

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

December 4, 2009

Present: Maine: Orland McPherson, Dan Gwadosky, Lisa Rodrigue, Michael Boardman
New Hampshire: Richard Campbell, Rick Wisler, Maura McCann, Georges Roy, Irene Nadeau
Vermont: Tom Scala, Alan Yandow, Hadley Melendy, Mary Cassani (via telephone), Carole Lacasse
NL Partners: Jen Cartmell, Alex Crosby, Russ Leonard, Chris Nichols
Scientific Games: Karl Fortman, Liz Dimmick, Doug Parker, Darrell Frecker
Intralot: George Fotopoulos, Kim Walker, Terry Patterson, Pete Fotopoulos

The meeting was called to order at 10:43 a.m.

ACCEPTANCE OF THE NOVEMBER 6, 2009 MINUTES

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

FINANCE COMMITTEE REPORT – Mary Cassani

Gross revenues for October, 2009 have increased \$5,477,947, or 26.11% compared to last year. Of this increase, Megabucks sales are up \$4,938,576, or 49.7%; Daily Numbers sales are down \$402,831, or 5.18%; Weekly Grand sales compared with Paycheck sales last year are up about \$1 million, or 45.61%; the Fast Play games are down \$118,000, or 12.35% decrease from last year. It was pointed out that there is an extra week in October so sales are up but not as good as they seem due to the extra week in FY10 compared to last year.

Total expenses are up over last year \$3.8 million. This represents an increase in cost of sales of \$3,223,187 and an increase in operating expenses of about \$600,000 which is primarily in advertising and the Battelle contract.

Net Profit through October 2009 increased from last year \$1.6 million, or 23.58%. This was partly due because of the extra week of sales this year compared to last year.

Compared to what is currently budgeted, our sales are ahead of forecast a total of \$3.7 million. This closely reflects what the actual increases are as the budget

actually includes that extra week. So far, the total operating budget has been under spent about \$127,000.

As anticipated, the Weekly Grand guaranteed jackpot contingency fund is in the negative at the end of October in the amount of \$39,000. The most recent winner in Maine was paid in November so the fund will be even worse in the negative before it gets better. All other contingency funds were in the positive at the end of October. Expired unclaimed prizes were just over \$1.3 million.

MARKETING COMMITTEE – Maura McCann

All three states shared their television and radio spots for the various games and the holiday promotion.

DEVELOPMENT COMMITTEE – Lisa Rodrigue

The committee met yesterday. Scientific Games and Intralot each gave presentations on replacements or enhancements to the Weekly Grand game. The survey was reviewed. SG had input on the survey and a few changes will be made. Intralot will submit their input in a few days. Plans are to finalize the survey and get it out on the web. There are a couple features we do want to keep and they are the \$2 price point and the \$5 instant win; these are unique to any other games we have. The input from the surveys and players will assist the committee in formalizing a game.

The next Fast Play game will be launched in February. A name for the game has yet to be decided upon. The Fast Play game, Red Hot Numbers, will not be launched until the conversion for New Hampshire and Vermont.

The committee did review the Fast Play library. With Vermont and New Hampshire going into conversion, a decision was made to only delete one game, Cash Cube. This game did not do well in all three states.

The Holiday promo, 12 Days of Winning, was reviewed. Each state decided upon the amount they would use from expired, unclaimed prizes. Maine will be using \$110,000; New Hampshire will be using \$100,000 and Vermont \$20,000. Maine and Vermont will also be using funds for Hot Lotto and Powerball to support this promotion.

The next promotions will be for Weekly Grand in March and Tri-State Megabucks Plus in May. There will not be a Pick 3/Pick 4 promo as New Hampshire and Vermont will be launching MegaMillions at that time. Maine has decided not to do it as they have less money than last year because they have spent a lot on Megabucks Plus. They will focus on Weekly Grand and Megabucks Plus. Maine has not finalized what promotions they will be doing but this should be done within the next few months.

DRAW COMMITTEE – Maura McCann

Last month the RFP for Auditing Services for the drawings was distributed. It is now ready and plans are to make the document available in January. Bids are to be opened in March and bring the information to the April Tri-State meeting with a date to be determined.

MOTION

A motion was made by Commissioner Campbell that an RFP for Auditing Services for the drawings was approved. Motion was seconded and voted in the affirmative.

OPERATIONS COMMITTEE – Hadley Melendy reporting for Sylvia Buzzell
The committee is meeting once a month. They are working on developing the specs for Red Hot Numbers which will be launched the end of June.

SCIENTIFIC GAMES – Doug Parker

SG has just recently launched Pick 3/Pick 4 changes in all three states. Included in that was the ability to offer subscriptions through the terminal in New Hampshire. Things are moving ahead on schedule regarding MegaMillions in both Vermont and New Hampshire.

Doug expressed his appreciation for the great working relationship with Intralot.

Kim Walker, with Intralot, was introduced.

ACCEPTANCE OF THE COMMITTEE REPORTS

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

OTHER BUSINESS

The next meeting is scheduled for January 8, 2010 at the New Hampshire Lottery Commission in Concord, NH.

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

Orland McPherson, Chair