# NEW JERSEY STATE LOTTERY COMMISSION

## PUBLIC MEETING, JULY 24, 2012

Chairman Ragazzo called the Commission meeting into session at 11:00 AM in the Lottery Office located at One Lawrence Park Complex, Lawrenceville, New Jersey.

**COMMISSION MEMBERS PRESENT**
Frank Ragazzo, Chairman
Al Alvarez, Commissioner (By Phone)
Robert D'Anton, Commissioner (By Phone)
Robert Slater, Commissioner (By Phone)
Robert Romano, Treas. Designee

Carole Hedinger, Executive Director
Jennifer Linett, Deputy Attorney General
John Cascarano, Gov. Auth.Unit

**STAFF**
Regina Arcuri
Lou Cleary
Denise Coleman
Duane Daniels
Michael DeCheser
Judy Drucker
Robert Kersey
Karen Kokoll
Foster Krupa
Jean Lin
Dolores Matos
Steve Palmieri
Mary Ann Rivell

**VISITORS**

Kathryn Bageuz, Princeton Public Affairs
Catherine Goss, Brushfire
Beth Leigh Mitchell, Division of Law

After the Pledge of Allegiance, Chairman Ragazzo announced that the Lottery was in compliance with the provisions of the Open Public Meetings Act, and that adequate notice of the meeting had been provided in the manner prescribed by law.

Chairman Ragazzo requested a motion to approve the minutes of the June 21, 2012 Commission Meeting. Commissioner Slater made the motion, which was seconded by Commissioner D'Anton. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

## DIRECTOR'S REPORT

Executive Director Hedinger stated that this report ends Fiscal Year 12 and reports that our overall sales growth was almost 5% over the prior year. She stated that we had $2.76 billion in sales which is a new record and we will give $950 million to the State in net income which is also a new record.

Executive Director Hedinger stated that we were very close to reaching the very high budgeted goal this year. She congratulated the staff who did such a good job in achieving nearly a 5% revenue growth which was quite remarkable. She stated that we have a very ambitious plan for next fiscal year as well.

Executive Director Hedinger stated that the sales for all the games were up overall in every category except for Pick 3 which was slightly below last year's sales and Jersey Cash 5 which is the only game that we did not promote last year. She stated that Jersey Cash 5 is a jackpot based game and has become popular and therefore the jackpots get hit more. She stated that we are going to concentrate on adding Jersey Cash 5 to the promotion list this year to pull that game back up.

Executive Director Hedinger reported that our Lotto games have done extremely well and are up 17% over the prior year.

Executive Director Hedinger stated that the receipts and deposits for the month of June were $238.6 million.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve accounts are over $15.5 million.

Executive Director Hedinger stated that the top selling instant games during the month of June were "$100,000,000 Spectacular", "10X Cash" and "Hold'Em Poker."

Executive Director Hedinger noted that there was no advertising during this month to support instant games.

Executive Director Hedinger reported that New Jersey Lottery continues leading in the social media area. She stated that our Facebook continues to be one of the most popular Facebook pages in all the State Lotteries. She noted that we have over 60,000 fans as of the end of June.

Executive Director Hedinger reported that the most viewed Lottery You Tube video in June was "Jersey Cash 5 with Instant Match." She stated that two new videos were added in June, one is of her visit to the Katzenbach School for the Deaf which is one of the institutions that Lottery funds support. She stated that she took a tour of the school which is an amazing place.

Executive Director Hedinger reported that we participated in two special events in June, the Riverfest in Red Bank and the Belmar Seafood Festival.

Executive Director Hedinger stated that the retailer count for the end of June is over 6408. She stated that we are continuing to reach out for new retailers to get to the 6700 agent level.

Executive Director Hedinger reported that there were 112 security investigations and 92 random field inspections during the month of June.

Executive Director Hedinger reported that there was a total of $33,529.90 collected for the month of June through the efforts of the NJ Lottery/Division of Taxation Joint Investigation Project. She stated that the total collected for FY'12 is $152,542.70.

Executive Director Hedinger stated that the IMS staff made some programming changes to improve the streaming of the live Lottery Drawings on the website and on our mobile sites.

Executive Director Hedinger reported that we are working on getting the broadcast of the drawings back on television. She stated that when we get more details, she will share it with the Commissioners.

Executive Director Hedinger stated that the VIP Club goal this year was to reach 230,000 members and we actually reached 231,921 members. She stated that we actively try to recruit because we feel strongly that this network of people will be the beginning base of the internet customers once we start selling tickets on the internet.

Executive Director Hedinger reported that the Validation Staff received 3,448 claim forms during the month of June. Executive Director Hedinger stated that 10 claims were garnished totaling $18,646.71.

Executive Director Hedinger stated that all drawing and pool closings were held in accordance to established procedures with no abnormalities.

Executive Director Hedinger stated that concludes the Director's Report.

Chairman Ragazzo congratulated staff on a job well done for this fiscal year.

Chairman Ragazzo asked if there were any comments on the Director's Report.

Commissioner Slater also congratulated staff on a job well done.

Chairman Ragazzo asked if there were any other comments on the Director's Report and there being none asked for a motion to approve the Director's Report. Commissioner D'Anton made the motion which was seconded by Commissioner Slater. The motion carried.

## NEW BUSINESS

Executive Director Hedinger certified that consideration for each game included, but was not limited to, intended target market, product family, seasonal factors, launch plans, overall market strategy, sales goals, prior experience, current market trends and market place demands.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Championship Poker 2nd Edition." Commissioner Slater made the motion which was seconded by Treasurer Designee Romano. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "The Golden Ticket." Commissioner D'Anton made the motion which was seconded by Commissioner Slater. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Double Dollars." Commissioner D'Anton made the motion which was seconded by Treasurer Designee Romano. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Chairman Ragazzo requested a motion to approve the time change to 10:00 AM for the Commission Meetings. Commissioner Alvarez made the motion which was seconded by Commissioner Slater. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

## PUBLIC COMMENT

There was no public comment.

## EXECUTIVE SESSION

Chairman Ragazzo requested a motion to go into Executive Session. Commissioner Alvarez made the motion which was seconded by Commissioner D'Anton.

Chairman Ragazzo stated that pursuant to NJSA10:4-13, the Lottery Commission enter in Executive Session during which the public shall be excluded to discuss pending and anticipated contract negotiations with outside vendors and retailers pursuant to NJSA10:14-12 Section 7. He stated that as to any matter discussed in Executive Session, the subject and nature of the discussion will be timely made known to the public, if the need for confidentiality ends.

The motion was approved to go into Executive Session.

## OPEN PUBLIC MEETING

Chairman Ragazzo requested a motion to authorize the Director to act on behalf of the Commission as a using agency with respect to procurement by the Division of Purchase & Property for Lottery Revenue Growth purposes. Treasurer Designee Romano made the motion which was seconded by Commissioner Alvarez. The motion carried.

## ADJOURNMENT

Chairman Ragazzo asked if there was any other business to be discussed and there being none, asked for a motion to adjourn. Commissioner D'Anton made the motion, which was seconded by Commissioner Slater. The motion carried.

I HEREBY CERTIFY that the foregoing is a true and correct copy of the minutes of the New Jersey Lottery Commission meeting held on July 24, 2012.

IN WITNESS WHEREOF, I hereby set my hand on

the 23rd day of August, 2012.

Carole Hedinger

Carole Hedinger
Executive Director