

TRI-STATE LOTTO COMMISSION
New Hampshire Lottery Commission
January 7, 2011, 10:00 a.m.

Present: Debra Douglas, Chair; Charlie McIntyre, Executive Director; Maura McCann, George Roy, Irene Nadeau Tom Scala, Vice Chair; Alan Yandow, Executive Director; Mary Cassani and Hadley Melendy via teleconference, Carole Lacasse, Recording Secretary Orland McPherson, Commissioner; Tim Poulin, Lisa Rodrigue
Guests: Darrell Frecker, Liz Dimmick with Scientific Games; Chris Nichols, Alex Crosby, Russ Leonard, Jennifer Cartmell with NL Partners; John A. Papile, Christine Pare', Terry Patterson with Intralot

The meeting was called to order at 10:12 a.m.

ACCEPTANCE OF OCTOBER 7 AND NOVEMBER 5, 2010 MINUTES

A motion was made by Commissioner McPherson to accept the October 7 and November 5, 2010 minutes as distributed. Motion was seconded and voted in the affirmative.

RATIFY ACTIONS TAKEN AT THE NOVEMBER 5, 2010 MEETING

A motion was made by Commissioner Scala to ratify actions taken at the November 5, 2010 meeting. Motion was seconded and voted in the affirmative.

FINANCE COMMITTEE – Mary Cassani

Gross revenues for Tri-State through November 2010 have decreased \$2.9 million, or 9.16% compared to last November. Of this decrease, Megabucks sales are down \$2,206,000, or 12.31%; Daily Numbers sales are up \$173,265, or 1.93%; Weekly Grand sales are down \$570,702, or 14.01%; the Fast Play games are down \$332,815, or 30.80%.

Net Profit through November 2010 decreased from last year \$596,478, or 5.45%.

Compared to what we currently have budgeted , our sales are behind forecast a total of \$487,931. We are ahead of forecast for Megabucks Plus and Fast Play, but behind in all other games.

Cost of sales are under budget \$499,000, operating expenses are under budget \$681,000 and that's mostly in advertising.

All contingency funds are in the positive at the end of November. There is \$1,200,909 in Expired Unclaimed Prizes at the end of November.

MARKETING AND PRODUCT DEVELOPMENT COMMITTEE – Maura McCann

The committee has been working on a number of projects with the largest one being the re-launch of the Weekly Grand game to Weekly Grand Extra. All three states are reviewing final specifications for the game change. Once the final specifications are signed off, it will be approximately 120 days out for the game change, which brings us to the spring of 2011. The change is to remove a \$5.00 instant win and adding a Friday evening raffle. The committee's goal for next week is to have the specifications finalized and signed off. From that point on, a timeline can be established.

Maura has begun rewriting the Weekly Grand Extra rules. The committee will meet after today's commission meeting to review the Maine State Lottery suggestions. Plans are to have the rules for Commission review at next month's meeting. Maura will also put together updated draw procedures to include the Friday night raffle. Each of the states are working on the advertising for the launch of the new game.

Holiday Raffle Update: Maine and New Hampshire conducted a two-week holiday raffle, December 12 – 25, whereby a free raffle ticket could be generated. The draw was conducted this past Wednesday for both states.

Double Draw Dollars promotion: This will run for two weeks the end of January. This was not offered last year but was the two previous years. This promotion is to encourage the Pick 3 and Pick 4 players to purchase evening and day or day and evening tickets. Twenty-five dollar cash prizes will be awarded. An increase in sales was seen when this promotion was previously conducted.

Other Business: A watch and win promotion for Powerball will start the end of the month. A "secret" word will be displayed during the Powerball drawings. Players can then go to the Powerball.com website to register to win some merchandise prizes.

Following the re-launch of Weekly Grand, plans are to implement a Weekly Grand Extra promotion. The Maine State Lottery will conduct a Megabucks Plus promotion as well.

The states shared their radio and television advertising with the commission.

A new Fast Play game, Lucky Day, is scheduled to begin the 16th of January.

Hadley pointed out that we had a Megabucks Plus jackpot winner in Vermont. There was no impact on the contingency fund as the winner took cash.

If Weekly Grand gets hit, there is more than enough funds between the two contingency funds to cover the hit.

DRAW COMMITTEE – Maura McCann

Nothing to report at this time.

OPERATIONS COMMITTEE – Irene Nadeau

Fast Play: Lucky Day will begin January 16, 2011. In New Hampshire, QA testing is currently being conducted and UAT to follow. UAT is in process in Vermont.

Jingle Bell Bucks: Vermont reported that a fourth pool was added. This is the first time that Vermont has had to implement four pools.

Weekly Grand: Specs are being finalized in all three lotteries.

Promotions:

Double Draw Dollars: The go-live date is January 16, 2011 – Maine has completed testing, New Hampshire is reviewing revised specs and testing is scheduled for next week. Tim Poulin reported for the Maine Lottery that staff will be meeting to plan future promotions and activities for the rest of the fiscal year.

New Hampshire is reviewing revised specs for Mega Millions. The go-live date is January 30, 2011.

New Hampshire: Claim Center: New Hampshire has requested that the Salem Outlet have the ability to pay winnings of \$599.99 and under by check. The spec is ready for review and sign off.

New Hampshire Discount Promo update: Between November 1 and December 31, there were 3,315 subscriptions sold (sales totaling \$197,236). Powerball scored the highest sales with Hot Lotto coming in second place.

SCIENTIFIC GAMES – Darrell Frecker

Scientific Games staff worked with the Maine State Lottery in the malls during the month of December.

The Holiday Bonus drawing went fine as reported by Maura and Irene.

SG is all set for Double Draw Dollars and after that will be the Weekly Grand Extra testing.

INTRALOT – John Papile

The T1 line is installed and is ready to be turned up. The hardware and printers should be here some time next week.

Network wise: Very stable. VSAT has been switched to DSL and all seems to be going well with FairPoint. Fifteen percent of the retailers are on VSAT and 55% on DSL and 30% on 3G (wireless).

Intralot expects to be busy testing for Double Dollars and the Weekly Grand Extra game. A couple mini software releases will be coming up.

ACCEPTANCE OF 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

Meeting dates for 2011 were distributed.

The next commission meeting is scheduled for Friday, February 4, 2011, at 10:30 a.m.

A motion to adjourn was made at 10:55 a.m. Motion to adjourn was seconded and voted in the affirmative.

Debra Douglas, Chair