUSINESS

Fuseldeas gave an introduction presentation to the Commissioners.

MOTION

A motion was made at 12:08 pm by Commissioner Consejo to move into executive session with no action expected at the conclusion. Motion was seconded and voted in the affirmative.

MOTION

A motion was made to move out of executive session at 12:32 pm. Motion was seconded and voted in the affirmative.

MOTION

A motion was made to adjourn at 12:33 pm. Motion was seconded and voted in the affirmative.



Martha H. O'Connor, Chair