

TRI-STATE LOTTO COMMISSION
New Hampshire Lottery Commission
June 1, 2012, 10:30 a.m.

Present: Vermont: Tom Scala, Chair; Mary Cassani, Hadley Melendy, Carole Lacasse
Maine: Orland McPherson, Vice Chair, Tim Poulin, Lisa Rodrigue
New Hampshire: Debra Douglas, Charlie McIntyre, Irene Nadeau, Kassie Strong, Maura McCann
Guests: Bruce Anderson, Terry Patterson, Kristen Pare' with Intralot; Jenaleigh Landers, Rose Longo-White with Griffin, York & Krause; Chris Nichols, Heather Bowman and Jen Cartmell with NL Partners; Pete Donahue with Alchemy3

The meeting was called to order at 10:34 a.m.

ACCEPTANCE OF THE MAY 4, 2012 MINUTES

A motion was made by Commissioner McPherson to accept the May 4, 2012 minutes as distributed. Motion was seconded and voted in the affirmative.

FINANCE COMMITTEE – Mary Cassani

Gross revenues for Tri-State through April 2012 have decreased \$5.7 million, or 10.9%. Of this decrease, Megabuck Plus sales are down \$5 million, or 13.56%; Daily Numbers sales are down \$390,000, or 1.56%; Weekly Grand Extra sales are down \$1.5 million, or 20.48% (note: the game ended March 9, 2012); Fast Play games for Vermont and New Hampshire are down \$14,000, or 0.85%. There was one extra week in April last year compared to this year which also adds to the disparity in the year-to-year sales comparison.

Total Expenses are down from last April \$3.3 million. This represents a decrease in cost of sales of \$3.4 million and an increase in operating expenses of \$109,000, which represents primarily an overall increase in the advertising line item.

Mary noticed a discrepancy on the year-to-date statement under jackpot assignment income while preparing her report. She will check into it and have it corrected for the May financial statement.

Net Profit decreased \$2.5 million, or 12.77%. Again, it was noted, there was an extra week of sales in FY2011.

Compared to budget, our sales are behind forecast a total of \$3.3 million, or 6.13%. We are behind forecast for all games. Due to the overall decrease in sales, cost of sales are also under budget by \$1.702 million. Operating expenses are under budget a total of \$550,000. To date the total advertising and promotion budgets have been under spent this year a total of \$498,000.

MARKETING AND PRODUCT DEVELOPMENT - Hadley Melendy

Fast Play will be moving to a multi game this fall with a new logo. There will be two \$1 games, two \$2 games and one \$5 game. Specs are almost complete.

Megabucks Plus survey: The results are being reviewed and a report will be presented at the July meeting.

New Hampshire and Maine will conduct a Flash Sale on Megabucks next week. Vermont is not participating in this promo.

Hannafords Tri-State promo: Tim gave an update on this promotion. The three-state Marketing and Sales departments have met with a Hannafords rep regarding a possible sales incentive for clerks. Since the meetings, someone higher up in the Hannafords' chain of command has said no to the customer promotion. We are now looking into how we could develop our plan and work with other chain stores, if necessary.

Pete Donahue with Alchemy3 will give a presentation to the three state lotteries on Fantasy Blackjack at the end of today's meeting.

DRAW COMMITTEE – Maura McCann

GLI is testing our new Random Number Generator (RNG) and when the testing is complete the new equipment will be delivered to the NH Lottery.

OPERATIONS COMMITTEE – Tim Poulin

Maine and New Hampshire will be conducting a Megabucks Plus Flash Sale June 9. Maine is ready to go and New Hampshire is in their final testing stage.

New Hampshire and Vermont are working on the multi Fast Play. Maine has a couple more weeks on their Red Sox ticket retailer promotion.

Maine's new executive director is very creative, looking at new branding ideas, possibly changing Maine's logo -- all kinds of changes coming up.

SCIENTIFIC GAMES – No One Present

INTRALOT – Bruce Anderson

Things have been quiet in Vermont and anxiously awaiting the new director.

The new Vermont executive director is Gregory Smith. He is scheduled to start Thursday, June 7th.

INTRALOT - Terry Patterson

Testing has been done for the Flash Sale promotion. A terminal message is going out Monday to the retailers. Staff is preparing for the next release which is July 29th.

ACCEPTANCE OF THE COMMITTEE REPORTS

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

