

VERMONT LOTTERY COMMISSION
Berlin, VT
December 20, 2017

PRESENT: Commissioners: Sabina Haskell, Chair; Ed Flanagan, Bob Campo,
Michel Consejo, Susan Popowski
Staff: Danny Rachek, Executive Director; Jeff Cavender, Mary Vaupel, Mary Cassani
Guests: Jeff Savage and Cara Salvatore with Intralot; Molly Martin with FuseIdeas via
conference call.

The meeting was called to order at 9:03 am.

ACCEPTANCE OF MINUTES FROM NOVEMBER 15, 2017.

MOTION

A motion was made by Commissioner Campo to accept the November 15, 2017 minutes as distributed. Motion was seconded by Commissioner Flanagan and voted in the affirmative.

MARKETING AND SALES – Jeff Cavender

The holiday tickets are doing very well. The jackpots are growing nicely for Mega Millions and Powerball. Mega Millions is currently at 247M, and Powerball is at 269M.

Jeff Cavender, Danny Rachek, Sylvia Buzzell and Steve Mason from FuseIdeas went to the Champlain Valley Fairgrounds for a site visit to finalize details with fairground personnel and the audio/video vendor for The Big Event scheduled for June 1st at 6:00 pm. The next 2nd Chance drawing for The Big Event is being held on January 5th of 2018. Tom Messner has been asked to emcee the event.

Vermont and Maine are doing a Tri-State promo called Deck The Halls and so far the promo is exceeding expectations.

BUSINESS OFFICE REPORT – Mary Cassani

Sales for November are higher than last November, particularly in Instants and Fast Play games. The cost of goods is higher than normal because the payouts on the Holidays games are higher. Overall, we are doing better than forecasted.

The completed audit report arrived in the mail yesterday. It was a clean audit with no issues or problems.

A request was made to approve a corporate resolution to add Daniel Rachek as a signer to the account.

MOTION

A motion was made by Commissioner Consejo to approve a corporate resolution to add Daniel Rachek as a signer to the bank account. Motion was seconded by Commissioner Flanagan and voted in the affirmative.

A bid request was sent out to four potential audit firms for a quote for price. These bids must be submitted and received by January 16, 2018.

DIRECTORS REPORT – Danny Rachek

Danny met with Jacob Humbert of the AG's office regarding the ticket courier concept presented by AutoLotto (Lottery.com). The concept is to have players purchase a mobile telephone App or register on a computer to purchase Powerball tickets online. AutoLotto contracts with an agent within the state and sets up office space adjacent to the agent's location. Player's ticket orders are received electronically. AutoLotto physically purchases the ticket from the agent and scans the ticket into the App for its player. AutoLotto earns 2.5% of the tickets sales for the orders that it completes. AutoLotto is currently operating in New Hampshire and several other states.

During the last Region1 MUSL teleconference, pending courier legislation in New York and New Jersey was discussed. The pending legislation among other restrictions would require lottery courier companies to have a physical location, geolocate its customers, and purchase a ticket. The goal is to prevent courier companies from acting as a bookie.

The US Supreme Court has heard oral arguments on a challenge to a proposed NJ law that would permit sports gambling within the state. If the US Supreme Court rules in favor of NJ, it could potentially allow each state to decide whether sports gambling should be legal or not within its jurisdiction.

A discussion was had regarding the Vermont Lottery Staff's questions brought forth to the Merger Task Force and the Task Force's response to those questions.

INTRALOT – Jeff Savage

- Deck The Halls promo is on going
- The iLook software is scheduled to release on February 4, 2018
- The automatic transfer switch needs to be replaced at Intralot on January 22nd. Intralot will be operating from their disaster recovery site in Ohio during this time.

FUSEIDEAS – Molly Martin via conference call

Fuselideas is currently wrapping up on the winter tickets.

The annual report and cover design for the Lottery is expected at the beginning of January.

ACCEPTANCE OF REPORTS

MOTION

A motion was made by Commissioner Campo to accept the reports as presented. Motion was

seconded by Commissioner Flanagan and voted in the affirmative.

OTHER BUSINESS

The Commission meeting for February is currently scheduled for the 21st. Please change the date to Thursday February 22nd at 9:00 am.

MOTION

A motion to adjourn was made by Commissioner Flanagan at 10:13 am. Motion was seconded by Commissioner Popowski and voted in the affirmative.

A handwritten signature in black ink, appearing to read "Sabina Haskell", is written over a horizontal line. The signature is cursive and somewhat stylized.

Sabina Haskell, Chair