

TRI-STATE LOTTO COMMISSION  
New Hampshire Lottery Commission  
Concord, NH

Friday, November 5, 2010

Present: New Hampshire: Charles McIntyre, Maura McCann, Irene Nadeau, Kassie Strong  
Vermont: Tom Scala, Alan Yandow, Hadley Melendy, Mary Cassani via teleconference, Carole Lacasse  
Maine: Orland McPherson, Tim Poulin, Lisa Rodrigue  
Guests: Alex Crosby, Jennifer Cartmell, Chris Nichols with NL Partners, Rose Longo-White with Griffin York & Krause; Darrell Frecker, Liz Dimmick with Scientific Games; John Papile, Kristen Pare, Molly Waldstein with Intralot

The meeting was called to order at 10:41 a.m.

**ACCEPTANCE OF THE OCTOBER 7, 2010 MINUTES**

The minutes will be acted upon at next month's meeting due to the absence of Commissioner Douglas.

**FINANCE COMMITTEE:** Mary Cassani

Gross revenues for Tri-State through September 2010 have decreased \$1,618,488, or 8.39% compared to last September. Of this decrease, *Megabucks Plus* sales are down \$970,487, or 8.90%; Daily Numbers sales are down \$7,393, or 0.14%; *Weekly Grand* sales are down \$436,427, or 17.62%; the *Fast Play* games are down \$204,181, or 34.37% from last year.

Total Expenses through September 2010 are down from last August \$1,499,122. This represents a decrease in cost of sales of \$1,201,878 and a decrease in operating expenses of \$297,244 which represents primarily a decrease in advertising and the Battelle contract line items.

Net Profit through September 2010 decreased from last year \$109,814 or 1.65%.

Compared to what we currently have budgeted, our sales are above forecast a total of \$161,876. We are ahead of forecast for *Megabucks Plus*, but behind in all other games. Despite the overall increase in sales, cost of sales are also under budget by \$38,164. Operating expenses are

under budget a total of \$659,124. So far the total advertising budgets have been under-spent this year a total of \$590,537.

All contingency funds were in the positive at the end of September. There was \$903,936 in expired unclaimed prizes at the end of September.

**MARKETING & DEVELOPMENT COMMITTEE:** - Maura McCann

*Jingle Bell Bucks*, the newest Fast Play game, went on sale in Vermont and New Hampshire October 17. New Hampshire's sales are average while Vermont has done considerably better in that it is selling twice as many tickets as New Hampshire. *Lucky Day* is scheduled to go on sale mid January and New Hampshire will copy everything Vermont has done. Vermont is doing \$32,000 a week in sales compared to New Hampshire's sales of \$18,000.

Maura then mentioned the *Holiday Raffle* promotion scheduled to run December 12-25, 2010. Maine will offer the Raffle on all games and New Hampshire will offer the promotion on just Tri-State games. Vermont will not participate in any holiday promotions. New Hampshire will produce a radio spot and POS is currently being distributed. Maine has POS which is currently being distributed and plans are to produce a radio spot and television advertising as well. New Hampshire plans to use \$100,000 in expired, unclaimed prize money divided up with one \$50,000 winner, one \$25,000, one \$10,000 and thirty \$500 prizes. Maine plans to have one \$50,000 winner, two \$25,000, five \$10,000 and fifty \$1,000 prizes. They will be using \$200,000 across the board. Next month both states will share their advertising pieces with the commission.

*A Double Draw Dollars* promotion will be conducted in Maine and New Hampshire and will run from January 23 to February 5, 2011. This has been a successful promotion in the past and brings attention to the *Daily Numbers* game. Players who purchase both day and evening consecutive drawings have the opportunity to win \$25 instantly. This has been conducted twice in the past and both times there is a nice increase in *Daily Numbers* sales.

*Weekly Grand Enhancement*: This game has been discussed since last April. In August the players were asked about the four proposed changes to the game. Survey results supported the discontinuation of the \$5 instant win and to change it to a weekly raffle drawing. The prize money that normally would have been earmarked for the \$5 instant win will actually be used for a Friday night raffle. The proposed name is the *TGIF*

*Raffle*. Plans are to offer 120 prizes of \$100 each week pro rated by *Weekly Grand* sales for all three states. Plans are to relaunch this game as *Tri-State Weekly Grand Extra* because the extra feature is the fact that when someone purchases a *Weekly Grand* ticket they are going to get this raffle ticket as an extra to the game, at no cost to them. Plans are to make this change in March 2011.

The Marketing and Product Development Committee recommends that the Commission move ahead with the proposed enhancement to the *Tri-State Weekly Grand Extra* game. A new logo was also distributed.

#### MOTION

A motion was made by Commissioner Scala to change the *Tri-State Weekly Grand* game to *Tri-State Weekly Grand Extra* and to discontinue the instant \$5 win and offer a raffle ticket as an extra to the game at no additional cost. Motion was seconded and voted in the affirmative.

#### **DRAW COMMITTEE** – Maura McCann

Nothing to report at this time.

#### **OPERATIONS COMMITTEE** – Irene Nadeau

Prepaid subscription testing for NH went well with no issues.

Raffle holiday game: NH Intralot QA testing is currently being conducted and the NH Lottery is scheduled to conduct their testing November 15<sup>th</sup>.

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

SG has made some slight modifications to the holiday promotions raffle. The software has already been completed. *Double Draw Dollards*. We have run this promotion before so we are all set with that.

The next project coming up is *Weekly Grand* and plans are for a two-week turnaround on the specifications.

#### **INTRALOT** – John Papile

Intralot is in good shape as well. Q&A testing for the *Holiday Raffle* is currently being done. There are some minor changes as noted earlier today. The subscription promotion is running well.

**INTRALOT** – Tim Groth

They are working on the final specs for the new *Lucky Day Fast Play* 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**

Director McIntyre discussed a proposed Legal RFP. The contractor will provide legal services, including research, document review and drafting, and general consulting o the New Hampshire Lottery Commission concerning the review of state structure and configuration of current gambling entities. This will allow the New Hampshire Lottery to share the privileged and confidential information with the other two states as it relates to the creation of a different governance model for the lottery. The turn around information should be available in a matter of weeks not months.

MOTION

A motion was made by Commissioner McPherson to authorize the New Hampshire Lottery to enter into a short-term agreement for legal services with a firm from New Hampshire to be paid for from New Hampshire Tri-State funds. Motion was seconded and voted in the affirmative.

The next scheduled commission meeting is scheduled for Friday, December 3, 2010, at the New Hampshire Lottery.

A motion to adjourn was made at 11:12 a.m.

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Thomas Scala, Vice Chair