

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

January 8, 2010

Present: Maine: Lisa Rodrigue, Michael Boardman
New Hampshire: Rick Wisler, Maura McCann
Vermont: Alan Yandow (via telephone), Hadley Melendy, Carole Lacasse
Intralot: John A. Papile
Scientific Games: Moe Pepin, Liz Dimmick, Darrell Frecker
Griffin York & Krause: Rose Longo White, Mel Woodbury
NL Partners: Russ Leonard, Alex Crosby, Jennifer Cartmell, Chris Nichols

The meeting was called to order at 10:50 a.m. As there are no commissioners present no action can be taken at today's meeting.

ACCEPTANCE OF DECEMBER 4, 2009 MINUTES

Action will be taken at next month's meeting.

FINANCE COMMITTEE REPORT: Maura McCann read the Finance minutes in Mary's absence.

Gross revenues for Tri-State through November 2009 have increased \$5,419,344, or 20.34% compared to last year. Of this increase, Megabucks sales are up \$5,391,266, or 43.01%; Daily Numbers sales are down \$948,505, or 9.55%; Weekly Grand sales compared with Paycheck sales last year are up \$1,108,584, or 37.38%; the Fast Play games are down \$132,001, or 10.89% from last year.

Total expenses through November 2009 are up over last year \$3,426,183. This represents an increase in cost of sales of \$3,171,578 and an increase in operating expenses of \$254,605 primarily in advertising and the Battelle contract.

Net Profit through November 2009 increased from last year \$1,867,207, or 10.54%.

Compared to what we currently have budgeted, our sales are ahead of forecast a total of \$4,309,978. Due to the increase in sales, cost of sales are also over budget by \$2,491,987. So far the total operating budgets have been under spent this year a total of \$362,330.

As anticipated, the Weekly Grand guaranteed jackpot contingency fund was in the negative at the end of November in the amount of \$677,000. All other contingency funds were in the positive the end of November. Expired unclaimed prizes were just over \$1.3 million.

The Finance Committee had a conference call on December 29th concerning jackpot claiming procedures. New Hampshire had a concern about the waiting periods for winners to change their claim and cash/annuity choice. The committee members discussed the procedures used in each state and discussed how the rules are interpreted and applied.

MARKETING COMMITTEE: Maura McCann

New Hampshire and Vermont are ready to begin Mega Million sales January 31st. New Hampshire is going into production next week on support for Mega Millions. Plans are to share their television and radio spots next month.

Director Wisler mentioned that there is concern among some of the Powerball states that the launch of Mega Millions will hurt some of their local games. Is there any discussion on promoting Megabucks; not in February but shortly after. This will be discussed under the Development Committee.

New Hampshire Lottery subscription sales via retailers through the on-line terminal: It was noted that 2,230 subscriptions were sold prior to the Christmas holiday. Comparison subscription sales will be reviewed for last year compared to this year.

DEVELOPMENT COMMITTEE – Lisa Rodrigue

Everything went fine in the Holiday Promotion. We did see a bump in sales. Maine's sales were up about 15% in sales.

It now looks like Maine will be able to launch Mega Millions April 4, 2010. New Hampshire and Vermont are testing now.

Weekly Grand Survey update: New Hampshire is going to be using their Replay site, Vermont plans to use Survey Monkey and Maine will use the Scientific Games survey web site. Maine is looking to give away some cash prizes as an incentive to fill out the survey.

The next Fast Play game, Roll the Dice, is scheduled to go out February 15. Maine will run Red Hot Numbers after Roll the Dice. Vermont and New Hampshire will not run Red Hot Numbers due to the conversion; however, they may run it after the conversion takes place.

The next promotion will be for Weekly Grand in March in Maine and New Hampshire. Vermont is short on funds and will not participate.

Plans are to conduct a Megabucks Plus promotion in April. Maine is getting a lot of positive feedback on this game change.

A slight increase has been seen in the Pick 3 Pick 4 games.

DRAW COMMITTEE REPORT: Maura McCann

The Draw Audit RFP went out January 4, 2010. Bids are due March 5 and will be opened March 10.

Maura will bring before next month's meeting a cost to replace the current production process for the drawings.

OPERATIONS COMMITTEE: Lisa Rodrigue

The committee is meeting the first Wednesday of each month. New Hampshire and Vermont have been conducting Mega Millions testing and all seems to be going fine. They are working on the specs for the Fast Play game as well.

Director Wisler mentioned a lockdown situation in New Hampshire over the holiday and just recently received the incident report. It is being reviewed and upon completion of reviewing the report it will be shared with Maine and Vermont. NH is also exploring a possible change that may be needed to the Tri-State Lockdown Policy for extended lockdowns. Maine has some issues as well regarding an extended lockdown.

SCIENTIFIC GAMES – Darrell Frecker

SG is working on Mega Millions and moving forward with Maine in moving up the launch date.

They will produce a Daily Numbers analysis report for all three states.

Darrell requested that SG also receive a copy of the lockdown incident report when it is available.

SG did get the link for the Weekly Grand survey last night. Plans are to review it after today's meeting and forward it to the commission.

OTHER BUSINESS

John Papile with Intralott was introduced to the commission.

The next meeting is scheduled for Friday, February 5, 2010, at the New Hampshire Lottery Commission.

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

Rick Wisler, Executive Director
New Hampshire Lottery Commission