

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

MAY 7, 2010

Present: Maine: Orland McPherson, Dan Gwadosky, Lisa Rodrigue, Michael Boardman, Denise Garland  
New Hampshire: Debra Douglas, Maura McCann, Kassie Strong  
Vermont: Tom Scala, Alan Yandow, Carole Lacasse  
Guests: Rose Longo-White, Griffin York Krause; Jim Brown, Terry Patterson, Jennifer Flanders, John Papile, Intralot; Moe Pepin, Liz Dimmick, Darrell Frecker; Chris Nichols, Alex Crosby, Jennifer Cartmell, NL Partners

The meeting was called to order at 10:40 a.m.

Maura introduced Debora Douglas, Chair of the New Hampshire Lottery Commission. She will represent the New Hampshire Lottery Commission on the Tri-State Commission.

**ACCEPTANCE OF THE APRIL 2, 2010 MINUTES**

A motion was made by Commissioner Scala to accept the April 2, 2010 minutes as distributed. Motion was seconded and voted in the affirmative.

**FINANCE COMMITTEE** – Report was given by Kassie Strong in Mary Cassani's absence.

Gross revenues through March 2010 have increased approximately \$10 million, or 21%, compared to last year. Of this increase, Megabucks sales are up \$10.2 million, or 46%; Daily Numbers sales are down \$649,000, or 4%; Weekly Grand sales compared with Paycheck sales last year are up \$484,000, or 7.5%. The Fast Play games are down \$500,000, or 2% from last year.

Cost of sales are up \$5.8 million which is a direct reflection of the increase in sales. Net Profit for March increased approximately \$4 million, or 25.5%.

Compared to what we have budgeted, our sales are ahead of forecast a total of \$8.7 million. This is due to the increase in sales; cost of sales are over budget by \$5.2 million. So far, the total operating budgets have been under spent this year a total of \$65,000.

The Weekly Grand guaranteed jackpot contingency fund has been in the negative since it was hit February 23<sup>rd</sup>. The Weekly Grand contingency fund is in the negative at the end of March \$948,000. The game had no jackpot winners in April. All other contingency funds were in the positive at the end of March. Expired, unclaimed prizes were just over \$1.3 million the end of March.

The Tri-State auditors will be conducting their pre-site audit work in all three states next week.

**MARKETING COMMITTEE** – Maura McCann

The Maine State Lottery shared their new Mega Millions spot. Sales for Mega Millions will start Sunday, May 9<sup>th</sup>, in Maine. Maine also shared their point-of-sale pieces, pay out card and their palm card brochure.

Maura explained the White Paper Draft Document pertaining to expired, unclaimed prize money. The Weekly Grand top prize has been hit more than expected and this affects the disbursement of the expired, unclaimed prize money for the new fiscal year. The paper discusses how the committee would propose to fund promotions for the next fiscal year in light of the fact that expired, unclaimed prize money is not as high as it has previously been. The committee discussed using \$500,000 from what would be left from expired, unclaimed prize money and brought up the possibility of having a separate line item within the budget that is specific to the individual state to be used to supplement promotional money for the coming year. Maine would like an additional \$55,000, New Hampshire would like \$130,000 and Vermont would like an additional \$50,000.

Various types of promotions were discussed, i.e. celebrating Megabucks 25<sup>th</sup> Anniversary, our annual holiday bonus and a promotion for the Pick 3/Pick 4 games.

It was also pointed out that the Fast Play games pay out at 60%. When this game started, not all three states could pay out 60%, so it paid out at 50% and 10% came out of expired, unclaimed prizes. Now all three states can pay out 60%. Maine will be dropping out of the Fast Play games on May 8. This will not be a Vermont and New Hampshire issue.

The committee is not asking for action this month but it will be further discussed at the June meeting.

**DEVELOPMENT COMMITTEE** – Lisa Rodrigue

Mega Millions will be launched in Maine on May 9. There will be a soft launch as it was in the other two states. Maine does have television and radio and p-o-s pieces. They will not have a promotion to launch the game.

Weekly Grand update: There have been regular committee calls and SG and Intralot have presented some game analyses and game changes. These will be reviewed in the next two weeks and the committee plans to have some recommendations for the commission at the June meeting. The committee isn't looking to totally change the game but to change a few of the options or add something.

Vermont and New Hampshire have been very busy testing in their conversion process.

**DRAW COMMITTEE** – Maura McCann

Howard and Company accepted the Commission's request that three of their five employees take part in the draw audits. David Howard accepted the Draw Audit contract for the next two years using the three approved employees. The contract will be signed by the Chair of the Commission.

A couple of months ago, the commission approved the purchase of new drawing equipment, i.e. camera, computer and software. This equipment will be installed shortly.

**OPERATIONS COMMITTEE** – Lisa Rodrigue reporting for Sylvia Buzzell

The committee meets the first Wednesday of each month via teleconference. Sylvia and Irene have been very busy testing for the conversion but have taken time away for these calls. New Hampshire has just completed their retail training sessions and Vermont is in the process and will finish up their training next week.

**SCIENTIFIC GAMES** – Darrell Frecker

Maura and Lisa have already reported on the items Darrell was going to mention. SG is looking forward to the June meeting to further discuss game options.

**ACCEPTANCE OF THE COMMITTEE REPORTS**

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

## **OTHER BUSINESS**

A request has come in for the Louisiana Lottery to use the title "Pick 3" on one of their upcoming games. This game is licensed by the Tri-State Lotto Commission. The Louisiana Lottery Account Executive at Scientific Games has contacted Tri-State for this permission. When such authorization is granted, the agreement will be between the Louisiana Lottery and the Tri-State Lotto Commission. Precedent has shown that there is cooperation between lotteries in using each other's game names. Maura will follow through with this request and keep the commission advised.

Director Yandow noted that we are starting to put together an electronic conversion plan for Tri-State documents. This has come to light due to the recent fire at the data center in Montpelier recently.

The next commission meeting is scheduled for Friday, June 4, 2010, at 9:30 a.m. at the Lake Morey Resort in Fairlee, Vermont. There will be committee meetings conducted on Thursday afternoon, June 3.

A motion to adjourn was made at 11:15 a.m.

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Orland McPherson, Chair