

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

July 10, 2009

Present: **Vermont:** Tom Scala, Alan Yandow, Mary Cassani, Hadley Melendy, Carole Lacasse  
**New Hampshire:** Richard Campbell, Rick Wisler, Maura McCann, Kassie Strong  
**Maine:** Orland McPherson, Dan Gwadosky (via teleconference), Richard Sperlazzi, Lisa Rodrigue, Michael Boardman  
**NL Partners:** Russ Leonard, Chris Nichols, Jennifer Cartmell  
**Scientific Games:** Doug Parker, Karl Fortman

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

**ACCEPTANCE OF THE JUNE 5, 2009 MINUTES**

A motion was made by Commissioner Campbell to accept the June 5, 2009 minutes as distributed. Motion was seconded and voted in the affirmative.

**FINANCE COMMITTEE REPORT** – Mary Cassani

Gross revenues for Tri-State through May 2009 have decreased \$8,540,672, or 12.54%. Of this decrease, Megabucks sales are down \$6,409,570, or 19.15%; Daily Numbers sales are up \$282,803, or 1.35%; Weekly Grand combined with Paycheck sales are up from Paycheck sales last year \$1,054,104, or 13.78%; the Fast Play games are down \$756,869, or 22.24%. Last year's total included \$2,711,140 in Raffle sales; no Raffle was offered this year.

Total sales through May 2009 are down from last year \$5,097,748. This represents a decrease in cost of sales of \$5,838,172 and an increase in operating expenses of \$740,424, primarily in advertising and the Battelle contract.

Net Profit through May 2009 decreased from last year \$3,837,985, or 16.77%.

Compared to what we currently have budgeted, our sales are ahead of forecast a total of \$33,298. Due to a slight increase in sales, cost of sales are

also over budget by \$108,738. All three states have under spent their operating budgets this year by a total of \$468,550; \$234,668 was under spent in the advertising line item and \$156,893 was under spent in the Battelle line item.

All contingency funds are in the positive at the end of May. Expired, unclaimed prizes are \$1.3 million.

Staff is working on closing the books for FY09 and the auditors will be back in the Vermont office the week of July 27<sup>th</sup>.

### **MARKETING COMMITTEE** – Maura McCann

The New Hampshire Lottery Commission shared their television, website and radio spots. Vermont and Maine are currently finishing up their spots and will share them next month.

Vermont Hot Lotto sales started Sunday, July 5<sup>th</sup>. Vermont's Hot Lotto television spot was shown to the commission.

### **DEVELOPMENT COMMITTEE** – Hadley Melendy

All three states are currently testing Megabucks Plus software.

The committee confirmed that the current Megabucks jackpot would roll over to the Megabucks Plus game.

Subscription sales to date for Megabucks Plus: New Hampshire has \$270,000, Maine with \$157,000 and Vermont with \$60,000.

Maine had a top prize winner in Weekly Grand June 26. There have now been two prize winners, one in Maine and one in Vermont.

Lisa has revised the Pick 3/Pick 4 rules and they have been sent out to staff to review. Once this is completed, they will be brought before the commission for adoption.

There is a new Fast Play game entitled Jumbo Bucks scheduled to begin August 17<sup>th</sup>. For 2010, the committee has come up with Red Hot Bucks and Pocket Change.

Promotions will be developed for FY10 and the committee will begin looking at a replacement game for Weekly Grand.

The holiday promotion is being developed and plans are to run the promo from December 14 – 25, 2009.

Director Yandow expressed his thanks to Hadley for all her work overseeing the Development Committee this year.

**DRAW COMMITTEE** – Maura McCann

Maura showed the commission the new balls for the Megabucks Plus game. Three sets of balls were ordered and maintenance has been done on all the equipment and everything is ready to go.

There was a technical problem recently with the camera regarding uploading draws. This has been resolved.

Commissioner Campbell asked if we knew how many hits there have been to the drawings. Maura will check into this.

**OPERATIONS COMMITTEE** – Rich Sperlazzi

Mickey Boardman, who is the Maine State Lottery's Marketing Managing Director, was introduced to the commission. Mickey has been with the Maine State Lottery for quite some time.

Things have slowed down for the Operations Committee. Testing is currently going on and everything seems to be going along fine. A job well done by all involved.

**SCIENTIFIC GAMES** – Doug Parker

SG has had a lot going on. Megabucks Plus is ready to go out in all three states. They've also been busy with individual state games and issues, i.e. 10% tax on winnings in New Hampshire, as well as the TS games.

**ACCEPTANCE OF COMMITTEE REPORTS**

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

## **OTHER BUSINESS**

### **Committee Appointments for FY10:**

**Marketing Committee**: Mickey Boardman, Maine State Lottery; Maura McCann, New Hampshire Lottery Commission, and Hadley Melendy, Vermont Lottery Commission.

**Operations Committee**: Lisa Rodrigue, Maine State Lottery, Irene Nadeau, New Hampshire Lottery Commission, and Sylvia Buzzell, Vermont Lottery Commission.

**Finance Committee**: Denise Garland, Maine State Lottery, Kassie Strong, New Hampshire Lottery Commission, and Mary Cassani, Vermont Lottery.

**Development Committee**: Lisa Rodrigue, Maine State Lottery, Maura McCann, New Hampshire Lottery Commission, and Hadley Melendy, Vermont Lottery Commission.

**Draw Committee**: Maura McCann, New Hampshire Lottery Commission.

## MOTION

A motion was made to accept the Directors appointments to the various committees. Motion was seconded and voted in the affirmative.

Director Wisler explained a lock down situation occurring this past month involving Tri-State Megabucks. This was due to an ICS software problem in New Hampshire. Corrective steps have been taken.

Next month, plans are to recommend a subcommittee under the Operations Committee that will override the ICS representatives from each state to collectively gather information and share information amongst themselves. This will be done in a more formalized manner than it's done now.

McLane services contract: The commission signed a contract last month with a provision that a waiver letter, requested by McLane will be signed by all three Assistant Attorney Generals. After further discussions, a decision was made that this letter should be signed by the Chair of the Tri-State Lotto Commission rather than the attorneys. Two original copies will be signed: one to be retained by Tri-State and the other will be forwarded to McLane.

The next meeting is scheduled for **Thursday**, August 6, 2009 at the New Hampshire Lottery Commission in Concord, NH.

The September meeting is scheduled to be held in Vermont but a date will have to be worked out. Director Wisler noted there is cause for the various committees to meet to discuss a replacement game for Weekly Grand. There

are issues coming up that we could cooperatively work on for conversion to the new system as well as other games we should be looking at in the future.

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

---

Orland McPherson, Chair