

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

Friday, February 6, 2009

Present: **Vermont:** Tom Scala, Mary Cassani, Hadley Melendy and Carole Lacasse
Maine: Orland McPherson, Dan Gadowsky and Rich Sperlazzi
New Hampshire: Richard Campbell, Rick Wisler, Maura McCann, Kassie Strong and Irene Nadeau
Scientific Games: Moe Pepin, Doug Parker, Karl Fortman, Darrell Frecker and Liz Dimmick
Griffin, York & Krause: Rose Longo-White and Mel Woodbury
NL Partners: Chris Nichols, John Ripley and Jen Cartmell

The meeting was called to order at 10:35 a.m.

ACCEPTANCE OF JANUARY 9, 2009 MINUTES

A motion was made by Commissioner Campbell to accept the January 9, 2009 minutes as distributed. Motion was seconded and voted in the affirmative.

FINANCE COMMITTEE REPORT – Mary Cassani

Gross revenues for Tri-State through December 2008 have decreased \$5,641,666, or 15.25% compared to last year. Of this decrease, Megabucks sales are down \$2,216,728, or 13.05%; Daily Numbers sales are up \$339,994, or 3.00%; Paycheck sales are down \$884,024, or 20.27%; the Fast Play games are down \$410,108, or 22.44% from last year. Also, last year's total included \$2,470,800 in Raffle sales; no Raffle was offered this year.

Total expenses through December 2008 are down from last year \$4,207,798. This represents a decrease in cost of sales of \$4,209,170 and an increase in operating expenses of \$1,372.

Net Profit through December decreased from last year \$1,654,724, or 13.43%.

Compared to what we currently have budgeted, sales are behind forecast a total of \$2,419,757. Due to decreased sales, cost of sales is also under budget by \$1,506,969. All three states have so far under spent their operating budgets a total of \$793,783; \$797,665 was under spent in the advertising line item.

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

The Finance Committee had issued a request for pricing for auditing services on January 13. The deadline to submit bids was Monday, February 2. The Finance Committee received three bids for auditing services. The three firms were Berry, Dunn, McNeil and Parker of Manchester, NH; Berry, Talbot, Royer from Falmouth, ME, and Macdonald, Page from South Portland, ME. The Finance Committee will conference next week to evaluate the proposals and they expect to have a recommendation to the Commission at the next meeting. The Finance Committee will also begin having regular conference call meetings at least monthly to keep in touch and deal with any issues that may arise.

Revised Budget Review: New Hampshire and Maine lotteries have adjusted their sales figures.

MOTION

A motion was made by Commissioner McPherson to accept the revised budget. Motion was seconded and voted in the affirmative.

MARKETING COMMITTEE REPORT – Maura McCann

Sales comparisons for New Hampshire and Maine, before and after the recent promotion, were reviewed. It did indicate an increase in sales.

Television spots from Maine and Vermont were shared.

DEVELOPMENT COMMITTEE – Hadley Melendy

Our first Weekly Grand drawing was Tuesday, February 3. Everything seems to be going along fine. New Hampshire and Vermont are conducting a promo whereby with the purchase of a Megabucks or Powerball ticket, players have a chance to win a free Weekly Grand ticket. The SRS is complete for Megabucks Plus. SG will give us a launch date.

The Megabucks Plus rules were distributed and the changes were noted.

MOTION

A motion was made by Commissioner Campbell to accept the Megabucks Plus rules dated February 5, 2009. Motion was seconded and voted in the affirmative.

There will be a review of the Megabucks rules pertaining to pari-mutuel payouts.

The Fast Play game, Break the Bank, is scheduled to begin February 23rd. There are now four games in backup for Fast Play.

With the latest download, we now have palm cards available to be printed off the terminal for all on-line games.

DRAW REPORT – Maura McCann

The first Tri-State Weekly Grand drawing was Tuesday evening. Everything went smoothly.

There was an emergency expenditure recently for a camera at a cost of \$498. Maura explained the problem with the old camera. Director Wisler discussed the camera situation and the possible need to upgrade the current camera system in the future. Plans are to look into upgrading the cameras in the next fiscal year.

MOTION

A motion was made by Commissioner McPherson authorizing the emergency purchase of a new camera at a cost of \$498. Motion was seconded and voted in the affirmative.

OPERATIONS COMMITTEE – Rich Sperlazzi

The committee has met six times since the last commission meeting. These meetings mainly dealt with the launch of the Weekly Grand game. There were also a number of meetings dealing with the SRS for Megabucks Plus. We should hear from SG by the middle of the month regarding the start-up date; the middle of July has been the date discussed.

The committee is meeting regarding the SRS for Pick 3/Pick 4.

The countdown in Vermont for Megabucks is 40 draws and New Hampshire and Maine is 20 draws out.

Rich expressed his thanks to each of the states and SG for all their cooperation with these game changes.

Rich discussed Maine's promo utilizing Tri-State's Random Number Generator (RNG). Maura and the New Hampshire staff will conduct this drawing for the Maine State Lottery.

Director Wisler suggested that perhaps something should be written up regarding the proposed game change to Megabucks in light of the early countdown due to Vermont's 40 draws out.

SCIENTIFIC GAMES – Doug Parker

Doug also pointed out the team work between the three states and SG with the Weekly Grand game as well as the various other game enhancements.

ACCEPTANCE OF THE COMMITTEE REPORTS

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

OTHER BUSINESS

Megabucks – Rule 25 regarding Subscriptions

MOTION

A motion was made by Commissioner Campbell to accept the proposed rule change to the Megabucks rules in the Subscriptions section. Motion was seconded and voted in the affirmative.

The March meeting will be held on the 6th at 10:30 a.m. at the New Hampshire Lottery Commission.

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

Thomas Scala, Chair