

TRI-STATE LOTTO COMMISSION  
Lake Morey Resort, Fairlee, VT  
July 8, 2011, 9:30 a.m.

Present: Vermont: Tom Scala, Chair; Alan Yandow, Executive Director; Hadley Melendy, Mary Cassani, Carole Lacasse  
Maine: Orland McPherson, Vice Chair; Tim Poulin, Lisa Rodrigue, Mickey Boardman  
New Hampshire: Charlie McIntyre, Executive Director; Maura McCann, Kassie Strong, Irene Nadeau  
Guests: Heather Bowman, Jennifer Cartmell, Chris Nichols with NL Partners; Liz Dimmick, Mary Wdowin, Darrell Frecker with Scientific Games; Kristen Pare', Molly Waldstein, Jim Brown, John Papile, Bruce Anderson with Intralot

The meeting was called to order at 9:31 a.m.

**ACCEPTANCE OF THE JUNE 3, 2011 MINUTES**

A motion was made and seconded to accept the June 3, 2011 minutes as distributed.

**FINANCE COMMITTEE:** Mary Cassani

Mary reviewed the FY12 budget.

MOTION

A motion was made by Commissioner McPherson to accept the proposed FY12 budget. Motion was seconded and voted in the affirmative.

Mary reviewed the May 2011 financial report. Gross revenues through May have decreased \$9.4 million, or 13.08%. Of this decrease, Megabucks sales are down about \$8.5 million, or 20.89%; Daily Numbers sales are up about \$262,000, or 1.29%; Weekly Grand sales are down \$504,000, or 5.96%; the Fast Play games for Vermont and New Hampshire are up about \$135,000, or 7.86%.

Total expenses through May 2011 are down from last May \$6.4 million. This represents a decrease in cost of sales for \$6,399,590 and a decrease in operating expenses of \$41,206 which represents primarily an increase in the advertising line item and a decrease in the Battelle contract line item.

Net Profit through May 2011 decreased from last year \$2,950,862, or 12.26%.

Compared to what we currently have budgeted, our sales are behind forecast a total of \$2,060,703, or 3.19%. 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 \$1,603,224. Operating expenses are over budget a total of \$542,041. So far the total advertising and promotional budgets have been under spent this year a total of \$505,156.

There is \$1.8 million in expired, unclaimed prizes.

**MARKETING AND PRODUCT DEVELOPMENT COMMITTEE** – Hadley Melendy

The committee met yesterday. The committee is planning to meet next week and discuss promotional plans for FY2012. Plans are to use \$1 million from expired, unclaimed prizes. The money will be divided as follows: Maine \$457,000, New Hampshire \$376,000 and Vermont \$167,000.

The committee is working on the \$2 Powerball ticket and there are discussions on an instant ticket for Tri-State. The committee will be meeting with Alchemy 3 regarding instant tickets. Mobil apps are also being discussed.

**MOTION**

A motion was made by Commissioner McPherson to spend \$1 million from expired, unclaimed prizes to fund promotions for FY12. Motion was seconded and voted in the affirmative.

**DRAW COMMITTEE** – Maura McCann

It is time for the annual maintenance of our drawing equipment. Maura presented a Maintenance Agreement from Smartplay International Inc. at a cost of \$2,125.

**MOTION**

A motion was made by Commissioner McPherson to authorize Smartplay International Inc. to perform the annual maintenance on all Tri-State Lotto drawing equipment at a cost of \$2,125. Motion was seconded and voted in the affirmative.

At the last commission meeting, Maura was asked to provide information on the Random Number Generator information/proposal for 2007. This information was emailed to members of the Tri-State Lotto Commission for their review.

This item will be deferred to next month's meeting.

**OPERATIONS COMMITTEE** – Tim Poulin

The committee had a brief meeting yesterday to discuss what is going on. It was noted that the Powerball change is five months away. Each state is conducting their own internal meetings and are preparing their own list of things to be done. The subscription issue is a little bit more complex. Play slips will need to be done for all three states.

Winstations are scheduled to be implemented in mid-November in Vermont .

Promotions are coming up for Powerball and Mega Millions. There will be a promo for Hot Lotto in the fall. New Hampshire will be conducting promotions for both their subscriptions and Powerball. All three states are planning Holiday promotions. Maine is planning to conduct promotions for September and October for Megabucks Plus and Mega Millions, in December a Holiday promotion, something for the Powerball change and promos in March and June.

New Hampshire and Vermont are testing for the Fast Play game changes.

**SCIENTIFIC GAMES**- Darrell Frecker

Nothing new to report at this time as everything he was going to say has been brought up by the various committees.

SG is looking forward to working with everyone regarding the Powerball changes and various promotions. SG will help in any way they are needed.

**SCIENTIFIC GAMES** – John Papile

There is lots of testing going on and everything is going along fine.

**SCIENTIFIC GAMES** – Bruce Anderson

The Vermont Lottery is planning to have a booth at the Champlain Fair and will launch their WinStations the middle of November.

**ACCEPTANCE OF THE COMMITTEE REPORTS**

Motion

A motion was made to accept the committee reports as presented.

Motion was seconded and voted in the affirmative.

**OTHER BUSINESS**

Policy No. 3 - Standing Committees: The appointments will be made and noted at next month's meeting.

Tim announced that Dan Gwadosky will be retiring later this month. Good Luck and Best Wishes are extended to Dan from the Tri-State Lotto Commission staff members and vendors.

The next commission meeting is scheduled for 10:30 a.m. August 5, 2011 at the New Hampshire Lottery Commission.

A motion to adjourn was made at 9:53 a.m. Motion was seconded and voted in the affirmative.

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Thomas Scala, Chair