

TRI-STATE LOTTO COMMISSION
NH Lottery
Concord, NH
April 15, 2016

PRESENT: Maine: Orland McPherson, Chair; Gregg Mineo, Executive Director; Michael Boardman, Lisa Rodrigue
Vermont: Ed Flanagan, Commissioner; Greg Smith, Executive Director; Jeff Cavender, Mary Cassani, Mary Stridsberg
New Hampshire: Debra Douglas, Commissioner; Charlie McIntyre, Executive Director; Lynda Plante, Cindy Baron, Kelley-Jaye Rosberg, Maura McCann
Guests: Jeff Lipps, Jeff Savage, Kristen Pare', Tom Garcia, and Terry Patterson with Intralot, Theanna Twitchell and Russ Leonard with NL Partners, Rose Longo-White and Ashley Spicer with GYK Antler, Steve Mason with Fuse Ideas, Jim Acton with Sci-Games.

The meeting was called to order at 10:38 am.

ACCEPTANCE OF MINUTES FOR MARCH 4, 2016

MOTION

Commissioner Douglas made a motion, seconded by Commissioner Flanagan, to accept the March 4, 2016 minutes as distributed. So voted, unanimous.

FINANCE COMMITTEE – Mary Cassani

Gross revenues and cost of sales for Tri-State through March were higher than forecast. Operating expenses and advertising expenses were both lower than forecast. Net profit was higher due to overall higher sales and lower than expected operating expenses.

YTD sales in all games are ahead of last year by 4.2%, with most of the increase coming from Fast Play games. Net profit through March was lower than last year by 1.0% and higher than budget by 10.5%.

There was 2.3M in Expired Unclaimed Prizes at the end of March. The combined Gimme 5 jackpot contingency funds are in the negative \$157,154 at the end of March. The most recent Megabucks jackpot winner chose annuity which brought the Megabucks guaranteed jackpot fund down to \$48,260.

Heidi Quenneville is no longer with the Vermont Lottery and handling TS accounting. Sylvia Buzzell, a 20 year employee with the Vermont Lottery, will be taking over the duties some time at the end of May for the Tri-State accounting.

As requested the finance committee brought forward possible changes to Policy #2. They recommended that contingency funds at year end be required to be at least 50% of its approved threshold as opposed to merely not being negative at June 30. The policy changes also recommend a \$1 million threshold for Megabucks contingency and \$300K from Gimme 5 contingency. These suggested changes were discussed and further review is necessary. The finance committee was asked to create a plan and bring it forward at the next commission meeting in June.

The finance committee was also requested to recommend proposed changes to the Megabucks Rule 5. The recommendation brought forward would allow addition funding for guaranteed jackpot contingency funds without a reduction in the top prize pool in order to maintain the recommended level. This would be in addition to the funding already in place that comes with the prize pool. The committee recommended an increase in the percentage of the amount set aside from the sale of tickets, until the fund reaches \$1M, then the additional percentage would stop. This would allow the Jackpot to be funded at a much quicker rate than is currently in place. The finance committee was asked to create a new plan and bring it forward at the next commission meeting in June.

The Auditors requested that a gift card policy be put into place. A new Tri-State Gift Cards as Prizes Policy was brought forward and an approval was requested.

MOTION

Commissioner Flanagan made a motion, seconded by Commissioner Douglas to approve the Tri-State Lotto Gift Cards as Prizes Policy as presented. So voted, unanimous.

MARKETING AND PRODUCT DEVELOPMENT – Lisa Rodrigue

New Hampshire and Maine had the final Margaritaville 2nd chance drawing last Saturday in Portland Maine. A slide show of the event was shown.

A sales analysis for the Pick 3 and Pick 4 promo was recently completed. Both VT and NH saw an increase in Pick 3 sales of 33%, and an increase in Pick 4 sales of 56%. Maine saw an increase of 15% for Pick 3, and an increase of 24% for Pick 4.

The next promo will begin on May 5th on Cinco de Mayo for Gimme 5. This promo will run from 5am to 5pm. This will be a 1-day promo with nth wins of \$15, \$50, and \$500 for VT, \$55 for ME, and \$50 for NH.

The 2nd chance drawing for the Tri-State Jackpot scratch ticket will take place in July. The last two Tri-State scratch tickets were both such great successes, there is already talk of what the next instant Tri-State scratch game will be.

The three presenters for the June Tri-State meeting in VT have been confirmed. They are Publishers Clearinghouse, Gameology, and Grover Gaming.

DRAW COMMITTEE – Maura McCann

The responses for the IP RFP are due back on Monday. One RFP has been received so far and another one is expected to come in at any time.

The previously approved expense for moving and rebuilding the draw room was greater than anticipated, therefore it was ultimately decided not to continue with the process at this time.

SCIENTIFIC GAMES – Jim Acton

Nothing to report at this time.

INTRALOT – Jeff Lipps

Three Touch Play games were installed earlier this week in VT and they are ready for activation at the Lottery's discretion.

VT is currently testing the latest Fast Play Pro game called Roll em, which is on schedule to launch in early May.

Currently wrapping up a Touch Play Console intercept study where they are visiting each site to speak with players and non-players to better understand what they think of the products that we offer. This will be completed and results will be presented to the Lottery in early May.

All set and prepared for the Gimme 5 promo on May 5th.

ACCEPTANCE OF COMMITTEE REPORTS

MOTION

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

MOTION

Commissioner Flanagan made a motion to adjourn at 12:02 pm. Motion was seconded by Commissioner Douglas. So voted, unanimous.



Orland McPherson, Chair