

TRI-STATE LOTTO COMMISSION
New Hampshire Lottery Commission
March 6, 2009, 10:30 a.m.

Present: **Vermont:** Tom Scala, Alan Yandow, Mary Cassani, Hadley Melendy and Carole Lacasse
Maine: Orland McPherson, Rich Sperlazzi and Lisa Rodrigue
New Hampshire: Richard Campbell, Rick Wisler, Maura McCann, Kassie Strong and Irene Nadeau
Scientific Games: Karl Fortman
Griffin, York & Krause: Rose Longo-White and Mel Woodbury
NL Partners: John Ripley, Jen Cartmell and Chris Nichols

The meeting was called to order at 10:41 a.m.

ACCEPTANCE OF FEBRUARY 6, 2009 MINUTES

A motion was made by Commissioner Scala to accept the February 6, 2009 minutes as distributed. Motion was seconded and voted in the affirmative.

FINANCE COMMITTEE – Mary Cassani

Gross revenues for Tri-State through January 2009 have decreased \$5,531,702, or 12.37% compared to last year. Of this decrease, Megabucks sales are down \$2,039,717, or 10.49%; Daily Numbers sales are up \$723,849, or 5.55%; Paycheck sales are down \$813,120, or 16.24%; the Fast Play games are down \$391,574, or 19.06%. Last year's total included \$2,711,140 in Raffle sales and this year no Raffle was offered.

Total expenses through January 2009 are down from last year \$3,749,663. This represents a decrease in cost of sales of \$3,857,190 and an increase in operating expenses of \$107,527.

Net Profit through January 2009 decreased from last year \$1,749,320, or 12.45%.

Compared to budget, sales are behind forecast a total of \$3,226,152. Due to decreased sales, cost of sales is also under budget by \$2,001,964. All three states have under spent their operating budgets a total of \$840,553, with \$600,642 under spent in advertising.

All contingency funds are in the positive at the end of January and expired, unclaimed prizes are over \$1.4 million.

The Finance Committee met on February 17 to review the proposals received for audit services. Each firm was evaluated according to five criteria:

submittal of required documents; capability and experience of employees earmarked for our engagement; staffing resources; scope of firms' audits; and pricing. Based on the scoring, the Finance Committee unanimously recommends the Commission contract Berry, Dunn, McNeil & Parker for auditing services.

MOTION

A motion was made by Commissioner Campbell to accept the recommendation of the Finance Committee to award the Audit Services contract to Berry, Dunn, McNeil & Parker. Motion was seconded and voted in the affirmative.

MARKETING COMMITTEE – Maura McCann

Nothing to report at this time under the Marketing report.

DEVELOPMENT COMMITTEE – Hadley Melendy

There was a review of Weekly Grand sales compared to Paycheck. Sales are doing very well at this time. MegabucksPlus: The SRS is in development at SG and the launch is scheduled for July 26, 2009.

Plans are to conduct an introductory player promotion. Maine will be awarding \$100 instant prizes to customers who buy a MegabucksPlus ticket; New Hampshire is awarding a free MegabucksPlus ticket to anyone who purchases any other online ticket and Vermont is undecided what they will do.

Around Labor Day, plans are to conduct a "clerk promotion". This will, hopefully, promote sales of MegabucksPlus by the clerks explaining the benefits of playing the game. The New Hampshire Lottery conducted a clerk promotion in January and they were extremely pleased with the number of entries submitted.

Vermont has sent out a general information sheet to their agents and subscribers about the upcoming changes to Megabucks.

A Pick 3/Pick 4 game change is scheduled for late Fall. The Business Plan was reviewed. Two changes are planned: Pick 3/Pick 4 will offer a single digit bet which allows a minimum 50 cent bet on one number and the other change is just for Pick 4 which allows a middle pair bet of 50 cents. No definite date has been selected for implementation.

There have been discussions on conducting another Pick 3/Pick 4 promotion. Plans are to run the same promotion as last year as it went very well and did increase future sales. Plans are to run the promotion in May from the 17th to 30th. The promotion would be a \$25 instant win randomly awarded.

Raffle-type promotions: Maine is allowed to conduct such promotions. New Hampshire and Vermont would like to run these promotions as well and are looking into being able to do so. Maine plans to run another raffle promotion later this summer utilizing the random number generator.

The committee requested commission action on the Pick 3/Pick 4 Business Plan.

MOTION

A motion was made by Commissioner McPherson to approve the proposed Pick 3/Pick 4 Business Plan to move forward with the enhancements. Motion was seconded and voted in the affirmative.

DRAW REPORT – Maura McCann

Maura further described the recent promotion conducted by the Maine State Lottery which utilized the random number generator.

OPERATIONS COMMITTEE – Rich Sperlazzi

The SRS for MegabucksPlus is done and is in software development.

The Daily Numbers SRS just arrived; it was due the 9th of March but it was received earlier. This has to be finalized by the end of March along with the play slips.

Everything is moving along good at this time.

SCIENTIFIC GAMES – Karl Fortman

Nothing further to add at this time.

ACCEPTANCE OF REPORTS

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

OTHER BUSINESS

Director Wisler suggested that Tri-State should issue their own RFP for Trademark Legal Services. In the past, Tri-State has piggybacked onto the New Hampshire Lottery's RFP. Director Wisler will prepare the necessary paperwork to issue the RFP.

The next commission meeting is scheduled for Friday, April 3, 2009, at 10:30 a.m. A motion to adjourn was made at 11:15 a.m.

Thomas Scala, Chair