

VERMONT LOTTERY COMMISSION
Berlin, VT
January 17, 2018

PRESENT: Commissioners: Sabina Haskell, Chair; Ed Flanagan, Bob Campo,
Susan Popowski
Staff: Danny Rachek, Executive Director; Jeff Cavender, Mary Vaupel, Mary Cassani
Guests: Karl Fortman and Cara Salvatore with Intralot; Dr. Rick Barnett and Justin Wicks
with CARTER, Inc.; Bret Hodgdon with Davis & Hodgdon Associates.

The meeting was called to order at 9:07 am.

A CHANGE TO THE AGENDA WAS MADE TO ADD CARTER, INC

ACCEPTANCE OF MINUTES FROM DECEMBER 20, 2017.

MOTION

A motion was made by Commissioner Campo to accept the December 20, 2017 minutes as distributed. Motion was seconded by Commissioner Flanagan and voted in the affirmative.

CARTER, INC – Rick Barnett and Justin Wicks

CARTER gave an update and submission of its quarterly reports from the previous quarter. Questions were answered and the anticipated forecast for the next quarter were discussed.

DAVIS & HODGDON CPA – Bret Hodgdon

Bret Hodgdon presented the audit report for FY17 to the Commissioners. The result of the audit was there being no findings, the opinion was unqualified.

MARKETING AND SALES – Jeff Cavender

The Vermont Lottery annual report is out and available.

The Pollard contract was received back on Monday. Once it has been reviewed it will be sent over to the AG's office for approval.

Both Mega Millions and Powerball's jackpots were up at the same time. Fast Play Pro's 3 Card Poker reached its highest ever jackpot of \$72,000.

Placing the WinStations in rest areas throughout Vermont is still in the discussion stage. The response from VTrans is they want to put higher security levels put into place at their locations first.

BUSINESS OFFICE REPORT – Mary Cassani

The deadline for submission of proposals from auditing firms was yesterday. Two proposals were received from both of our current auditors who perform Vermont and Tri-State audits. Both firms have applied to perform both audits.

The budget for the next fiscal year is being worked on. We are requesting 1.1% more than last year.

2,051 W2G's were mailed out to players yesterday. The 1099's for the agents went out as well plus the statement of earnings.

The new security cameras have been installed and are working well. This system is a much better system with higher quality cameras than what we had prior.

Both profits and sales are up.

DIRECTORS REPORT – Danny Rachek

A new Security Director has been hired. His name is Brian McLaughlin and he will start with us on Monday the 22nd.

During the last month, Danny has attended several meetings with the Governors staff as well as an extended cabinet meeting at the end of December. During these meetings, the staff presented the legislative priorities for the next session. For the Lottery, the merger was mentioned and the push to amend the process for our rules change. A sponsor will be intruding the bill during this upcoming session.

The bill for the merger was introduced. The only issue or concern that was expressed by a committee member was the potential for the workload of a merged Commission to have a detrimental impact on the enforcement of underage drinking.

Mary Cassani and Danny are looking to enforce the ability to withhold a player's winning, if they owe back taxes to the state. Currently, the VLC withholds child support and criminal restitution. There will be a meeting with the tax department next week or as soon as schedules permit to determine the best possible way to access those who are in arrears.

INTRALOT – Karl Fortman

The State of the Industry presentation will take place during February's meeting.

The data center repair that was scheduled for the end of this month has been postponed until March. Intralot will let the Commission know of the scheduled date as soon as it has been determined.

The iLook software of the iPads is late in its release. This software is being worked on and will be released as soon as possible.

ACCEPTANCE OF REPORTS

MOTION

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

OTHER BUSINESS

Sabina requested to go into an executive session to discuss a contractual matter.

MOTION

A motion to go into an executive session to discuss a contractual matter was made at 10:22 am by Commissioner Flanagan. Motion was seconded by Commissioner Camps and voted in the affirmative.

MOTION

A motion to move out of executive session was made at 10:44 am. Motion was seconded and voted in the affirmative.

MOTION

A motion to adjourn was made by Commissioner Campo at 10:45 am. Motion was seconded by Commissioner Popowski and voted in the affirmative.



Sabina Haskell, Chair