

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, DECEMBER 18, 2008

Chairman D'Anton 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

Robert D'Anton, Chairman
Robert Slater, Vice Chairman
Munr Kazmir, Commissioner (by phone)
Robert Smartt, Treasurer Designee

William Jourdain, Acting Executive Director
Marc Krefetz, Dep. Attorney General
Joseph Neal, Governor's Auth. Unit

STAFF

Marilyn Blazovsky
Lou Cleary
Nancy Coccia
Denise Coleman
Dominick DeMarco
Karen Kokoll
Foster Krupa
Dolores Matos
Steve Palmieri
Mary Ann Rivell
Margaret Square
Nick Wiener

After the Pledge of Allegiance, Chairman D'Anton 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 D'Anton requested a motion to approve the minutes of the November 18, 2008 Commission Meeting. Vice Chairman Slater made the motion, which was seconded by Commissioner Kazmir. Chairman D'Anton asked if there were any comments and there being none the motion carried.

DIRECTOR'S REPORT

Acting Executive Director Jourdain stated that the sales for the month of November totaled \$193.01 million, which is a slight increase of 0.2% compared to last year's total monthly sales.

Acting Executive Director Jourdain stated that the Pick-6 Lotto game had an increase of 2.5% and Mega Millions had an increase of 25.1% increase over last year's monthly sales. He stated that the Jersey Cash 5 had an increase of 13.7% and there was a decrease of 4.6% in sales for the Instant tickets. He stated that last November we experienced very strong instant sales with the introduction of a \$20 game.

Acting Executive Director Jourdain stated that we are 0.1% under our budgeted target for FY'09.

Acting Executive Director Jourdain stated that we are 1.5% behind the target for the State contribution for FY'09.

Acting Executive Director Jourdain stated that the receipts and deposits that the Finance Unit received for the month of November totaled \$149 million.

Acting Executive Director Jourdain stated that the balance in the unclaimed prize reserve account is \$20 million.

Acting Executive Director Jourdain stated that the current balance in the annuity investment accounts totaled \$605 million. He stated that four of the insurance companies are rated below the "AA" claims payment rating which represents roughly about 8% of our portfolio. He stated that we are in contact with the Division of Investments to continue to monitor the financial status of these companies.

Acting Executive Director Jourdain stated that the Marketing Unit finalized the plans for the Jersey Jackpot raffle which went on sale on December 8th. He stated that they received approval for the return of the "Tons of Tens" instant match promotion which is scheduled for February 2009 as well as the Pick 3 "Green Ball Double Draw" for March 2009.

Acting Executive Director Jourdain stated that the 12 Mega Millions Outdoor Billboards, which advertise the jackpot amounts on a regular basis, were recently refreshed.

Acting Executive Director Jourdain stated that the Mega Million jackpots rose toward the end of November and were supported by spot radio and spot cable advertising.

Acting Executive Director Jourdain stated that the television and radio commercials advertising the Jersey Jackpot raffle and the Holiday instant games were completed in November.

Acting Executive Director Jourdain stated that the Sales staff are in the field promoting the Jersey Jackpot Raffle and the five new Holiday Instant game products. He stated that the \$100 million Mega Millions jackpot was also creating excitement with our retailers during the month of November.

Acting Executive Director Jourdain stated that the Retailer/Customer Call Center handled 1,806 incoming calls during the month of November.

Acting Executive Director Jourdain stated that there were 79 security investigations conducted by the Security Unit.

Acting Executive Director Jourdain stated that there are 6,166 retailer licenses issued as of November 30, 2008.

Acting Executive Director Jourdain stated that the Public Information Office has been planning and organizing the December "Bank" event to launch the holiday instant games and the "Jersey Jackpot" raffle. He stated that they also worked with the Lottery beneficiaries to be part of the event as well.

Acting Executive Director Jourdain stated that the Public Information Office continues to work with the Council on Compulsive Gambling and participated in their Board meeting.

Acting Executive Director Jourdain stated that all drawings were held in accordance to established procedures, and there were eight opt-in drawings for the month of November.

Acting Executive Director Jourdain stated that there were various special events during the month of November.

Acting Executive Director Jourdain stated that the IMS staff provided much of the help in the coordination of the new internal phone system.

Acting Executive Director Jourdain stated that the IMS staff completed preparation work on IRS reporting for the year end processing.

Acting Executive Director Jourdain stated that the Lottery VIP club has 147,158 active members.

Acting Executive Director Jourdain stated that the Operations Unit had 28 social security number matches between the files from the Departments of Human Services and Community Affairs and the Higher Education Student Assistance Authority and Lottery winners.

Acting Executive Director Jourdain stated that the Validation staff received and sorted 3,572 claims during the month of November.

Acting Executive Director Jourdain stated that all on-line game pools were closed according to procedures with no abnormalities.

Acting Executive Director Jourdain stated that the Instant Ticket Inventory Control Section updated the status on 327 pack returns from the 28 instant games that ended.

Acting Executive Director Jourdain stated that this concludes the Director's Report.

Vice Chairman Slater stated that the Pick 4 Double Up had a sales increase of about \$700,000 over last year for this same period. He stated that the advertising was supported by television, radio, and posters and asked how much was spent in addition to last year.

Acting Executive Director Jourdain stated that the advertising budget target was approximately \$1 million for the program which included point of sale advertising and radio commercial time and it was about the same amount that was spent last year.

Acting Executive Director Jourdain stated that this promotion is running in a different timeframe than it was last year.

Vice Chairman Slater asked if we could attach the actual dollars spent for the Red Ball last year and this year to see if there was any difference.

Acting Executive Director Jourdain stated that we will look at the two years of the program of what we spent last year and what the increases were and what this year was on a total level.

Vice Chairman Slater stated that the Lottery website had over 2 million visitors for the month and asked whether we are allow to sell advertising on our website.

Deputy Attorney General Krefetz stated that he believes that we did advise on this topic a few years ago but he will look into it.

Acting Executive Director Jourdain stated that as a State website there are no other websites within the State environment that offers advertising for outside entities. He stated that he has not come across any other State Lotteries that do individual advertising. He stated that we will look into whether there is the capability of doing it.

Deputy Attorney General Krefetz stated that he does not think that he can have this information for them at the next meeting as it may be something that has to go to the Division of Purchase and Property for review.

Chairman D'Anton stated that he does not want to wait six months to get an answer.

Chairman D'Anton 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. The motion was made by Vice Chairman Slater and seconded by Treasurer Designee Smartt. The motion carried.

NEW BUSINESS

Chairman D'Anton asked for a motion to approve the 2009 Meeting Schedule. The motion was made by Vice Chairman Slater and seconded by Treasurer Designee Smartt. The motion carried.

Chairman D'Anton asked for a motion to approve the instant ticket game rules for "Silver & Gold," "Bingo Money Ball," "Diamond 7s," "Flowering 50s" and "Joker's Wild." Vice Chairman Slater made the motion, which was seconded by Commissioner Kazmir. Chairman D'Anton asked if there were any comments and there being none the motion carried.

PUBLIC COMMENT

There was no public comment at this meeting.

ADJOURNMENT

Chairman D'Anton asked if there was any other business to be discussed in the open public meeting and there being none, asked for a motion to adjourn. Vice Chairman Slater made the motion, which was seconded by Treasurer Designee Smartt. 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 December 18, 2008.

IN WITNESS WHEREOF, I hereby set my hand on

the _____ day of _____, 2009.

William T. Jourdain
Acting Executive Director