

VERMONT LOTTERY COMMISSION
Berlin, VT
April 26, 2017

PRESENT: Commissioners: Sabina Haskell, Chair; Ed Flanagan, Michel Consejo, Robert Campo, Susan Popowski
Staff: Mike Ferrant, Jeff Cavender, Mary Cassani
Guests: Jeff Lipps, Cara Salvatore and Jeff Savage with Intralot

The meeting was called to order at 10:30 am.

A CHANGE TO THE AGENDA WAS MADE TO ADD A PERSONNEL MATTER TO THE EXECUTIVE SESSION.

ACCEPTANCE OF MINUTES FROM MARCH 28, 2017.

MOTION

A motion was made by Commissioner Campo to accept the March 28, 2017 minutes as distributed. Motion was seconded by Commissioner Popowski and voted in the affirmative.

MARKETING AND SALES – Jeff Cavender

As we head into the last quarter of the fiscal year, instant ticket sales are ahead of budget and ahead in year over year. Overall, total sales are down due to the record high Powerball jackpot in January of last year

Preparation for summer has begun. We will be doing 5 Lake Monsters games this year in June, July and August. The site locations for the summer promo Blasts of Cash tour are being finalized. Last year was called the Cash-n-ator tour and this years will mimic the promo from last year. It involves taking the Cash-n-ator to five different retail locations spread out throughout the state.

The artwork for the upcoming family of 40th anniversary ticket is being finalized. The 40th anniversary celebration will start with the new fiscal year. The actual anniversary date is February 14th, 2018. There will be promotions with the 40th anniversary element for the entire year. The celebration will end in May of 2018 with what we are calling "The Big Event" The Big Event will take place at a large venue and the attendees will have been drawn prior to attend and have the chance to win a number of different prizes including cash and merchandise.

Mega Millions is doing a game change that is scheduled for October 28, 2017. This includes a matrix change as well as a prize tier change.

The new problem gambling TV spot was shown. It is called 'Family Dinner' and is targeted towards the family members of someone who may need help with problem gambling. There will be a radio and print ad as well.

BUSINESS OFFICE – Mary Cassani

We are currently behind year to date due to the Powerball jackpot last year. We are doing well with instant tickets and should hit our target as far as net profits. Fast Play is also down due to the consoles no longer being out there.

Mary Cassani and Jeff Cavender met with the Senate Appropriations Committee to discuss the budget. The discussion was uneventful. Our budget analyst sent an email with what the Committee approved, and there were no changes with our 2018 budget.

The Tri-State auditors will be here May 8th through the 10th, and then the Vermont auditors will be here on the 15th of May. The Tri-State auditors will be back the week of July 17th and the Vermont auditors will be here again approximately the first week of August.

The newly formed department called the Agency of Digital Services (ADS), will affect our one IT staff member, Ellen Pulsifer who has been a lottery employee for 30 years. She will now be working under the new department and will no longer be listed as one of our employees. No other details are known at this time, but updates will be made available to the Commission as soon as we know how this transition will work on a day to day basis. Currently nothing has changed.

SECURITY – Mike Ferrant

Mike highlighted from his report the warehouse efficiency since the start of the changes in 2014. The third quarter was analyzed and shows a cost savings of a little over \$22,000 for the one quarter alone.

This past weekend was the completion of our semi-annual Failover test. This test was a vast improvement of our last one performed in September. There were a very few minimal issues and most of them were back office system issues such as reports etc. These were fixed very quickly and easily.

This afternoon the Vermont Intelligence Center is conducting an Amber Alert test and the Lottery is a very big participator in the Amber Alerts. The Amber Alert consumes all things Lottery instantly.

Next month following the Commission meeting there will be a table top Continuity of Operations exercise. We will walk through on paper what we would do if this building was uninhabitable and how we would continue to conduct business. There will be a live test very soon after the tabletop exercise where employees will work from our backup location. The last one that was performed was in 2015.

DIRECTOR'S REPORT

From Chair, Sabina Haskell, the 115 applications have been reviewed and reduced to 28 that looked like potential candidates for the position. There are 17 Vermonters and 11 out of state candidates. These 28 resumes will be circulated with the other Commissioners and another discussion will take place during May's Commission meeting.

INFORMATION ITEMS

Mike Ferrant gave a status update as to what is happening with the merger of the Liquor Control and Lottery Commission.

INTRALOT – Jeff Lipps

Jeff Lipps gave the new Commissioners an overview of Intralot and their operations as well as the submitted weeks of the Service Desk Performance. He also went over the contract expectations of Intralot and how they are fulfilled.

ACCEPTANCE OF REPORTS

MOTION

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

OTHER BUSINESS

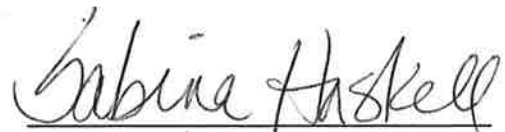
A conversation with Intralot ensued regarding the Touch Play Console machines and what the next steps with them should be. More discussion will be had at the next meeting in May.

MOTION

A motion to move into an executive session at 12:13 pm to discuss a personnel issue and a contractual issue was made by Commissioner Campo. Motion was seconded by Commissioner Flanagan and voted in the affirmative.

MOTION

A motion to adjourn at 12:43 pm was made by Commissioner Campo. Motion was seconded by Commissioner Flanagan and voted in the affirmative.



Sabina Haskell, Chair

5/17/17