TRI-STATE LOTTO COMMISSION
Commission Meeting Minutes
New Hampshire Lottery Headquarters – Concord, NH
December 13, 2019

PRESENT: New Hampshire: Debra Douglas, Chairman; Charlie McIntyre, Executive Director; Maura McCann, Kelley-Jaye Cleland, Jim Duris, and Carmela Nolin
Maine: Julie Sheehan, Commissioner; Gregg Mineo, Director; Lisa Rodrigue, and Michael Boardman
Vermont: Ed Flanagan, Commissioner; Gary Kessler, Deputy Commissioner; Sylvia Buzzell, and Jeff Cavender
Guests: Calvin Rinck of Scientific Games; Lyndlee Hayes of GYK Antler; Michelle Paul, Ryan Sahr, Cara Salvatore, and Kristen Paré of Intralot; Matt Quinn, Brian Oates, and Murray Kohl of Kraft Sports & Entertainment; Steve Mason and Alexis Garrison of Fuselideas; Brad Cummings of EquiLottery; and Jim Acton of Acton Strategies.

Chairman Douglas called the meeting to order at 10:33 a.m.

1. VENDOR PRESENTATION
Brad Cummings of EquiLottery presented a new mobile gaming platform to the Commission. Members of the Kraft Sports and Entertainment Group were in attendance to support the game.

2. ACCEPTANCE OF MINUTES FROM OCTOBER 25, 2019
Motion was made by Chairman Douglas, seconded by Commissioner Sheehan to accept the October 25, 2019 minutes as corrected by Chairman Douglas. So voted, unanimous.

3. FINANCE COMMITTEE
   • Sylvia Buzzell, Finance Chair pro tem, reported on the November financials which were handed out at the meeting. Gross revenues through the month were lower than forecast by $93 thousand. Tri-State Megabucks sales were $1.44 million lower, but Gimme 5 were up by $107 thousand, Daily Numbers by $339 thousand, and Fast Play by $903 thousand. Due to the overall decrease in sales, the cost of sales and operating expenses were down $279 thousand and $1.03 million respectively. Net profit was higher than forecast through November at $684K, attributable to the lower cost.
   • Compared to last year to date, sales are up by $440 thousand; Megabucks was down $2.63 million; and Fast Play is higher by $2.39 million. As a result, cost of sales were higher $803 thousand, due in part to higher payouts in Fast Play than in draw games. Operating expenses were lower a total of $146 thousand. Net profit through the month was lower by $217 thousand, but higher than budgeted by $684 thousand. This represents net profits of 32.17% of sales year to date, compared to 33.42% last year. There is just over $2.14 million in our expired unclaimed prize fund and all contingency funds are in the positive.
   • Chairman Douglas inquired why the profit returned to Maine was significantly higher than the other states. Mr. Boardman explained it was because they contributed more than they needed to last year. In
November, the Commission returned the 2019 profits to the states.

- Ms. Buzzell informed the Commission that the two-year contract with the auditors is coming to an end. There are two one-year extensions that can be exercised, and cost will be on par with this year’s expense which is only $1,000 more than the first year. She recommends extending their contract as they know the products and are familiar with the Commission. It was decided to vote on this at the next meeting.

- Each game’s contingency fund was described in a summary report, and Ms. Buzzell explained how the money can be moved from one game to another based on jackpot hits and need. Director Mineo noted that Megabucks should be at $2.5 million, and the recommended amount for Gimme 5 is $300 thousand. These funds are squared up at the end of June.

4. MARKETING AND PRODUCT DEVELOPMENT COMMITTEE

- Maura McCann began by noting that the Committee has been moving ahead with several projects, but without the formal approval of the Commission. They would like to start with refreshing and adding draws to Gimme 5. Related costs include redesigning and printing playslips, making software and website updates, and possibly offering cash prizes to promote the rebooted game. Based on similar games’ expansion in other states, the Committee is expecting a 10% lift in sales. Motions of support will be requested at the end of her reports.

- There are still uncertainties around The Big Spin’s launch date and where the final Big Spin event will take place. Discussion has centered on the cost of the game, which will include the rental of the wheel and venue promotional fees; and the other lotteries that have run this game report great success. California Lottery has trademarked the name Big Spin™; Director McIntyre will reach out to them for permission to use the name.

- Vermont Lottery has launched $20 progressive and $10 Fast Play games which have notably improved their sales. Maine Lottery has set a record of more than 16¢ per capita/weekly in Fast Play sales; they will be offering their $20 progressive early in 2020. New Hampshire is now planning a $20 progressive as well, and notes that Fast Play is a great complement to Keno, filling the time between draws.

- Responsible Gaming presentations were pitched by Fuselideas and GYK Antler at the October meeting. After serious deliberation, GYK’s “Win It Back” creative was selected, and production on the public service announcement will begin in 2020.

- Promotions in Maine include a Pick 3/Pick 4 points multiplier offer through their Reward ME loyalty program, and Vermont and New Hampshire are offering subscription discounts through the holidays. Cash promotions are underway as well to give back expired unclaimed prize money to players.

- Ms. McCann requested a motion to expand Gimme 5 from three drawings a week to five drawings per week beginning April 19, 2020. Commissioner Flanagan moved to accept the motion, seconded by Commissioner Sheehan. Commissioner Flanagan then asked about cost and return on investment; Director McIntyre gave an account of the changes made to a similar multi-state games that resulted in dramatically increased sales. In this case, the two additional draws are expected to boost sales by at least 10%. Costs associated with this are minimal; and shared among three states are quite manageable. All in favor, motion passed.

- The Big Spin likewise needs the support of the Commission to go forward with planning and execution.
Chairman Douglas asked the state directors for their input. Director Mineo and Mr. Boardman are both enthusiastic that it will excite players. Commissioner Flanagan is still unsure that the costs are worth the lift. Director McIntyre asked New Hampshire Lottery’s Director of Sales and Product Development for her opinion. Ms. Cleland responded that it fits well with the instant ticket portfolio and will engage players and create excitement at retail. Further, considering its complexity, it would be far more cost-effective for the states to promote the game together. After discussion of the upfront integration costs and those of the Big Spin final event, Chairman Douglas sought a motion to proceed with game development. So moved by Commissioner Flanagan and seconded by Commissioner Sheehan; all in favor, motion carried.

5. DRAW REPORT
Ms. McCann noted activities from the Draw Room that included the replacement of an electrical switch in a Pick 3 machine a week after routine preventive maintenance; and the collapse of a light fixture which resulted in minor lacerations to our contracted draw auditor. New, eco-friendly light fixtures are slated to be installed, which will be on a motion sensor and only turn on when staff is in the room.

6. SCIENTIFIC GAMES
Calvin Rinck of Scientific Games reported that four new Fast Play games are in the queue for Maine. They are moving forward with the additional draws of Gimme 5 for April. The Big Spin is tremendously exciting, but is a full build for software support that must be designed from the ground up. Lucky For Life is also expected to expand to additional draws and they are keeping that on their development radar as well.

7. INTRALOT
Ryan Sahri thanked the Product Development team for including him and Kristen Paré in their weekly calls. They look forward to supporting another year of successful holiday promotions. Their development team will be building Big Spin software support from the ground up as well.

8. ACCEPTANCE OF COMMITTEE REPORTS
Chairman Douglas entertained a motion to accept the committee reports. Commissioner Flanagan so moved and Commissioner Sheehan seconded; motion passed unanimously.

9. OTHER BUSINESS
Director McIntyre sought the approval of the Commission and States to add Tri-State draw games to the New Hampshire iLottery portfolio. Mr. Boardman and Ms. Rodrigue both noted that the Tri-State rules would have to be amended to allow this. Director McIntyre agreed and New Hampshire Lottery will request to amend the rules for each game that is added, likely starting with Gimme 5. Commissioner Sheehan moved that Tri-State games may be added to the New Hampshire iLottery platform; Commissioner Flanagan seconded and all were in favor.
10. NEXT MEETING
The next Tri-State Commission meeting will be on February 14 at New Hampshire Lottery headquarters in Concord.

Chairman Douglas sought a motion to adjourn at 12:14 p.m. Motion was made by Commissioner Sheehan and seconded by Commissioner Flanagan. So, voted, unanimous.

[Signature]
Debra Douglas, Chairman

Respectfully submitted, Carmela Nolin