

TRI-STATE LOTTO COMMISSION  
New Hampshire Lottery Commission  
Concord, NH

August 6, 2009

Present: **Vermont:** Tom Scala, Alan Yandow, Carole Lacasse  
**New Hampshire:** Richard J. Campbell, Rick Wisler, Maura McCann, Kassie Strong  
**Maine:** Orland McPherson, Lisa Rodrigue, Michael Boardman, Rich Sperlazzi  
**NL Partners:** Chris Nichols, Russ Leonard, Jen Cartmell  
**Scientific Games:** Liz Dimmick, Moe Pepin, Darrell Frecker

The meeting was called to order at 10:43 a.m.

**ACCEPTANCE OF THE JULY 10, 2009 MINUTES**

A motion was made by Commissioner Campbell to accept the July 10, 2009 minutes as distributed. Motion was seconded and voted in the affirmative.

**FINANCE COMMITTEE REPORT** – Kassie Strong gave the report in Mary Cassani's absence.

Gross revenues for FY09 have decreased \$8,174,180, or 11.16% compared to FY08. Of this decrease, Megabucks sales are down \$6,482,484, or 18.42%; Daily Numbers sales are up \$291,030, or 1.28%; Weekly Grand combined with Paycheck sales are up from Paycheck sales last year \$1,511,642, or 18.42%; the Fast Play games are down \$783,228, or 21.53%. Last year's total included \$2,711,140 in Raffle sales; no Raffle was offered this year.

Total Expenses for FY09 are down from last year \$5,245,273. This represents a decrease in cost of sales of \$5,819,635 and an increase in operating expenses of \$574,362 primarily in advertising and the Battelle contract.

Net Profit for FY09 decreased from last year \$3,352,046, or 13.85%.

Compared to what we currently have budgeted, our sales are ahead of forecast a total of \$1,377,577. Due to a slight increase in sales, cost of sales are also over budget by \$528,699. All three states have under spent their operating budgets this year a total of \$668,778; \$108,323 was under spent in the advertising line item and \$512,560 was under spent in the Battelle line item.

All Contingency Funds are in the positive at the end of June. Expired, unclaimed prizes are \$1.3 million.

The audit firm of Berry, Dunn, McNeil and Parker have completed their field work at the business office and are awaiting the SAS70 report on SGI to finalize the audit report. There were no issues or problems with the audit and there will be no management report issued. Jeff Walla expects to present the audit report to the Commission at the September meeting.

**MARKETING REPORT** – Maura McCann

Megabucks Plus introduction and promotion spots for Maine and Vermont were shown.

**DEVELOPMENT COMMITTEE** – Lisa Rodrigue

The committee has had a number of teleconference meetings since the last commission meeting. Megabucks Plus launched on the 26<sup>th</sup> of July. The various promos by the states appear to be working well. Subscription promos have been conducted and will continue for awhile.

A new Fast Play game, Jumbo Bucks, is scheduled to begin August 17. Cash Cube will end August 15<sup>th</sup>.

We are on target for a game enhancement to Pick 3 and Pick 4 for November 29. There will not be a promo for this game as there is a holiday promo scheduled. Pick 3/Pick 4 rule changes have been distributed for review.

The Maine Lottery will be launching Hot Lotto October 11. They plan to run a promo the first two weeks of this game.

The holiday promo is scheduled to run December 14 – 25, Twelve Days of Winning. The specs for this promo have yet to be decided.

The committee has been discussing the Weekly Grand game. These games usually have an 18 – 24 month life span so the committee plans to meet at the October Tri-State meeting and discuss possible replacement games. Committee members will investigate other possible enhancements and games prior to the October meeting. New Hampshire and Vermont's conversions are scheduled for next year and Maine the following year. Plans are to have this new game ready to slide in and be up and running as soon as possible.

A Tri-State promotion meeting is scheduled after today's commission meeting.

**DRAW COMMITTEE** – Maura McCann

There was a successful launch of the Tri-State Megabucks Plus draw. We were able to use former equipment and all is going well.

Vermont would like to compliment Maura on doing a good job on setting up the draw for the new game, Megabucks Plus.

**OPERATIONS COMMITTEE** – Rich Sperlazzi

A chair person has not been appointed at this time. Rich will communicate with the committee members. Not much is going on right now and everything is in place.

Megabucks Plus sales are up considerably in Maine.

**SCIENTIFIC GAMES** – Darrell Frecker

The launch of Megabucks Plus went well; the next game change is to the Pick 3 and Pick 4 games. Software for that is progressing along, all three states have their play slips done, and we're into software development right now. Everything appears to be on schedule. Various promos will be discussed at a meeting today after the commission meeting.

**ACCEPTANCE OF THE COMMITTEE REPORTS**

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

**OTHER BUSINESS**

Vermont will be asking the development committee to look at a couple game options: 1) a pooling concept to see if that could work in the Tri-State region; and 2) a game Alan just heard about in a presentation yesterday. It's a world-wide game that would start in 2011. It's felt it won't cannibalize any current state games as the only way you can purchase a world-wide game ticket is to purchase a current state game as well.

The commission will act on the revised Pick 3/Pick 4 rules at next month's meeting.

The next regularly scheduled meeting is **Wednesday**, September 9, 2009, at 10:30 a.m. at the New Hampshire Lottery Commission in Concord, NH.

Plans are to conduct a two-day meeting October 1 and 2 in Maine or Vermont. Carole will check on possible meeting places and report back to the commission.

A motion to adjourn was made at 11:12 a.m.

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Orland McPherson, Chair