

TRI-STATE LOTTO COMMISSION  
New Hampshire Lottery Commission  
May 1, 2009, 10:30 a.m.

Present: **Vermont:** Tom Scala, Mary Cassani, Hadley Melendy, Carole Lacasse  
**Maine:** Orland McPherson, Dan Gadowsky, Rich Sperlazzi, Lisa Rodrigue and Denise Garland  
**New Hampshire:** Richard Campbell, Rick Wisler, Maura McCann, Cassie Strong  
**Scientific Games:** Darrell Frecker, Karl Fortman, Liz Dimmick, and Doug Parker  
**NL Partners:** Chris Nichols and Russ Leonard  
**Griffin York & Krause:** Rose Longo-White

The meeting was called to order at 11:20 a.m.

**ACCEPTANCE OF THE MARCH 6, 2009 MINUTES**

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

**FINANCE REPORT** – Mary Cassani

Gross revenues for Tri-State through March 2009 have decreased \$7,079,215, or 12.89%, compared to last year. Of this decrease, Megabucks sales are down \$4,111,498, or 15.72%; Daily Numbers sales are up \$271,522, or 1.60%; Weekly Grand combined with Paycheck sales are up from Paycheck sales last year \$132,492, or 2.08%; the Fast Play games are down \$660,591, or 23.66%. Last year's total included \$2,711,140 in Raffle sales, no Raffle was offered this year.

Total Expenses through March 2009 are down from last year \$4,661,634. This represents a decrease in cost of sales of \$4,960,675 and an increase in operating expenses of \$299,041 primarily in advertising and the Battelle contract.

Net Profit decreased from last year \$2,753,816, or 14.97%.

Compared to budget, sales are behind forecast a total of \$1,337,966. Due to decreased sales, cost of sales are under budget by \$876,178. So far all three states have under spent their operating budgets a total of \$812,375; \$588,606 was under spent in the line item advertising.

Most Contingency Funds were in the positive except for the Megabucks Low Tier Contingency Fund which had a negative balance of \$919. This was due

to the Wednesday draws on March 11 and 18 which were considerably hard hit for low-tier prizes. Expired unclaimed prizes are \$1.35 million.

The Finance Committee did not meet in April; however, plans are to conference next week to put together a budget for FY10. Berry, Dunn, McNeil and Parker will be doing site testing in all three states the week of May 11.

**MARKETING COMMITTEE** – Maura McCann

Cash Cube, a Fast Play game, will begin Monday, May 18. Various advertising for the game by the states was explained.

Megabucks Plus advertising updates were explained by each state. Plans are to share the various television and radio spots at the June or July meeting.

The states have shared their subscription letters with each other as well as subscription application forms for Megabucks Plus.

The New Hampshire Lottery shared some of their new television and radio spots.

**DEVELOPMENT COMMITTEE** – Hadley Melendy

The committee has met twice since the last commission meeting.

The SRS for Pick 3 and Pick 4 has been completed and SG is now sizing it. SG will get back to the committee next week with a confirmation that there will be a November launch.

Maine and Vermont have just completed an April Power Play promotion and plan to report on the results at next month's meeting.

Cash Cube is scheduled to begin May 18. A Tri-State promotion for Pick 3 and Pick 4 is scheduled to begin May 17.

Everything is going along fine for Megabucks Plus.

The Maine Lottery explained the various promotions they have coming up.

**DRAW COMMITTEE** – Maura McCann

Maura secured two bids for drawing balls for the Megabucks Plus game. We are seeking six sets of drawing balls; three of the sets will be white table tennis balls numbered 1 to 41 and three other sets will be green table tennis balls numbered 1 to 6. Bids received: Garron Lottery Products: \$2,009 and Smartplay International: \$2,248.95. A recommendation was made to go with Garron Lottery Products.

## MOTION

A motion was made by Commissioner Campbell to purchase the required drawing balls from Garron Lottery Products at a price of \$2,009. Motion was seconded and voted in the affirmative.

## **OPERATIONS COMMITTEE** – Rich Sperlazzi

The states have been working on their own individual projects. Everything appears to be on schedule for the various game projects.

## **SCIENTIFIC GAMES** – Doug Parker

SG has been extremely busy working on a lot of products and moving forward. They are working on some individual state projects as well. The Megabucks release is going along very well with everything on schedule. Regarding Pick 3 and Pick 4, SG is in the midst of sizing. It's a very busy time for SG.

## **ACCEPTANCE OF 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**

Director Wisler explained a proposed request to increase the Tri-State Trademark Attorney cost limit. Since November, the amount of services performed by our trademark attorney and related billings have exceeded expectations. Through February 2009, payments to the McLane Law Firm are \$4,796.34, leaving a balance of approximately \$200. A March 19 invoice was recently received for \$857.70. The \$5,000 limit will not allow payment of this and any future invoices through the end of FY09. Director Wisler requested an increase to the current maximum cap by \$3,000, resulting in a new cap of \$8,000. The current agreement expires June 30, 2009.

## MOTION

A motion was made by Commissioner Campbell to raise the annual limit for legal trademark services to a new cap of \$8,000. Motion was seconded and voted in the affirmative.

The Delaware Lottery has requested to use the trademark Fast Play. Director Wisler indicated that we had never trademarked the name Fast Play for Tri-State. We do show history for using the game. He suggested we move ahead and develop an agreement between the Tri-State Lotto Commission and the Delaware Lottery that would authorize them to use the name with the understanding that the Tri-State Lotto Commission would move forward in the trademark of Fast Play. The final draft of the agreement would be based upon

an agreement that is signed between the Texas Lottery and the Tri-State Lotto Commission to use the name Weekly Grand.

MOTION

A motion was made to move ahead with the trademark name Fast Play and permit the Delaware Lottery to use the name. Motion was seconded and voted in the affirmative.

Last November, the commission authorized a compensation increase for Tri-State employees and also to hire someone to review the compensation plan in the spring of 2009. Director Wisler would like to request that the commission delay the compensation review until at least October of 2009 and look at the economic situation at that time.

There was a discussion on the proposed June meeting of the Tri-State Lotto Commission at Lake Morey. A decision was made to look at the proposed agenda and decide if a meeting of the various committees would be better held in September.

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

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Thomas Scala, Chair