

TRI-STATE LOTTO COMMISSION  
New Hampshire Lottery Commission  
October 3, 2008, 10:30 a.m.

Present: Vermont: Thomas Scala, Alan Yandow, Mary Cassani, Carole Lacasse  
New Hampshire: Richard Campbell, Rick Wisler, Maura McCann, Robert Preston, Georges Roy  
Maine: Orland McPherson, Dan Gwadosky, Lisa Rodrigue, Rich Spelazzi  
Scientific Games: Doug Parker, Moe Pepin, Liz Dimmick  
NL Partners: Chris Nichols, Jen Cartmell, John Ripley  
Griffin, York, Krause: Rose Longo-White, Mel Woodbury

The meeting was called to order at 10:42 a.m.

**ACCEPTANCE OF THE SEPTEMBER 5, 2008 MINUTES**

A motion was made by Commissioner Campbell to accept the September 5, 2008 minutes as distributed. Motion was seconded and voted in the affirmative.

**FINANCE COMMITTEE REPORT** – Mary Cassani

Barbara Prentice contract: Mary reviewed the proposed contract with Barbara Prentice. Her rate would be \$125/hr. and Tri-State would pay for her professional liability insurance. She also reviewed the duties she would be performing.

**MOTION**

A motion was made by Commissioner Scala to accept the proposed contract with Barbara Prentice for legal services at the rate of \$125/hr. a sum not to exceed \$15,000.00. The contract will begin September 30, 2008 and end on June 30, 2010. Tri-State Lotto will pay for her professional liability insurance, at a cost not to exceed \$1,500. Motion was seconded and voted in the affirmative.

There was a review of the August financials. Gross revenues have decreased \$809,677, or 6.59% compared to last year. Of this decrease, Megabucks sales are down \$1,123,101, or 16.84%; Daily Numbers sales are up \$619,858, or 17.17%; Paycheck sales are down \$267,706, or 17.76%; the Fast Play games are down \$38,728, or 7.74%.

Total expenses through August 2008 are down from last year \$439,909. This represents a decrease in cost of sales of \$486,294 and an increase from last year of \$457,271, or 9.9%.

Compared to what we have budgeted, our sales are behind forecast a total of \$215,862. Due to decreased sales, cost of sales is also under budget by \$144,671.

All contingency funds are in the positive at the end of August and expired, unclaimed prizes are approximately \$1.3 million.

Due to recent events on Wall Street, Mary has been in contact with the Chittenden Bank to be sure that Tri-State's investments are safe. The Treasury Strips for jackpot winners are obviously backed by the U.S. Treasury. The checking accounts are collateralized by the Chittenden Bank and the Money Market account is invested with Dreyfus Cash Management Fund. Dreyfus has applied for the Money Market guarantee program recently offered by the Treasury, which includes our Money Market account. Most of our investment is in the Money Market account because, for the past year, the rate paid by the Money Market account has been considerably higher than treasury bills. The Finance Committee, with guidance from the Directors, will be discussing how Tri-State wants to handle the situation and re-examine our strategies with our investments.

**MARKETING COMMITTEE** – Maura McCann

The press clip report was distributed.

**DEVELOPMENT COMMITTEE** – Maura McCann

Tri-State Weekly Grand Business Plan: The Business Plan for Tri-State Weekly Grand was distributed. There is an instant win prize where, on average, every 30<sup>th</sup> (or set of numbers wagered) ticket sold by each state will win a \$5 instant prize. Gaming Laboratories Inc. (GLI) has been contacted to certify the randomness software to award this prize. Plans are to launch the game February 1, 2009. The committee is working on the end draw, which will be Friday, January 30, 2009. The Finance Committee is working on plans for disbursing all the top prize money in the game.

Planned Weekly Grand promotions by New Hampshire and Vermont will run February 1 – 14. Maine plans to conduct a two-week raffle promotion. They will utilize the Tri-State Commission's random number generator.

Tri-State Weekly Grand Rules: The rules have been reviewed and have been brought before the commission today for action.

There was a report on the focus group results regarding Megabucks. The game most popular was a \$2 price point offering a million top prize. The committee requested commission permission to replace the current

Tri-State Megabucks game with a new \$2.00, not yet named, game in June of 2009. A draft business plan has been put together and rules will be put together.

Various draw equipment for the new game was discussed. Smartplay has a machine we could purchase for \$3,600, there is an old Cash Lotto machine that could be used and there is a spare Daily Numbers machine available as well. The current Megabucks machine could also be adapted. This can be further discussed and acted upon.

The SRS will be started for the new Megabucks game. A logo will have to be decided upon as well as a name. It is felt Megabucks should be included in the new game name.

The committee has also been working on Pick 3/Pick 4 game enhancements. A draft business plan has been started for this game. This game change will not occur until fall of 2009.

Various promotions were discussed. A holiday bonus promotion "Cashing Through the Dough" is scheduled to run December 21 – 27 in New Hampshire and Maine. Vermont is checking into where they are at this time with expired, unclaimed prize money available. This will determine if they will take part in the above-mentioned promotion.

At the November 7<sup>th</sup> meeting, there will be a presentation following the Commission meeting about a product SGI has entitled "Wheel of Fortune". Commission directors and commissioners are welcome to stay for the presentation.

**MOTION**

A motion was made by Commissioner Scala to adopt the Weekly Grand rules as distributed. Motion was seconded and voted in the affirmative.

**MOTION**

A motion was made by Commissioner Campbell to replace the current Tri-State Megabucks game with a new \$2.00 price point game, which has yet to be named, in June, 2009. Motion was seconded and voted in the affirmative.

**OPERATIONS COMMITTEE** – Rich Sperlazzi

There is a meeting scheduled for 10 a.m. October 8<sup>th</sup>. This is a preliminary meeting to discuss various details of the game, discuss testing schedules, and plans are to develop a testing mechanism to be shared by all

three states to assist in their testing. SGs will conduct their testing in November and lotteries are scheduled to start testing sometime around the first of December.

**SCIENTIFIC GAMES** – Doug Parker

Scientific Games is doing well on the release for Powerball. There are joint meetings coming up with SG and the three lotteries. Doug commended the entire team on all the good work and team effort involved. He also thanked everyone for all their help regarding the focus groups.

**ACCEPTANCE OF COMMITTEE REPORTS**

MOTION

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

The next commission meeting is scheduled for Friday, November 7, 2008 at the New Hampshire Lottery Commission.

A motion to adjourn was made at 11:25 a.m.

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Thomas Scala, Chair