

VERMONT LOTTERY COMMISSION
Berlin, VT
February 15, 2017

PRESENT: Commissioners: Martha O'Connor; Chair, Karen O'Hagan, Vice Chair, Ed Flanagan, Michel Consejo
Staff: Mike Ferrant, Jeff Cavender, Mary Stridsberg
Guests: Jacob Humbert with the Attorney General's office, Gary Kessler and Tom Lauzon with Department of Liquor Control, Jeff Savage and Cara Salvatore with Intralot, Molly Martin and Josh Barrett with FuseIdeas via phone

The meeting was called to order at 10:31 am.

A CHANGE TO THE AGENDA WAS MADE TO ADD A TRI-STATE UPDATE UNDER OTHER BUSINESS.

ACCEPTANCE OF MINUTES FROM JANUARY 18, 2017 AND FEBRUARY 2, 2017.

MOTION

A motion was made by Commissioner O'Hagan to accept the January 18, 2017 minutes as distributed. Motion was seconded by Commissioner Flanagan and voted in the affirmative.

MOTION

A motion was made by Commissioner Consejo to accept the February 2, 2017 minutes as distributed. Motion was seconded by Commissioner Flanagan and voted in the affirmative.

MARKETING AND SALES – Jeff Cavender

January's Powerball sales are against last year's billion-dollar Powerball jackpot. This is causing the year over year sales to look low overall. Instant tickets are up 3.5% for January.

A new larger \$1 ticket size is scheduled to release in August as part of the Lottery's 40th anniversary. Moving to a larger \$1 ticket will enlarge the type on the back side of the ticket, as well as allow more room for artwork on the front giving the ticket a better look to attract customers. The cost increase is \$1,500 per ticket with an annual increase of approximately \$15,000. To offset this extra cost, the lottery will need to generate \$60,000 more in annual sales to offset the cost. It is believed that this will be an easy task to accomplish.

A discussion was had regarding the loss of 7 agents this past year. Two of those were due to store closing, and three of them are in arrears. Streamlining the process for past due accounts was also discussed.

The Powerball PowerCruise commercial was shown, as well as the rough-cut version of the Westminster Center School Educate and Innovate grant recipients PSA. The radio ad for the Ultimate Vegas Tri-State instant ticket and the Super Cooler Cashword tickets radio spot was played.

INTRALOT – Cara Salvatore

Presented a Fast Play Progressive sales analysis.

BUSINESS OFFICE

Mary Cassani is currently on vacation. She supplied the Commission with a written report and there is nothing further to add.

SECURITY – Mike Ferrant

The final report from MUSL security was received. All issues are now closed and we are at 100% compliance. There are a few follow-up items to track, but in MUSL Security's view the VLC has satisfied all Review requirements.

The Agent Compliance Program is back on track and we are actively tracking agent's integrity. There have been 109 agents visited so far, with only 3 of them being non-compliant.

In regards to one of the agents who is non-compliant, Mike recommends to the Commission to report the incident to the stores loss prevention department. Allowing corporate to make the decision and follow through with the consequence to the employee. The Commissioners agreed with Mike's recommendation and asked for follow up to see how this store deals with this situation. If the suspect attempts to validate the ticket at the Lottery, Security will inform them that the ticket has no prize associated with it and that it was a failed Compliance Program ticket. Once the person has left, Lottery Security will gather all evidence and contact local police to initiate charges of petit larceny.

DIRECTOR'S REPORT

There is no Director's report at this time.

FUSEIDEAS – Molly Martin and Josh Barrett

Reiterated the promos and TV spots that Jeff had shared with the Commission and added that there is also a new Problem Gambling spot being created.

ACCEPTANCE OF REPORTS

MOTION

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

OTHER BUSINESS

Ed Flanagan gave an update on the Tri-State meeting that will be held in Vermont on June 1st and 2nd. The theme of the meeting is still undecided.

EXECUTIVE SESSION WAS NOT NEEDED

MOTION

A motion to adjourn at 12:34 pm was made by Commissioner Consejo. Motion was seconded by Commissioner Flanagan and voted in the affirmative.

Martha H. O'Connor, Chair