

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

FEBRUARY 11, 2010

Present: Maine: Orland McPherson, Chair; Lisa Rodrigue, Michael Boardman
New Hampshire: Richard Campbell, Vice Chair; Rick Wisler, Maura McCann, Irene Nadeau
Vermont: Tom Scala, Alan Yandow, Mary Cassani, Hadley Melendy, Carole Lacasse
Guests: Liz Dimmick, Karl Fortman, Darrell Frecker, Moe Pepin with Scientific Games; Alex Crosby, Chris Nichols, Jennifer Cartmell with NL Partners; Rose Longo-White with Griffin York & Krause; John Papile, Terry Patterson with Intralot

The meeting was called to order at 10:32 a.m.

ACCEPTANCE OF THE DECEMBER 4, 2009 AND JANUARY 8, 2010 MINUTES

A motion was made by Commissioner Campbell to accept the December 4, 2009 and January 8, 2010 minutes as distributed. Motion was seconded and voted in the affirmative.

FINANCE COMMITTEE REPORT – Mary Cassani

Gross revenues for Tri-State through December 2009 increased \$6.7 million, or 21.5%. Megabucks sales are up \$6.4 million, or 43.61%; Daily Numbers sales are down \$897,000, or 7.67%; Weekly Grand sales compared with Paycheck sales last year are up \$1.3 million, or 37.04%; and Fast Play games are down \$90,669, or 6.4%.

Total Expenses through December 2009 are up over last year \$4,293,072. This represents an increase in cost of sales of \$9,948,335 and an increase in operating expenses of \$344,737 primarily in advertising and the Battelle contract.

Net Profit through December 2009 increased from last year \$2,305,121, or 21.62%.

Compared to what we currently have budgeted, our sales are ahead of forecast a total of \$5,298,743. Due to the increase in sales, cost of sales are also over budget by \$3,068,252. So far the total operating budgets have been under spent this year a total of \$429,432.

The Weekly Grand guaranteed jackpot contingency fund improved in December and ended the month in the negative \$562,000. All other contingency funds were in the positive at the end of December. Expired unclaimed prizes were just over \$1.2 million.

The Finance Committee will be working on a revised budget if the states decide to revise their sales figures or advertising spending. A revised budget may be ready for next month's meeting.

MARKETING COMMITTEE – Maura McCann

The New Hampshire Lottery Annual Report was distributed.

Next month, the states will share their advertising spots for Mega Millions.

Maura noted Mega Million sales for the two states: New Hampshire at \$106,000, Vermont at \$ 48,000. New Hampshire sold more Pick 3/Pick 4 tickets than Mega Millions.

Liz did an analysis of Daily Numbers sales since the enhancement to the game and the trend is going in the right direction.

The New Hampshire Lottery has agreed to go ahead with Griffin York and Krause, upon successful negotiations, for a three-year contract with a two-year option. Plans are to bring the contract to next month's meeting for commission acceptance.

DEVELOPMENT COMMITTEE – Lisa Rodrigue

In Maine, the launch of Mega Millions is tentatively scheduled for April 4; however, after budget negotiations today, Maine should have a definite date.

The next Fast Play game is Roll the Dice which is scheduled to begin February 15.

Yesterday all three states took part in a webinar with Greg Ziemack who's working with Arizona Game Design. They heard we were looking to replace or tweak our Weekly Grand game and are offering their assistance.

Promo Update: Maine will be doing a Weekly Grand raffle promo in March for two weeks. Anyone purchasing a Weekly Grand ticket will receive a raffle ticket. This will be an RNG drawing. The promotion will be supported by POS and a radio spot. In April, Maine will conduct an instant win promotion for Megabucks Plus. New Hampshire will conduct a Megabucks Plus promo as well.

The three states have conducted a Weekly Grand Survey. To date, New Hampshire has had over 7,200 responses; Vermont over 500 and Maine 1,500. These responses will be reviewed. The committee plans to meet in New Hampshire the day before the March Commission meeting and review the responses to the survey, plan promotions for the remainder of the year on the Tri-State level, and will be looking at the Fast Play games for the remainder of the year.

The committee is meeting on a weekly basis.

DRAW COMMITTEE – Maura McCann

The Draw Audit RFP was posted on the NH Lottery website last month. Questions were due in by February 3. One question was received pertaining to the current rate. The answer was posted to the NH website. For your information, currently Tri-State pays \$80/hr M – F with an additional \$20 per 15 min. increments and the weekend rate is \$85/hr with an additional \$21.25 per 15 min. increments. The bids are due in March 5, with the bid opening March 10. Plans are to bring the qualified and preferred vendor to the April Tri-State meeting.

Maura presented a request for a new video camera and other necessary components for the Draw Room; however, it may also be necessary to upgrade the Draw Room computer as well.

MOTION

A motion was made by Commissioner Campbell to authorize the expenditure of up to \$3,000 for a new video camera (and back-up camera), necessary components and a new computer (\$800), if necessary. Motion was seconded and voted in the affirmative.

OPERATIONS COMMITTEE – Hadley Melendy reporting for Sylvia Buzzell

The launch of Mega Millions went without incident in most states and everything went fine with the Fast Play game. The committee is meeting via phone the first Wednesday of each month.

SCIENTIFIC GAMES – Karl Fortman

The launch of Mega Millions went off without a hitch. It was monitored throughout the night. Fast Play is the last organized software release for NH and VT.

Moe Pepin reported that the conversion is going well for Vermont and New Hampshire. SG is working closely with Intralot on the conversion.

ACCEPTANCE OF THE COMMITTEE REPORTS

MOTION

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

OTHER BUSINESS

The New Hampshire Lottery Commission requested authorization to use state specific travel funds to bring in applicants from out of state to interview for the Executive Director's position.

MOTION

A motion was made to allow the New Hampshire Lottery Commission to use state-specific funds for out-of-state applicants for the Executive Director's position. Motion was seconded and voted in the affirmative.

A motion to adjourn was made at 11:02 a.m. Motion was seconded and voted in the affirmative.

Orland McPherson, Chair