

TRI-STATE LOTTO COMMISSION
New Hampshire Lottery Commission
April 12, 2013, 10:30 a.m.

Present: Maine: Orland McPherson, Chair; Tim Poulin, Lisa Rodrigue
New Hampshire: Debra Douglas, Vice Chair (by phone); Charlie McIntyre, Maura McCann, Lynda Plante, Tonya Walsh, Irene Nadeau
Vermont: Tom Scala, Commissioner; Greg Smith, Mary Cassani, Jeff Cavender, Carole Lacasse
Guests: Jennifer Cartmell, Heather Bowman, Chris Nichols with NL Partners; Bruce Anderson, Molly Waldstein, Terry Patterson, Kristen Pare' with Intralot; Rose Longo-White with Griffin, York & Krause

The meeting was called to order at 10:40 a.m.

ACCEPTANCE OF THE FEBRUARY 15, 2013 MINUTES

A motion was made by Commissioner Scala to accept the February 15, 2013 minutes as distributed. Motion was seconded by Commissioner Douglas and voted in the affirmative.

FINANCE COMMITTEE – Mary Cassani

Gross revenues through February are behind forecast by about \$2 million, or 5.69%. Megabucks Plus sales are behind \$1.5 million, or 3.25%; Daily Numbers sales are down \$250,000, or 3.24%; and the Fast Play games for Vermont and New Hampshire are ahead \$127,000, or 7.18% compared to forecast due to the launch of the multiple Fast Play games in November.

Net Profit through February is ahead of forecast \$160,000, or 1.34%. This is due to the unspent advertising dollars so far this year.

Compared to last year, the sales are down \$6,347,000, or 15.24%. Total expenses are down \$4,368,000, or 15.80%. This represents a decrease in cost of sales of \$3,734,000 and a decrease in operating expenses of \$634,000.

Net Profit for FY 2013 decreased from FY 2012 \$1,849,804 or 13.91%.

Most contingency funds were in the positive at the end of February except for the Megabucks Plus Low Tier Contingency Fund. There were four \$30,000 winners from Maine in the last three months. There was \$2,610,228 in Expired, Unclaimed prizes at the end of February.

Barre, Dunn, McNeil will be starting interim field work next month. They will be visiting all three lotteries.

FY13 Revised Budget:

MOTION

A motion was made by Commissioner Scala to approve the proposed budget as presented. Motion was seconded and voted in the affirmative.

MARKETING AND DEVELOPMENT COMMITTEE – Lisa Rodrigue

The Gimme 5 radio spot which will be used in all three states was played as well as a couple new Megabucks Plus spots and a Vermont Megabucks Plus spot. A Vermont television spot was played depicting where profits to the Education Fund go. Point of sale for the new game was distributed.

UAT testing is starting next week for all three states.

Gimme 5 Rules:

MOTION

A motion was made by Commissioner Douglas to accept the Gimme 5 rules as the game is scheduled to start in May. Motion was seconded and voted in the affirmative.

Fast Play: New Hampshire and Vermont will be releasing a new group of games May 12th. Vermont will launch four games and will bring in the four they are currently running. New Hampshire will run their current eight games plus adding four new ones, thus running 12 games at the same time. It was noted that Vermont also sells the Fast Play games through their WinSations.

Mega Millions will be going through a game change in October. There will be a matrix change and the \$250,000 prize will be going to a million dollars.

Lucky for Life: A game change is scheduled for September. The change is in the 2nd tier which will be \$25,000 a year for life. Matrix will change as well.

Megabucks Plus Promotions: A Megabucks Plus "\$6 for \$60" promo is scheduled in Vermont and New Hampshire will conduct a Flash Sale this Saturday. Maine will do some type of promotion in June.

Maine noted that raffle promotions have been successful for them and they would like to schedule one for in the future as well as some other types of promotions. Various Megabucks Plus promos were discussed. Maine's sales have stayed up by doing some new promos.

Greg noted that Flash Sales in Vermont do not result in higher sales after the sale.

Lisa noted that the public wants us to keep Megabucks Plus and not make any changes to the game. However, it needs something so various promotions for Megabucks are being discussed. We'll have to be creative in what we do.

DRAW REPORT – Maura McCann

Staff is preparing the draw room for the Gimme 5 drawings. The drawing balls have arrived and various paperwork is being revised to include the new game.

Recently there was a cracked drawing ball for Pick 3/Pick 4. Retired drawing balls are set aside so a ball was used from the backup set. Because there was an urgent need to order new drawing balls, Maura ordered seven sets of drawing balls, numbered 0 – 9, at a cost of \$980. They have arrived and have been implemented into the drawing process.

Maura is now requesting retroactive authorization to purchase the seven sets of drawing balls, numbered 0 – 9, at a cost of \$980.

MOTION

A motion was made by Commissioner Scala to authorize the payment of \$980 for seven sets of drawing balls for the Daily Numbers drawings. Motion was seconded and voted in the affirmative.

Greg asked if anything was being done for Hot Lotto. Maine has nothing planned at this time. New Hampshire is a part of the group that got together to produce creative for Hot Lotto and as a result they have television, radio as well as p-o-s brochures and payout cards. Vermont may participate at some point.

SCIENTIFIC GAMES - No one present at this time

Lisa did report that Scientific Games is conducting their own internal testing for the Hot Lotto change and Gimme 5. Mickey will do the lottery testing next week. All appears to be moving along fine.

INTRALOT – Bruce Anderson

Vermont has completed QA testing and customer acceptance testing and software testing starts next week.

INTRALOT – Kristen Pare' (filling in for John Papile)

New Hampshire will finish QA testing today and UAT testing will start Monday. They are already for the Megabucks Plus Flash Sale which will be conducted tomorrow and working on specs for Lucky For Life and MegaMillions changes scheduled for this fall. They are also working on the Fast Play games scheduled for this fall.

ACCEPTANCE OF COMMITTEE REPORTS

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

OTHER BUSINESS

Fast Play Prize Payouts are being reviewed: Currently the prize payouts are lower than the instant tickets by 1 – 3%. This is being reviewed and a decision as to how to change the payouts will be made at some point this year.

Cash Jackpot Payments by States: There is a delay in paying jackpot winners in the Megabucks Plus game. There are a number of forms to be filled out which offers ways of claiming the prize ranging from a five day waiting period and time needed to make a wire transfer. There is no opportunity to offer a cash prize immediately upon the claim. The committee will review all aspects of claiming a jackpot win and the paying of the win -- validation, claim, and security are key issues.

Tri-State Instant Ticket Update: Tim noted that a new bill has been submitted to legislature which would now allow an instant ticket for Tri-State. The commission requested the committee to move forward with Alchemy3 on an instant ticket with a Jan/Feb timeframe. A second chance drawing will also be included in this game. This concept will be discussed at length at the June Tri-State meeting.

Tri-State June Meeting in Vermont: The Lake Morey Resort has offered the same rate (\$155.00) as last year and the dates of 13 and 14 of June are available. A decision was made to contract with Lake Morey for the June meeting.

A motion to adjourn was made at 12:22 p.m.

Orland McPherson, Chair