

TRI-STATE LOTTO COMMISSION  
York Harbor Inn  
York Harbor, Maine

Thursday, October 7, 2010

Present: New Hampshire: Debra Douglas, Chair; Charles McIntyre, Maura McCann, Irene Nadeau, Kassie Strong  
Vermont: Alan Yandow, Mary Cassani, Hadley Melendy, Carole Lacasse  
Maine: Orland McPherson, Commissioner; Lisa Rodrigue, Tim Poulin  
Guests: Alex Crosby, Chris Nichols, Jennifer Cartmell, Russell Leonard with NL Partners; Mel Woodbury, Rose Longo-White with Griffin, York & Krause; Liz Dimmick, Mary Wdowin, Darrell Frecker with Scientific Games; Molly Waldstein, Tim Groth, Jim Brown, Kristen Pare, John Pittman, Tom Little, Bryon Boothe, Jay Lapine with Intralot

The meeting was called to order at 8:57 a.m.

**ACCEPTANCE OF THE SEPTEMBER 10, 2010 MINUTES**

A motion was made by Commissioner McPherson to accept the minutes as distributed with a correction in that there was a motion to accept the FY10 audit report as presented by Jeff Walla with Berry, Dunn, McNeil & Parker. Motion was seconded and voted in the affirmative.

**FINANCE COMMITTEE** – Mary Cassani

Gross revenues through August have actually decreased \$919,823, or 6.99%. Of this decrease, Megabucks sales are down \$475,000, or 6.36%; Daily Numbers are down \$7,317, or 0.02%; Weekly Grand sales are down \$332,897, or 19.45%; and the Fast Play games are down \$104,306, or 27.67% from last year.

Net Profit has increased \$119,387, or 2.61%. Our sales are above forecast for a total of \$127,457. We are ahead the forecast in Megabucks Plus but behind in the other games. Due to the overall increase in sales, the cost of sales are also slightly over budget \$18,831. The operating expenses are under budget \$375,958. The advertising budgets have been under spent in all three states a total of \$341,326.

The contingency funds are all in the positive and there is \$963,631 in expired, unclaimed prizes.

**MARKETING AND PRODUCT DEVELOPMENT COMMITTEE** – Maura McCann

The committee had a three hour meeting yesterday. The major topic of discussion was our Weekly Grand game. There was a survey in August that discussed what our players would like to see for changes to the game. In Vermont and Maine, the most favored enhancement was to discontinue the \$5 instant win feature and turn it into a weekly raffle drawing award. In New Hampshire, they would like to take the \$5 instant win prize and change it to \$25; however, a very close second was to move along to the raffle drawing. The committee has decided to move ahead and offer a weekly raffle drawing. There are a number of details to be worked out.

Every time a person purchases a Weekly Grand set of numbers, they will get a raffle number and that number will be good for a drawing on Friday evening; or that's what is being considered at this time. Hopes are to award \$100 prizes. Previous research indicated that we would be able to award 140 of these \$100 prizes each week; however, plans are to go back to the drawing board and review sales and come up with a pretty safe average of prizes to award. There are a number of details to be worked out.

The committee is also looking into adding a third drawing. Plans are to pull everything together and present their ideas to the November commission meeting.

Intralot provided a marketing report which is part of the RFP for Vermont and New Hampshire. They provided an update on the MUSL games and what is being done there as well as an update on what is being done on the national game. The national game group is looking at five different concepts at this time. They plan to conduct research and focus groups on their ideas.

Intralot also discussed possible changes for the Massachusetts State Lottery and the impact it might have on the northern New England states. They also provided an interesting concept that the District of Columbia is looking at. It's a Mega Millions/Powerball scratch ticket. More details are forthcoming.

Intralot then provided a sales overview for both New Hampshire and Vermont. Promotions were a big part of their discussions.

Information was provided from Idaho on a Mega Monday promotion, i.e. a buy one, get one free. It is specific to a certain area of the state during a certain time; i.e., in the afternoon what's known as the drive time when people are driving home from work, etc. they would actually announce via the radio their website that you could get a buy one, get one free detail ticket at a certain area of the state and it would draw people into stores, drive business into retailers, etc. We will hear more information on this concept. The area could vary from day to day, from week to week, etc.

Promotions were discussed from Nebraska and Montana.

New Fast Play games were discussed as well.

Because of MUSL changes and timing as to when a change could be done to Weekly Grand, the committee is also discussing a double draw dollars promotion for Pick 3/Pick 4 in January. This is a promotion that was done a year or so ago and it did increase daily number sales.

Tim Poulin discussed a recent celebration the Maine State Lottery conducted regarding their 35<sup>th</sup> Anniversary. They had about 2,500 attendees in the Augusta Civic Center where they gave away \$100,000, a Camero and a lot of other prizes. It was a very big undertaking. It was a great success. There were 45 staff members registering the qualifiers, etc. A video of the event was shown. It looked like a great job and enjoyed by the attendees as well as the Lottery staff.

#### **DRAW REPORT** – Maura McCann

Nothing to report at this time.

#### **OPERATIONS COMMITTEE** –

Nothing to report at this time.

#### **SCIENTIFIC GAMES** – Darrell Frecker

SG had a great time working with the Maine State Lottery regarding their anniversary celebration.

SG has been very involved with the Development Committee in their enhancement of options for the Weekly Grand game.

## INTRALOT – John Papile

Intralot has worked with the Development Committee in their plans for the Fast Play game and in planning for changes to the Weekly Grand game.

## ACCEPTANCE OF THE COMMITTEE REPORTS

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

## OTHER BUSINESS

### **Committee Appointments:**

**Marketing Committee:** Maura McCann, New Hampshire Lottery Commission; Hadley Melendy, Vermont Lottery Commission and Lisa Rodrigue, Maine State Lottery

**Finance Committee:** Mary Cassani, Vermont Lottery Commission; Kassie Strong, New Hampshire Lottery Commission; Denise Garland, Maine State Lottery

**Operations Committee:** Tim Poulin, Maine State Lottery Commission; Irene Nadeau, New Hampshire Lottery Commission; Sylvia Buzzell, Vermont Lottery Commission

A motion was made by Director Yandow to accept the Committee Appointments as presented. Motion was seconded and voted in the affirmative.

The next commission meeting is scheduled for Friday, November 5, 2010, at the New Hampshire Lottery Commission.

A motion to adjourn was made at 9:30 a.m.

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Debra Douglas, Chair