

TRI-STATE LOTTO COMMISSION  
New Hampshire Lottery Commission  
August 5, 2010, 10:30 a.m.

Present: New Hampshire: Debra Douglas, Chair; Charles McIntyre, Maura McCann, Irene Nadeau  
Vermont: Tom Scala, Vice Chair; Alan Yandow and Mary Cassani via teleconference, Carole Lacasse  
Maine: Orland McPherson, Dan Gwadosky, Lisa Rodrigue, Michael Boardman  
Guests: Tim Groth, Kristen Pare', John Papile with Intralot; Mel Woodbury with Griffin, York and Krause; Chris Nichols, Russ Leonard, Alex Crosby, Jen Cartmell with NL Partners; Liz Dimmick with Scientific Games

The meeting was called to order at 10:37 a.m.

**ACCEPTANCE OF THE JULY 9, 2010 MEETING**

A motion was made by Commissioner Scala to accept the minutes for the July 9, 2010 meeting as distributed. Motion was seconded and voted in the affirmative.

**FINANCE COMMITTEE** – Mary Cassani

Gross revenues through June have increased \$13,646,854, or 20.97% compared to last year. Of this increase, Megabucks sales are up \$15,201,040, or 51.61%; Daily Numbers sales are down \$824,003, or 3.57%; Weekly Grand sales compared with Paycheck sales last year are down \$563,451, or 5.8%; the Fast Play games are down \$166,732, or 5.84% from last year.

Total Expenses are up over last year \$8,062,119. This represents an increase in cost of sales of \$8,178,545 and a decrease in operating expenses of \$116,426 which represents primarily a decrease in advertising and an increase in the Battelle contract.

Net Profit through June 2010 increased from last year \$5,388,447, or 25.83%.

Compared to what was budgeted, sales are ahead of forecast a total of \$13,124,428. This variance is almost exclusively Megabucks Plus. To date, total operating budgets have been under spent this year a total of \$270,287. All three states have under spent their advertising budgets.

The Weekly Grand contingency fund was in the negative at the end of June, therefore, according to Tri-State Policy No. 2, the negative contingency of \$589,389.06 will be offset using expired, unclaimed prizes. All other contingency

funds were in the positive at the end of June. Expired, unclaimed prizes of \$715,185.40 remain at the end of June.

The auditors from Berry, Dunn, McNeil and Parker completed their field work for the FY10 audit. Draft financials will be available to the Finance Committee soon. There were no audit adjustments and one management note concerning approval of personal expense forms, including a recommendation to clarify who has designation of authority to approve those personal expenses in lieu of a Commissioner or Director. We expect the audit will be final and presented to the Commission at the September meeting.

**MARKETING AND DEVELOPMENT COMMITTEE** – Maura McCann

The committee has been conducting teleconference meetings as needed.

Plans to tweak the Weekly Grand game have begun. Various suggestions are being put before our players in each state via various types of websites. It may be tight to have the results of the survey available for the September meeting, if not available it will be brought to the October meeting. Mickey Boardman did point out that there is also the possibility of combining a couple of the proposed options depending on the outcome of the surveys.

It was noted that the winning \$12.5 million Megabucks Plus jackpot ticket was sold in Dalton, New Hampshire.

There was a discussion on the Tri-State Megabucks 25<sup>th</sup> anniversary promotion which will run from September 5 – 18, 2010. For any Megabucks Plus ticket purchased during that time period there will be a chance to win random prizes of \$25.00 from expired, unclaimed prize funds. Funds are divided up proportionate to sales, i.e. Maine will get \$230,000, New Hampshire will get \$190,000 and Vermont \$80,000. Plans are to spend the following amounts for this promotion: Vermont \$50,000, New Hampshire \$87,000, and Maine has yet to determine the amount they will spend.

New Hampshire's advertising agency is working on a television commercial which will be a montage of all of the top Megabucks television commercials and this will be offered to Maine and Vermont to use if they are interested.

Hadley and Maura have been working with Intralot this week to get a new Fast Play game on sale by mid October called Jingle Bell Bucks. This game is now conducted only in New Hampshire and Vermont.

**DRAW COMMITTEE** – Maura McCann

Everything is going well; however, there was an incident a few weeks ago after a day draw where there was a problem with the fax lines leaving the New

Hampshire Lottery were no longer working. They were able to work through the problem and corrections were made to the process.

**OPERATIONS COMMITTEE** – Lisa Rodrigue

The committee does conduct monthly meetings via teleconference calls. There is not much going on for the committee at this time. New Hampshire and Vermont are still working on some minor tweaks as a result of the conversion.

The committee will begin testing on some Fast Play games scheduled to come out mid to late October as well as testing for the anniversary promo and looking ahead to the Weekly Grand change.

**SCIENTIFIC GAMES** – Liz Dimmick

Everything is fine.

**INTRALOT (New Hampshire)** – John Papile

Very busy with the new games coming out. Two hundred and eighty jackpot signs have been put out.

**INTRALOT (Vermont)** – Tim Groth

We are all working together on the same two games as mentioned above. We're all getting up to speed.

**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**

Director Gwadosky spoke to the Patriots instant ticket Maine will be issuing.

Committee appointments will be announced at next month's meeting.

The next commission meeting is scheduled for Friday, September 10, 2010 at 10:30 a.m. at the New Hampshire Lottery Commission in Concord, NH.

A motion to adjourn was made at 11:07 a.m.

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Debra Douglas, Chair