

Tri-State Lotto Commission
New Hampshire Lottery Commission
May 6, 2011, 10:30 a.m.

Present: New Hampshire: Debra Douglas, Chair; Charlie McIntyre, Executive Director; Maura McCann, Kassie Strong
Vermont: Tom Scala, Vice Chair; Hadley Melendy, Mary Cassani via teleconference (Sylvia Buzzell via teleconference during Patriot's presentation)
Maine: Orland McPherson, Commissioner; Lisa Rodrigue, Mickey Boardman, Dan Gadowsky & Tim Poulin via teleconference
Guests: Chris Nichols, Russ Leonard, Jennifer Cartmell, Heather Bowman with NL Partners; Rose Longo-White, Jennifer Landers with Griffin York & Krause; John Papile, Terry Patterson, John Hadley, Bruce Anderson, Kristen Pare' with Intralot; Darrell Frecker with SG via teleconference

The meeting was called to order at 10:33 a.m.

ACCEPTANCE OF THE APRIL 8, 2011 MINUTES

A motion was made by Commissioner Scala to accept the April 8, 2011 minutes as presented. Motion was seconded and voted in the affirmative.

FINANCE COMMITTEE – Mary Cassani

Gross revenues for Tri-State through March 2011 have decreased \$7,095,575 or 12.26% compared to last March. Of this decrease, Megabucks sales are down \$5,956,343 or 18.46%; Daily Numbers sales are up \$147,842 or 0.89%; Weekly Grand sales are down \$680,634 or 9.75%; the Fast Play games for VT and NH are up \$105,385 or 7.69% from last year.

Total Expenses through March 2011 are down from last March \$4,940,926. This represents a decrease in cost of sales of \$4,881,716 and a decrease in operating expenses of \$59,210 which represents primarily a decrease the Battelle contract line items.

Net Profit through March 2011 decreased from last year \$2,137,443 or 10.88%.

Compared to what we currently have budgeted our sales are behind forecast a total of \$1,720,728 or 3.28%. We are ahead of forecast for Fast Play, but behind in all other games. Due to the overall decrease in sales, cost of sales are also under budget by \$1,349,434. Operating expenses are under budget a total of \$812,446. So far the total advertising and promotion budgets have been under-spent this year a total of \$777,035.

All contingency funds were in the positive at the end of March. There was \$1,512,786 in Expired unclaimed prizes at the end of March.

MARKETING & PRODUCT DEVELOPMENT COMMITTEE – Maura McCann

Representatives from the New England Patriots were present to give a presentation on an instant ticket for the Tri-State Lotto Commission. Material will be left for the three states to review.

Weekly Grand Extra launched April 24. When comparing the first week of sales for Weekly Grand Extra to Weekly Grand, New Hampshire saw a sales increase of \$22,000; Maine saw a jump of

40% and Vermont saw a 30% lift. Last Friday was the first T.G.I.F. Raffle and all seemed to work very well. The game is supported by television advertising in each of the three states and each advertisement was played for the commission.

Also on April 24, Vermont and New Hampshire started a new Fast Play game, Break the Bank. Sales were up considerably in both states.

In the coming year, the committee will be looking at new games, including a possible New England regional game and changes to Powerball.

The Vermont Lottery Commission and the Maine State Lottery also have May promotions.

Tri-State is currently going through the process to trademark Weekly Grand Extra. Arrangements have been made with Idaho to allow them to use this name.

DRAW COMMITTEE – Maura McCann

For every draw that is conducted in the draw room, there are drawing procedures which includes paperwork completed by the independent auditor as well as the draw monitor. The draw supervisor observes and does not complete paperwork. T.G.I.F. raffle drawing and transfer file procedures are available for viewing. There is also a Draw Policy and Procedures manual detailing all aspects of draw activity. If anyone would like a copy, please ask. Drawings are uploaded to the New Hampshire Lottery website, and both Maine and Vermont have links on their websites to view the drawings.

OPERATIONS COMMITTEE – Lisa Rodrigue

Weekly Grand Extra Grand change happened without any problems and there have been very few customer issues. States saw a nice increase in sales.

Vermont and New Hampshire saw an increase in Fast Play sales with the release of Break The Bank.

New Hampshire is doing a new BOS release in mid-July and testing will be done by the end of June. Vermont will be doing a two-week promo in mid-May with Powerball and Weekly Grand; Maine will be doing a two-week promo with Megabucks Plus.

SCIENTIFIC GAMES – Darrell Frecker

Nothing to report at this time.

INTRALOT – John Papile

Bruce Anderson was introduced. He has begun his position as General Manager at the data center in Vermont.

John Hadley thanked the commission for making the accommodation of the RNG files. The Money MAYhem promotion is ready to begin in Vermont. The iWare server is being prepared to go in the rack for New Hampshire; Vermont's system is about a month or two ahead and is in the UAT phase. Once installed, this system will enable you to extract real time data and manipulate it in useful arrays (sales, ad hoc reports, etc.).

ACCEPTANCE OF THE COMMITTEE REPORTS

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

OTHER BUSINESS

New Hampshire has requested \$2,500 to be added to the Tri-State Lotto budget so the law firm can complete the remaining work needed to trademark the Weekly Grand Extra logos, name, etc. We are billed by them on an hourly basis, which is \$150 an hour vs. their normal \$325 rate.

A motion was made by Commissioner Scala to add \$2,500 more to the contract. Motion was seconded and voted in the affirmative.

The New Hampshire Lottery has been housing the Tri-State Megabucks machine from 1985, plus the New Hampshire Cash Lotto machine in their warehouse, and they are requesting permission to dispose of these old machines.

A motion was made by Commissioner Scala that these machines are disposed of. Motion was seconded and voted in the affirmative.

The next commission meeting is scheduled for Friday, June 3, 2011, at the New Hampshire Lottery Commission. The July 8 meeting will be held at Lake Morey in Fairlee, Vermont.

A motion was made by Commissioner Scala at approximately 11:30 a.m. to adjourn. The motion was seconded and voted in the affirmative.

Debra Douglas Chair