

TRI-STATE LOTTO COMMISSION  
New Hampshire Lottery Commission  
May 4, 2012, 10:30 a.m.

Present: Vermont: Tom Scala, Chair; Alan Yandow, Mary Cassani, Hadley Melendy, Carole Lacasse  
Maine: Orland McPherson, Vice Chair; Lisa Rodrigue, Michael Boardman  
New Hampshire: Debra Douglas, Commissioner; Charlie McIntyre, Kassie Strong, Irene Nadeau, Maura McCann  
Guests: Darrell Frecker with Scientific Games; Chris Nichols, Heather Bowman, Jen Cartmell with NL Partners; Kristen Pare', John Papile, Vlad Simonenko, Bruce Anderson with Intralot

The meeting was called to order at 10:38 a.m.

**ACCEPTANCE OF THE APRIL 6, 2012 MINUTES**

A motion was made by Commissioner Douglas to accept the April 6, 2012 minutes. Motion was seconded and voted in the affirmative.

**FINANCE COMMITTEE** – Mary Cassani

Gross revenues through March 2012 have decreased \$3.5 million, or 7%, compared to last March. Of this decrease, Megabucks Plus sales are down \$3.1 million, or 12.06%; Daily Numbers sales are up \$224,000, or 1.25%; Weekly Grand Extra sales are down \$609,000, or 9.67% (the game ended March 9, 2012); the Fast Play games for Vermont and New Hampshire are up \$52,000, or 3.54% compared to last March.

Total Expenses through March 2012 are down from last year \$2 million. This represents a decrease in cost of sales of \$2 million and an increase in operating expenses of \$51,000 which represents primarily an overall increase in the advertising line item.

Net Profit for March decreased from last year \$1.58 million, or almost 9%.

Compared to what we currently have budgeted, our sales are behind forecast a total of \$3.9 million, or 7.71%. We are behind forecast for all games. Due to the overall decrease in sales, cost of sales are also under budget by \$2 million. Operating expenses are over budget a total of \$617,626. To date advertising and promotion budgets have been under spent this year a total of \$564,201.

All contingency funds were in the positive at the end of March. There was \$2.7 million Expired Unclaimed Prizes at the end of March.

**MARKETING AND PRODUCT DEVELOPMENT** – Hadley Melendy

Vermont is conducting a May Megabucks Plus promo. This is an instant win which will pay \$25. Plans are to use \$80,000 from expired-unclaimed prize money. Maine is starting a Megabucks Plus promotion and will use \$200,000 from expired-unclaimed prize money. New Hampshire and Maine will also conduct a buy one/get one Slash Sale June 9 for Megabucks Plus. Advertising will be by social media.

The committee is looking over Lucky for Life sales and Lisa will put together a sales report for the states to review.

Megabucks Plus will be reviewed at the July Tri-State meeting. The art work is done for Fast Play, logos are complete and spec develop is done. This material will be shown to the commission at next month's meeting. We should be able to sign off on the Fast Play specs in the next few weeks.

**DRAW COMMITTEE** – Maura McCann

MUSL has indicated that our RNG reports have been completed and will be sent to GLI for independent review of the software. It has taken a bit longer than anticipated because of the Lucky for Life game launch and MUSL's responsibility for assisting the New England states in their new game.

**OPERATIONS COMMITTEE**: Lisa Rodrigue in Tim Poulin's absence

Everything is moving right along. Staff is working on the Fast Play specs for New Hampshire and Vermont as well as various state promotions. It's a little quiet right now.

**SCIENTIFIC GAMES** – Darrell Frecker

Things are a bit quiet right now. Staff is working on a number of promotions and reviewing research gathered recently on Megabucks Plus and will get back to the committee on suggested changes.

**INTRALOT** – John Papile

Everything is going along fine. Darrell covered everything and there is nothing further to add at this time.

**INTRALOT** – Bruce Anderson

There were three software launches in three months and everything went very well.

**ACCEPTANCE OF THE COMMITTEE REPORTS**

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

**OTHER BUSINESS**

TS Legal Consultant RFP: This is an RFP for Trademark Services for the Tri-State Lotto Commission and the New Hampshire Lottery. Three proposals were received and reviewed. There was a three-member team reviewing the bids. The committee recommends entering into a two-year contract with the incumbent, McLane Graf, Raulerson & Middleton at a \$150 hourly rate. This rate was considerably lower than the other two bids received.

**MOTION**

A motion was made by Commissioner Douglas to accept the contract with McLane, Graf, Raulerson & Middleton for two years at an hourly rate of \$150 with the option of two more years at the same rate. Motion was seconded and voted in the affirmative.

Renewal of Draw Audit contract with Howard & Dionne of Raymond, New Hampshire:

**MOTION**

A motion was made by Commissioner McPherson to renew the contract with Howard & Dionne for Draw Auditing Services. Motion was seconded and voted in the affirmative.

Alan Yandow departure: Tom expressed his appreciation to Alan for all he has done during the last 14 years serving as the Executive Director for the Vermont Lottery and the Tri-State Lotto Commission, and serving as President of NASPL, and Vice President of MUSL. He noted that during his tenure there have been three Maine executive directors and two New Hampshire directors.

June Commission Meeting: A decision has been made to move the meeting back to June 1 rather than the 8<sup>th</sup> as was scheduled at last month's meeting.

July Commission Meeting: The July meeting will be July 10 and 11, a Tuesday and Wednesday, place to be determined.

The next meeting is scheduled for Friday, June 1, at the New Hampshire Lottery.

A motion to adjourn was made at 10:58 a.m.

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Tom Scala, Chair