

TRI-STATE LOTTO COMMISSION
NH Lottery
Concord, NH
February 12, 2015

Present: Vermont: Ed Flanagan, Chair; Greg Smith, Jeff Cavender, Mary Cassani, Mary Stridsberg
New Hampshire: Debra Douglas, Commissioner; Charlie McIntyre, Katie Brown, Lynda Plante, Jay Pedone, Kelley-Jay Rosberg, Maura McCann
Maine: Orland McPherson, Commissioner; Tim Poulin, Gregg Mineo, Michael Boardman, Lisa Rodrigue
Guests: Kristen Pare', John Papile, Jeff Savage, Jeff Lipps with Intralot; Darrell Frecker, Calvin Rinck, Dennis Miller with Scientific Games; Pete Donahue with Alchemy3; Heather Bowman and Chris Nichols with NL Partners; Rose Longo-White with GYK Antler; Steven Mason with Fuse Ideas.

The meeting was called to order at 10:30a.m.

ACCEPTANCE OF THE DECEMBER 12, 2014 MINUTES

MOTION

Commissioner Douglas made a motion, seconded by Commissioner McPherson, to accept the December 12, 2014 minutes as distributed. So voted, unanimous.

FINANCE COMMITTEE: Mary Cassani

Gross revenues through December 2014 were higher than forecast by \$812K. Due to the overall higher sales in games that payout approximately 70%, the cost of sales was also higher than forecast by 3.8%. Operating expenses were lower than forecast by 39.9%, and all three states' advertising expenses were lower than forecast a total of \$851K.

Net profit through December 2014 was higher than forecast by 9.2%. This is due to the overall higher sales and unspent advertising budgets. It was higher than last years December 2014 net profit by 2.0%. The net profit represented 34.9% of sales through December 2014.

MARKETING AND PRODUCT DEVELOPMENT: Jeff Cavender

The Marketing and Product Development team is making good progress. The schedule is complete for the remainder of the calendar year.

The Pick 3 and Pick 4 promotion has changed direction for May. It will now be called 'Double Draw Dollars' or something similar to that. There will be \$25 nth wins for purchasers who do consecutive draws. This will run from May 10-16th.

The 'Grocery Grill Giveaway' due to logistics, has been simplified. This promo will still have the grill theme but will now be a gift card to Sears. It will still be an instant win that will run from July 1-31st.

The Megabucks 30th Anniversary birthday has also gone through some changes. There will be a two week long promotion tentively scheduled for September 6th- 19th. Any Megabucks ticket purchased will give the player a chance to win an nth prize of \$30.

Gimme 5's awareness campaign ran before Christmas in December. There was incremental sales growth during this 6 week time period at about 6%. That growth maintained for the following four weeks as well. Therefore should we apply this awareness strategy for another game? Possibly Megabucks.

DRAW COMMITTEE: Maura McCann

There is now a new PC in the Draw room, with new software and updates.

The two Random Number Generators (RNG's) that were purchased from MUSL have been disconnected and alternative options are being looked into at this time. They are primarily used for Second Chance drawing and promotions. They are also in place as backup machines for Pick 3 and Pick 4 or Megabucks draws if the need arises. The RNG software will either be reviewed or new RNG machines will be purchased. There was further discussion regarding the recent security issues at MUSL.

SCIENTIFIC GAMES: Darrell Frecker

The software for 'Double Draw Dollars' is currently undergoing a test cycle. This should be completed within a week or two, to be ready for the rollout of that promo on May 10th.

The Tri-State instant ticket is under development. They will work with each state individually for the development of the online piece that goes along with the ticket.

INTRALOT: John Papile and Jeff Lipps

There is currently a Megabucks promo going on now. Buy \$10 and send in for a raffle giveaway. They are also working on a release for a Fast Play game for New Hampshire.

In Vermont the last few months have been dedicated to the Touch Play Consoles and analyzing sales trends. It was found that the Progressive Fast Play jackpot was driving the console sales. But in the last two weeks the Progressive jackpot has been relatively low, and still Touch Play sales have been above average.

Later this month they will be releasing three new Touch Play games to Vermont for lottery testing. They are also drafting specifications and prize structures for three additional Touch Play games that will hit the market this summer along with a new Progressive Blackjack.

ACCEPTANCE OF REPORTS

MOTION

Commissioner Douglas made a motion, seconded by Commissioner McPherson, to accept the committee reports. So voted, unanimous.

OTHER BUSINESS

Maine lottery is getting ready to release KENO on May 24th start date. They anticipate to receive 22% of the 8.7M in sales in the first twelve months.

MOTION

Commissioner Douglas made a motion, seconded by Commissioner McPherson to accept the changes to the Tri-State policies as brought forward. The policy numbers being changed are numbers 1, 8, 10, 14, and 15. So voted, unanimous. An updated version will be provided once the changes have been made.

MOTION

Commissioner Douglas made a motion, seconded by Commissioner McPherson, to approve a sales team retreat not to exceed \$15,000. So voted, unanimous.

Began discussion on the dates and locations of the upcoming meeting in Vermont in June. Information on locations will be brought forward prior to the next Tri-State meeting on April 10th.

A motion to adjourn was made at 11:54 a.m. So voted, unanimous.



Ed Flanagan, Chair