

TRI-STATE LOTTO COMMISSION
New Hampshire Lottery Commission
Concord, NH
Friday, January 9, 2009, 10:30 a.m.

Present: Vermont: Tom Scala, Alan Yandow, Mary A. Cassani and Carole Lacasse
Maine: Orland McPherson, Rich Sperlazzi, and Lisa Rodrigue
New Hampshire: Richard Campbell, Rick Wisler, Robert Preston, Irene Nadeau, and Kassie Strong
Scientific Games: Karl Fortman, Moe Pepin, Liz Dimmick and Doug Parker
NL Partners: Jen Cartmell and Chris Nichols
Griffin, York, Krause: Rose Longo-White and Mel Woodbury

The meeting was called to order at 10:44 a.m.

ACCEPTANCE OF THE DECEMBER 5, 2008 MINUTES

MOTION

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

FINANCE COMMITTEE REPORT – Mary Cassani

Gross revenues for Tri-State through November 2008 have decreased \$2,158,475, or 7.49% compared to last year. Of this decrease, Megabucks sales are down \$1,397,349, or 10.03%; Daily Numbers sales are up \$718,311, or 7.80%; Paycheck sales are down \$657,996, or 18.16%; the Fast Play games are down \$253,641, or 17.30% from last year. Last year's total included \$567,800 in Raffle sales; Raffle was not offered this year.

Total expenses through November 2008 are down from last year \$1,175,599. This represents a decrease in cost of sales of \$1,324,717 and an increase in operating expenses of \$149,118.

Net Profit through November 2008 decreased from last year \$1,160,187, or 11.35%.

Compared to what is budgeted, sales are behind forecast a total of \$1,934,850. Due to decreased sales, cost of sales is also under budget by \$1,208,629. So far this year all three states have under spent their operating budgets by \$633,283; \$616,962 was under spent in the advertising line item.

All contingency funds are in the positive at the end of November. Expired unclaimed prizes are over \$1.4 million. Mary explained how the contingency funds work.

The Finance Committee will be seeking a new contract for auditing services as the current contract has ended. The committee has agreed to request pricing from qualified vendors using a simplified bid process. They will seek pricing and proof that the bidder is qualified to perform the audit.

MARKETING REPORT

The last press clip report was distributed.

DEVELOPMENT COMMITTEE REPORT – Mary Cassani

Weekly Grand is scheduled for launch February 1, 2009. Everything appears to be on target. The last Paycheck draw will be January 30th. ICS staff will have to work in all three states as the payouts will be parimutuel. All three states will be conducting television, radio and point-of-sale advertising.

Megabucks Plus: The business plan and logo were distributed and discussed.

MOTION

A motion was made by Commissioner McPherson to accept the proposed Megabucks Plus Business Plan. Motion was seconded and voted in the affirmative.

MOTION

A motion was made by Commissioner McPherson to accept the proposed Megabucks Plus logo and to include the logo in the Megabucks Plus Business Plan. Motion was seconded and voted in the affirmative.

DRAW COMMITTEE – Rick Wisler in Maura McCann's absence

Recently there was an issue with the Megabucks drawing machine in a pretest draw. Smartplay was contacted. They made an emergency trip to New Hampshire to solve the problem. A relay switch was replaced. The cost for the emergency call and service to repair the machine was \$1,925.

MOTION

A motion was made for payment of the \$1,925 emergency repair of the Megabucks drawing machine. Motion was seconded and voted in the affirmative.

OPERATIONS COMMITTEE – Rich Sperlazzi

Rich gave an update on the Megabucks Plus SRS. This should be done by the end of the month. We have improved the testing process and this will help in future testings.

The committee plans to meet once or twice a week between now and launch date to keep on top of any Weekly Grand issues.

Doug expressed his thanks to everyone involved for a great job on everyone's part involving this game change. It involved testing through the holidays and it was a concerted effort on everyone involved.

SCIENTIFIC GAMES – Moe Pepin

Doug Parker reported on Powerball sales in Florida and noted that the collaboration of all involved was wonderful; a great effort from everyone.

ACCEPTANCE OF COMMITTEE REPORTS

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

OTHER BUSINESS

Irene Nadeau, New Hampshire's new On Line Games Manager, was introduced. Welcome aboard Irene!

The next commission meeting is scheduled for Friday, February 6, 2009, at the New Hampshire Lottery Commission in Concord, NH.

A motion to adjourn was made at 11:20 a.m.

Thomas Scala, Chair